

Proposed Merger Between V.P. Credit Union and G&F Financial Group

Member FAQ

New FAQ added September 22, 2021

Background

1. *Why a merger?*

The merger of our credit unions will enable us to strengthen our combined resources creating opportunities to provide increased product offerings and specialized expertise to our members, as well as an engaging and exciting place for our employees to work and grow their careers. Combining resources will allow us to also make a greater impact in our local communities.

Credit union mergers in BC started to trend in the late 1960s. In 1967, BC was home to 328 credit unions and by 1975, that number was reduced to 178 credit unions. By 2006, 51 credit unions remained. There's no sign of slowing down — increased pressure to meet consumer expectations and more digital competitors arriving in the market every year are causing credit unions to reevaluate and reinvent themselves. In many cases, and as it is with V.P. Credit Union and G&F, a merger may be the most viable option to ensure that a credit union can continue to serve their members for generations to come.

2. *Why were members not made aware of a merger/not consulted before it was announced?*

On an annual basis, all members have an opportunity to run for and elect the Board of Directors. Members entrust the Board to direct the credit union, and together with management, the Board works in the best interests of the credit union, its members, employees and the community. It was determined by Board and Management that a merger was in the best interests of the credit union as a whole. Once a Memorandum of Understanding was signed by both Credit Union Boards, the announcement was made to employees and members. We welcome any and all questions and comments.

3. *When will the merger take place?*

There are many steps along the way to a successful merger including due diligence, regulatory consent and a positive membership vote. We hope to merge in early 2022.

4. *When will voting take place and who can vote?*

Once we have regulatory consent, we expect voting to take place in fall 2021. To be eligible to vote, members must:

- Be 19 years of age or older
- Be in good standing; meaning the member:

- Has purchased, paid in full, and hold at least \$10 in Class 'A' Equity Shares; and
- Is not more than 90 days delinquent in the payment of any financial obligation to the credit union

5. *What will be the name of the merged credit union?*

The Board and Management of both credit unions recognize the heritage and value in both credit union names. The legal name of the combined credit union will be Gulf and Fraser Fishermen's Credit Union. We will continue to use the operating trade name of G&F Financial Group. The transition to the G&F brand will occur at a pace that allows for a level of comfort among employees and members.

6. *I heard this isn't a merger, it's more a takeover. What is the difference?*

The Board and Management at V.P. Credit Union initiated a search for a merger partner and determined G&F to be the best partner to serve members, employees and our communities into the future. This partnership is a merger of two credit unions. The merger is to be structured as an asset transfer under Section 16 of the Credit Union Incorporation Act (BC), whereby G&F will acquire all the assets and assume all the liabilities of V.P. Credit Union. As part of the credit union democratic process, members vote on important topics, such as a merger. We are inviting members to have their say and vote on the proposed merger.

7. *If the merger goes through and I become a G&F member effective January 2022, will I be considered a member for the G&F AGM that will be held in 2022 for the 2021 year?*

Once the merger goes through, all V.P. Credit Union members will become members of G&F. All members are encouraged and welcome to attend the G&F AGM in 2022 and beyond.

8. *I heard that the intention is to change VPCU to VP Financial, at least for a few years. Is this true?*

On the effective date of the Asset Transfer Agreement, V.P. Credit Union will be dissolved. In order for us to keep an association with Vancouver Police (V.P.), we will operate as V.P. Financial. This would be a trade name of Gulf and Fraser Fishermen's Credit Union, the legal name of the merged organization.

We will continue to use the name, V.P. Financial through the transition period following the merger, until we bring the merged credit union brands together under one name. While we do not know an exact duration for that period, we anticipate it will be for several months to a year before the brand is complete.

Branches, Products and Services

9. How will this impact my branch and my banking?

Members should notice little change at the time of the initial merger to their branch and how they bank. Service will be the same across our increased network of locations. Our credit unions are committed to maintaining the level of personal service in our merged credit union that exists today.

10. What will happen to the Victoria Drive building?

There are no immediate plans for the Victoria Drive Branch. G&F Financial Group does have a branch very close by and has been considering a relocation. There may be an opportunity to look at an ideal location to better service members in this area.

11. How soon after the merger will I be able to use a G&F branch?

We anticipate that members will be able to use a G&F branch for select transactions shortly after the effective date of the merger. More details regarding the type of transactions and dates will be shared closer to the effective date.

