

## FAQ's From CCEC Information Session November 4, 2021

1. How many Board members does CSCU have?
  - a. CSCU currently has 11 Board members. If the Asset Transfer Agreement is approved, the addition of two members nominated from the current CCEC Board will extend the number of Board members at the combined entity to 13.
2. One of the constituencies that CCEC services is co-ops. How will that mesh with Community Savings Credit Union's focus on unions and the working community?
  - a. CSCU is very interested in continuing the work that CCEC has led on and plans to be the leading financial cooperative servicing BC's co-op sector.
3. Do CSCU members need to vote on whether to merge/acquire CCEC?
  - a. No, a CSCU member vote is not required. However, members are being actively engaged to discuss the merits of the proposed merger. Section 16(4) of the *Credit Union Incorporation Act* requires the members of the transferring credit union (CCEC) to approve the Asset Transfer Agreement by special resolution requiring a majority of 2/3 of the votes cast.
4. What happens to CCEC's Credit Committee?
  - a. The Credit Committee will cease as all credit decisions are made by expert lending staff at CSCU. Lending policy is set by the leadership under the mandate of the Board. There will be a strong focus on continuing the tradition of inclusivity and access to banking championed by CCEC.
5. Will current members of CCEC be eligible to vote at "new" CSCU annual meeting immediately after the ATAr?
  - a. If the proposed ATA passes, CCEC members will automatically become members of CSCU and will have full and equal voting rights at all subsequent meetings.
6. Would CCEC staff remain in the same union as it is now? Does the union support the ATA?
  - a. CSCU and CCEC respect the fact that staff are members of the "union". Currently CCEC and CSCU employees are members of two different unions, but once the collective agreement comes up for CCEC employees, they will transition over to CSCU's union agreement. CSCU are committed to remaining the largest unionized credit union in BC. The plan going forward will ultimately be decided by union members.
7. Is there a written set of commitments and shared interests that will be shared with the members?
  - a. Before CCEC members are asked to vote on this merger, the benefits and risks will be presented to the members including the plans and shared interests that are important.
8. I'm curious about the process for appointing the two directors to CSCU. Would CCEC members elect them before the merger?
  - a. As set out in the proposed Asset Transfer Agreement, the CCEC Board will nominate two members who will be appointed as CSCU Directors post-ATA.

9. I have a concern that with the merger, whether the same care and concern there is often at CCEC for small theatre groups, as well for artists will be treated fairly, with an understanding that an organization or person may not be big business in or big business and can be handled not in a heavy-handed commercial bank manner?
  - a. CSCU remembers what being a credit union is all about and provides services inclusively to all their members. We are excited about continuing the great service that such members have experienced with CCEC.
10. What is the timeline for the merger?
  - a. We are targeting the first half of 2022 to complete the ATA – this will give staff and members certainty over their future and allow us to begin the great work we plan together.
11. If the membership votes no to the merger, what happens?
  - a. In the event of a 'no' vote, both credit unions will continue as independent organizations. The strong reasons driving CCEC to seek this merger will remain and we believe that CSCU is the ideal partner with aligned values to continue the work that we have started.
12. What happens if CCEC is mentioned in a living will and/or other documents?
  - a. All such issues will legally and automatically transfer to CSCU post-ATA.
13. Given that we will be making up about a quarter of their total membership, is there any chance of getting more representation on the board?
  - a. The proposed Board allocation is based on a combination of relative membership and asset size and is considered fair and equitable. CCEC members will have the ability to run for the c Board of CSCU post-ATA.
14. What kind of services banking and lending will be available to co-ops, non-traditional businesses, individuals, start-ups, etc.?
  - a. CSCU will continue to support all CCEC membership and hopes to expand the services available to them.
15. What is happening with CCEC's Credit Committee? Is that going to be an option that CSCU continue to carry on?
  - a. The Credit Committee will cease as all credit decisions are made by expert lending staff in CSCU. Lending policy is set by the leadership under the mandate of the Board. There will be a strong focus on continuing the tradition of inclusivity and access to banking championed by CCEC.
16. What of CCEC Credit Union would remain post-merger? How or can we maintain any independence?
  - a. CCEC Credit Union as a legal entity will be dissolved with the ATA. However, CCEC's legacy including its branch, members and employees will continue as part of the merged credit union. the merged entity will continue the work CCEC does to support the underbanked – We believe we can do more and secure the future of our work through this proposed merger.

17. Will the credit union be pressured to merge again after this ATA?
  - a. CSCU is only in discussions with CCEC at this time. Any future mergers would be subject to the same rigor when it came to 'cultural alignment'.
  
18. What will happen to account numbers?
  - a. We don't have that answer at this time until we speak to the IT developer. We will aim to make the ATA process as simple as we can for all members.
  
19. Will it be the same? What are the changes if there is going to be any?
  - a. Some expected benefits for CCEC members, as part of the merged entity, include access to a larger branch network across the Lower Mainland and Island as well as expanded services that are not currently offered by CCEC. The benefits and risks including the plans and shared interests that are important will be made available to members when fully developed.
  
20. Will the CCEC name carry forward?
  - a. The branch will be called the CCEC branch of CSCU as we seek to preserve the legacy of what CCEC members have built over the last four decades. However, the name "CCEC Credit Union" will cease to exist once the ATA is finalized.
  
21. Will we have a chance to meet CSCU's Board?
  - a. Yes, CSCU Board members will be represented at upcoming information sessions. Check back to confirm the dates of the next information sessions.
  
22. Question about mortgages and investments – what happens to them after the ATA?
  - a. All investments and loans will be transferred and vested with CSCU. Members will not be required to do anything to 'move' their products or accounts. Once investments and loans come to maturity, a CSCU representative will follow up to discuss next steps.
  
23. The Board needs to be frank about the loans for small organizations - how much of that is possible? Are we going to be any better? Is that kind of lending going to be possible or that kind of lending is outlawed?
  - a. There is a strong focus on ensuring that we continue to support our members who represent smaller organisations – this has been an area that CCEC has led on and we are excited to continue this tradition.