

FAQ's From CCEC Information Session February 3, 2022

1. How will the board members from CCEC be chosen-appointed or elected by the membership?
 - a. Directors that are interested would put their names forward. The Board of the Combined Credit Union will select the directors from the pool of candidates based on the skills needed for the Board after the CCEC member vote.

2. What are the plans for the CCEC Development Society post-transaction?
 - a. The Combined Credit Union wants to have conversations with the Society to see how we can work together going forward. There are no anticipated changes to the support staff of the Society. The CCEC Development Society is not a very active organization, but is about to have its AGM and may amend some of the rules and have discussions about how to proceed with a relationship with the Combined Credit Union.

3. What legal weight does a Memorandum of Understanding (MOU) hold in relation to the acquisition by asset transfer, and for how long?
 - a. The MOU covers the process that leads up to the application. It does not have the legal weight to override the member vote. There are several components of the acquisition by asset transfer application one of which is the Asset Transfer Agreement which does have legal weight and would be signed after the CCEC member vote. Stabilization Central has supported CCEC and CSCU with resources to facilitate the acquisition by asset transfer.

4. Can the CCEC Board please confirm that CCEC is engaging in this process and negotiation with the support of our own legal counsel?
 - a. Yes, CCEC has legal counsel available to us. Stabilization Central has secured independent legal counsel that is well-versed in these kinds of transactions and has been supporting both CCEC and CSCU in drafting the appropriate agreements.

5. How many members does CSCU have?
 - a. CSCU has approximately 13,500 members while CCEC has approximately 2,000 members.

6. If CSCU admires the track record of CCEC, and the Credit Committee is in part responsible for that, why not take on having the Credit Committee in the merged Credit Union. Why NOT have that Credit Committee?
 - a. The Combined Credit Union can achieve the same aim in a different way. The intent is to reach the people we should and provide fair accessible financial services. The investment and lending policy is set by the leadership under the Board's mandate. This translates to ensuring staff are well equipped to make decisions in a timely manner. The Combined Credit Union wants to continue to serve the underserved. If someone was in a non-traditional position, it is an expectation from management that the Combined Credit Union's branch staff would be empowered to bring it up and take those requests. CSCU gave \$2,500 interest

- free loans within 24 hours to help several CSCU members who lost their jobs as a result of the pandemic.
7. What is the CSCU Board Chair's perspective on the Credit Committee and ensuring that the type of lending CCEC does is reflected at CSCU?
 - a. CSCU has an Investment and Lending Committee of the Board. It is the Board's responsibility to make sure the values we hold near and dear are reflected in the kinds of lending that we do. This holds true to the basic tenants and democratic traditions of co-ops and credit unions. The Combined Credit Union's Investment and Lending Committee will have a mandate to ensure that the unique, values-based lending to members continues. The two CCEC Board appointees will be eligible to serve the Investment and Lending Committee.
 8. CCEC is currently only open 4 days a week, will that change?
 - a. CSCU has had conversations with CCEC about branch opening hours. There is an opportunity where the Combined Credit Union is looking at increasing the operating hours at the Commercial Drive Branch.
 9. What about micro loans? A friend of mine once needed a bicycle to get around and CCEC lent the money to buy a bicycle.
 - a. Small loans are something that the Combined Credit Union wants to continue with. CCEC leads the way in anti-payday lending and CSCU supports this. Small loans are not great for making money, but they're great for people who really need them. That's something the Combined Credit Union wants to take and pursue. There is a payday lending location across from CCEC branch, one objective we have is to offer small loans so that they don't have to choose the payday lending across the street.
 10. What will happen with the lending we do for co-ops and non-profits?
 - a. The Combined Credit Union sees that as a real opportunity. Some co-ops that came to CCEC originally and outgrew the credit union and went to Vancity, the Combined Credit Union see it as a great opportunity to win some of those members back. If some need larger loans, we can provide those. We want to be leading credit union in co-op sector and non-profit sector. We're going to compete on what we're good at and support those groups.
 - b. My dad almost lost his house when no other institution would give him a mortgage. CCEC did without question, narrowly saving his home ownership. He will soon have it paid-off. When such decisions come before the CSCU professional team, if members or prospective members are turned down in moments of need, what recourse will be available to ensure that staff decisions continue the CCEC tradition that saved my dad's financial life? Or will people suffer while we wait to take the issue to the next AGM?
The Combined Credit Union will prioritize close connection with its members and the

communities it serves. When you walk into a branch of the Combined Credit Union, the staff will make the effort to get to know the members and have a close connection with the members. Longevity of membership will continue to be important and contribute to the lending decisions being made at the Combined Credit Union. The Combined Credit Union will endeavour to take extra care of members that deal with financial difficulties after they have been given a loan. There will be no loss of jobs as part of the acquisition by asset transfer meaning you'll see familiar faces at the Commercial Drive branch of the Combined Credit Union.

- 11.** There is a membership fee when we join CCEC of \$50, is there a membership fee for CSCU? If we are interested in shutting down payday lenders, we need to keep the fees low.
 - a. The fee is for your membership shares, you get to keep the money. You are a member owner like the rest of the members, one member one vote. The Combined Credit Union's entrance fee will be \$5 which creates accessibility to all current and prospective members and important for us to be there for those members.

- 12.** If CSCU's membership shares are \$5 and CCEC's are \$50, what happens to the remaining \$45 of the CCEC member shares?
 - a. CCEC members can request redemption of some of their equity as long as they maintain the \$5 requirement. The extra \$45 shares are not automatically redeemed.

- 13.** CCEC has a diverse membership serving several people with different languages, what facilities does CSCU have with different infrastructure? Do you meet with those people?
 - a. Yes, CSCU recognizes that we live in an international city. CSCU currently has staff that speak Mandarin, Farsi, French, Punjabi, Hindi, Fijian, Udo, Lao, Thai, Spanish, Arabic and Cantonese all of which would continue as part of the Combined Credit Union. The Combined Credit Union is currently looking at technology to make sure its ATMs are accessible in different languages as well.