12. Will there be a change to my account/products?

Members of the merged credit union will keep their current products, accounts and other financial services. A merger presents an excellent opportunity to review the different accounts offered by each credit union and determine best options. Over time, we will evaluate our products and services to ensure they meet the needs of members.

13. What will happen to the closed bond membership at VPCU if we merge?

If the merger is successful, the credit union will assume the open bond that is in place at G&F. This will make becoming a member of the credit union more accessible to members and their families, supporting the growth and viability of the credit union. Members of the law enforcement community and their families will continue to be served by the credit union.

14. Will I still be able to talk to a real person when I need help/call in?

Like V.P. Credit Union, G&F takes pride in providing personalized service. Members will be greeted with a smile and receive friendly service when they come into any one of our combined 26 branch locations. Members will experience the same friendly service when they call into the call centre, 7am – 7pm Monday through Friday, and 8am – 4pm on Saturdays.

15. What happens to my V.P. Credit Union Visa card?

After the successful merger, members can continue to use their V.P. Credit Union Visa card. Over time, G&F will evaluate the card and any subsequent changes will only occur after careful analysis and adequate notice and communications with members.

16. What happens to my V.P. Credit Union ATM card?

After the successful merger, members can continue to use their V.P. Credit Union ATM card, until such time that our banking systems are integrated.

17. *I'm a senior and have Golden benefits at V.P. Credit Union. Will I have a seniors' plan benefits with G&F?*

After the merger, members will retain their current accounts and will not lose their Golden status. Over time, G&F will evaluate the available products and services to ensure they're meeting the needs of members. Any subsequent changes will only occur after careful analysis and adequate notice and communications with members.

18. *What will happen to my term deposits that don't mature for a long time after the merger?*

All existing term deposits and associated rates will be honoured.

19. *Will my mortgage continue at the same rate I have now?*

No change will be made to rates on existing mortgage products and prepayment privileges will also be honoured.

20. *I like the convenience of foreign cash delivery for my trips. Will I be able to get foreign currency delivery after the merger?*

Members will continue to enjoy the convenience of foreign currency delivery.

21. *How soon after the merger will I have access to a G&F phone app? Deposit anywhere? Apple pay?*

Our teams will be working diligently to integrate our digital solutions after the successful merger. Exact timing is not known yet and will be shared with members once determined.

22. *My term deposits held with VPCU will come due after the merger. What happens to them if the merger goes through? Can I redeem them and put them into a G&F term or investment if G&F's rates are better?*

After the merger, all existing term deposits and associated rates will be honoured. Members are able to redeem them and reinvest in a G&F term deposit. If a member chooses to redeem their term deposit early, regular redemption rates will apply.

23. *What happens to Founders preferred fee rates?*

After the merger, members will retain their current accounts and will not lose their Founders status and associated benefits. Over time, G&F will evaluate the available products and services to ensure they're meeting the needs of members. Any subsequent changes will only occur after careful analysis and adequate notice and communications with members.

24. *G&F has a history of paying dividend rates. How can they pay so much higher than what VPCU has paid in the same recent years?*

G&F has enjoyed strong growth for many years, through the support of its members. This has resulted in higher dividend rates to thank members for their trust and support in the credit union.

25. *I can only invest up to a maximum of \$5,000 in G&F Investment Equity Shares. I had much more with VPCU. Why is there a limit?*

The limits on Investment Equity Shares at G&F are based on the share structure that is set out in their credit union rules, which are unique to each credit union. V.P. Credit Union has the same

\$5,000 limit as per our credit union rules, however, over time, some balances exceeded \$5,000 as a result of accumulated dividends.

26. *Many VPD members have auto payroll deductions to deposit to accounts for the teams they work with. How will this work after the merger?*

A process for this has not yet been determined. We will work with the HR team at VPD to determine the best solution moving forward.

27. *If the Graveley Branch remains open, will it be open to all G&F members? Will there be the familiar staff faces I am used to dealing with?*

Due to the restricted access allowed in the VPD building, this location will be reserved for law enforcement members only. The current staffing plan includes the familiar faces you have become used to. Our staff are also eager to continue to serve you at the Graveley Branch location.

28. *I have a safe deposit box (SDB) with V.P. Credit Union. What will my options be about moving my contents and will I have to pay again?*

Some G&F branches do have safe deposit boxes, and they come in varying sizes. Dependent on availability, members have the option to rent a box with G&F. If members are opening a new box, regular box rental rates will apply.

29. *How do G&F borrowing and deposit rates compare to V.P. Credit Union?*

Historically, G&F has had competitive borrowing and deposits rates in the market.

30. *V.P. Credit Union has a special bike loan program with the VPD. Will that be moved over to G&F?*

Yes, the bike loan will continue at G&F.

31. *Will I need to get new cheques for a new account? Will I have to pay for them again?*

If members are transitioned into new accounts at G&F and new cheques are required, members will not be charged for their first cheque order.

32. *My mortgage is with VPCU. Will I have to qualify for it all over again with G&F?*

No, members will not need to re-qualify for their mortgage.

33. *I'm in the middle of settling an estate account with VPCU. How will that be done if things haven't settled until after the merger?*

The estate requirements and process will continue as originally outlined when estate process was started.

34. *I understand G&F has mobile specialists. Will they attend to members in their homes, or work places, or coffee shops?*

Yes, G&F mobile specialists are available to meet with members wherever it's convenient for them. This includes members homes, workplace or coffee shop.

Employees, Leadership and Board

35. *Will there be impact to employees?*

The proposed merger is about opportunities for employees. There will be no job losses as a result of the merger. For employees, in addition to being part of building something exciting, there will be greater resources as our credit unions come together, more career and professional development opportunities in our larger, merged credit union. The opportunity to cross-train in other positions, expanded geographic footprint to work in, as well as other professional training and development, will remain a focus.

36. *VPCU has some new employees. Did they previously work at G&F?*

The credit union system is a small and tight-knit community. Within many credit unions across Canada, there are employees who have worked at another credit union as part of their experience. At VPCU, we welcome and hire the best employees for the job. Currently, there are no VPCU employees who have previously worked at G&F.

37. *Will there be changes to leadership?*

Our new credit union will maintain a Co-CEO structure, with current G&F Co-CEOs, Bill Kiss and Jeff Shewfelt assuming the roles of Co-CEO. Lydia Johnson, current General Manager and CEO at V.P. Credit Union, will serve as Special Advisor to the Co-CEOs during the merger transition and integration.

38. *Will there be changes to the Board?*

The Board of Directors play an important role at the credit union. Both credit union Boards agreed that the G&F Board of Directors will form the Board of the merged credit union following the merger. In the future, any member of the combined credit union who meets the eligibility requirements already established may seek selection to the Board.

39. *I heard that some VPCU Directors are not members of VPCU. Is that true?*

All Board of Directors at V.P Credit Union are members of the credit union.

Commitment to Community

40. *Will the VPCU community support that's been done over the years still continue?*

Both VPCU and G&F Financial Group are committed to local communities and this was a key factor in our discussions. Our commitment to community will continue and will only amplify once we join forces. Previously supported VPCU community events will continue.

41. *Will G&F continue to support the scholarship program that VPCU has committed to over the years? And what about other Community funded support?*

Like V.P. Credit Union, G&F has a strong commitment to community. Previously supported V.P. Credit Union community events will continue as well as scholarship support.

General

42. *I heard that Aldergrove Credit Union members are now part of G&F. What have been their reactions so far?*

Aldergrove Credit Union members voted in favour of merging with G&F and their merger was effective August 1, 2021. So far, members have enjoyed the expanded branch network and extended call centre hours.

43. *I heard G&F is a fishermen's credit union.*

Credit unions around the province were formed by groups of people who felt they weren't being served by traditional banks. G&F is no different and started its roots in the fishing industry in 1940 and opened its bond to anyone in BC in the 1970's. While fishermen might be in the name, the credit union is the result of almost 40 mergers over its 80 year history. These originating credit unions include people that come from industries such as dairy, farming, lumber, telecom, railway, plumbing, steamfitters, sheet metal, teamsters, transport, employers such as City of Vancouver, BC Hydro, Finning and BC Rail and communities such as Mount Pleasant, and Burnaby.

44. *Will V.P. Credit Union still have an AGM?*

In 2021, for the merger vote, V.P. Credit Union will host a special meeting. After a successful merger, V.P. Credit Union will no longer have an AGM. The merged credit union will have one AGM, the first one likely to take place in April 2022, and as members of G&F, former V.P. Credit Union members are welcome and able to participate.

45. *Will G&F still issue the annual shift calendars?*

Yes, G&F will continue to provide the annual shift calendars.

46. *V.P. Credit Union and its police only community adds confidence in who knows about its members' information. I am concerned that leaving the police only CU opens up our personal information to non-police.*

As a financial institution, G&F maintains the privacy of its members information. Like V.P. Credit Union, G&F is governed by the same privacy laws and regulations. Information is only shared based on member consent.