FREQUENTLY ASKED QUESTIONS

Transfer of Engagements between IECCU and Manchester Co-operative Credit Union (1977) Limited

Building a Stronger Future Together

This Frequently Asked Questions document has been prepared to help members understand the proposed **Transfer of Engagements between Insurance Employees Co-operative Credit Union Limited (IECCU) and Manchester Co-operative Credit Union (1977) Limited (MCCU).**

IECCU's Board of Directors has recommended the Transfer of Engagements following consideration of the changing financial services environment, regulatory requirements, technology needs, member expectations and the long-term sustainability of the Credit Union. The Board's recommendation followed due diligence and consideration of proposals from several Credit Unions. Manchester Co-operative Credit Union was determined to be the partner best positioned to deliver long-term value to IECCU members.

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1. ABOUT THE TRANSFER OF ENGAGEMENTS

1. What does this mean?

IECCU is proposing to transfer its engagements to **Manchester Co-operative Credit Union (1977) Limited** through a formal Transfer of Engagements.

If approved and completed, the whole of IECCU's property, other assets and engagements will transfer to Manchester Co-operative Credit Union. IECCU will therefore cease to operate as a separate Credit Union.

2. Why is IECCU merging with Manchester Co-op?

The proposed merger is intended to create a **larger, stronger and more resilient Credit Union** that can provide expanded services, greater convenience and stronger long-term sustainability for members.

The Board has stated that the recommendation is **not because IECCU has failed**, but because it believes this is the appropriate time to strengthen the Credit Union while there is an opportunity to select a suitable partner and negotiate terms designed to protect members, employees and IECCU's legacy.

3. Why was Manchester Co-op selected?

All Credit Unions were given the choice to propose. Four provided proposals. There were JDF Co-op, Jamaica Police Co-op, First Heritage Co-op and Manchester Co-op.

Proposals were assessed based on projected capital ratio, returns to members, branding proposition, cultural fit, product and service complementarity and benefits, awareness of the systems used and resource availability for the merger, governance, cooperative values, geographic reach, expressed commitment to IECCU members and long-term sustainability.

Following the evaluation process, the Management and Board concluded that Manchester Co-op was the partner best positioned to deliver long-term value to IECCU members.

Manchester Co-op has been serving Jamaicans since 1948 and has grown through prudent management, strong governance and successful mergers.

4. When will the Transfer of Engagements take effect?

The Special Resolution provides for the Transfer of Engagements to become effective on **October 30, 2026**, or on such other date as the Registrar of the Department of Co-operatives and Friendly Societies may determine.

Members will be advised of the confirmed effective date through official communication.

5. Will IECCU continue to exist after the Transfer of Engagements?

No. Once the Transfer of Engagements becomes effective, IECCU will no longer operate as a separate Credit Union.

The engagements of IECCU will become part of Manchester Co-operative Credit Union.

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2. WHAT HAPPENS TO MY MONEY?

6. What happens to my shares?

Under the proposed Special Resolution, Manchester Co-op has agreed to issue each IECCU member paid-up shares equal to the amount standing to the member's credit in IECCU's share ledger on the effective date of the Transfer of Engagements.

7. What happens to my savings and deposits?

The proposed arrangement provides that each IECCU member will have the corresponding amounts of **shares, deposits, loans and interest** recorded in Manchester Co-op's books as they appear in IECCU's books on the date the Transfer of Engagements becomes effective.

8. Are my savings safe?

The Merger Proposal states that members' savings, deposits and investments will continue to be protected and that existing agreements will be honoured.

9. Will I lose my money because IECCU is merging?

No. The proposed Transfer of Engagements provides for members' shares, deposits, loans and interest to be recorded in Manchester Co-op's books at the effective date.

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3. WHAT HAPPENS TO MY LOAN?

10. What happens to my existing loan?

Your existing loan will transfer as part of the Transfer of Engagements.

The Merger Proposal states that **loan contracts will remain unchanged until their normal review or renewal dates**, with no immediate changes to the terms of existing loans.

11. Will my loan interest rate immediately change?

No immediate change to the terms of existing loans is contemplated in the Merger Proposal. Existing loan contracts are expected to remain unchanged until their normal review or renewal dates.

12. Do I have to reapply for my existing loan?

The Merger Proposal does not indicate that existing borrowers will have to reapply for their current loans.

Members will be advised if any additional documentation or action is required as part of the transition.

13. Will Manchester Co-op offer more loan options?

The Merger Proposal identifies a broader range of lending solutions that members will be able to access, including:

- Mortgage financing
- Home Equity Loans
- Business Financing
- Agricultural Loans
- Back-to-School Loans
- Booster Loans

- Other specialised lending programmes

Members are also expected to have access to larger loan limits and longer repayment periods than are currently available through IECCU.

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4. WHAT HAPPENS TO MY MEMBERSHIP?

14. Will I remain a member of a Credit Union?

Yes. The purpose of the Transfer of Engagements is for IECCU members and their engagements to transfer to Manchester Co-op.

Manchester Co-op has also committed to expanding its common bond to fully include IECCU members.

15. Will I have to become a member of Manchester Co-op?

The Transfer of Engagements is structured so that IECCU members become part of Manchester Co-op following completion of the transaction.

Members will receive further information on the practical steps involved in the transition.

16. Will I have to pay to become a member of Manchester Co-op?

The Merger Proposal states that the merged Credit Union has agreed to increase permanent shares to a minimum of **$5,000** post-merger.

Most IECCU members are expected to be required to introduce **$2,000** to their permanent share account to reach the minimum. MCCU members will pay more. Members will receive specific information regarding how and when this will apply.

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5. WILL IECCU'S IDENTITY DISAPPEAR?

17. Will the IECCU name continue?

IECCU will no longer operate as a separate Credit Union following completion of the Transfer of Engagements.

However, Manchester Co-op has committed to **changing its name within three years** to reflect the creation of a truly national Credit Union.

18. What will happen to IECCU's legacy?

IECCU has served members for more than 48 years and has a proud history dating back to its formation in 1977.

The Board has emphasised that protecting IECCU's legacy is an important consideration in the proposed merger. Manchester Co-op has committed to preserving the cooperative values shared by both institutions and ensuring that IECCU's identity, history and members remain an integral part of the merged organisation.

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6. WHAT HAPPENS TO IECCU'S OFFICE AND SERVICES?

19. Will the Parkington Plaza office remain open?

Yes. Manchester Co-op has committed to **continuing service delivery through the Parkington Plaza office**.

20. Will Montego Bay members continue to receive service?

The Merger Proposal states that the merged Credit Union will maintain operations in Montego Bay, with opportunities to improve service facilities over time.

21. Will members have access to more locations?

The merger is expected to create a stronger national presence, with the combined Credit Union serving members across **Kingston, Montego Bay, Manchester and other communities throughout Jamaica**.

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7. TECHNOLOGY AND DIGITAL SERVICES

22. Will I have access to better digital services?

The merged Credit Union will be better positioned to invest in technology and digital services.

Areas identified in the Merger Proposal include:

- Enhanced online banking
- Mobile banking
- Faster electronic payments
- Improved cybersecurity
- Fraud prevention systems

- Self-service banking solutions
- Future Bank of Jamaica digital payment initiatives

23. Will my debit card and ATM services continue?

The Merger Proposal states that **debit card, ATM, point-of-sale, overseas card usage and e-commerce services will continue without interruption**.

24. Will I need to change my banking arrangements immediately?

Members will be informed of any changes that require action.

Members should continue using their existing services and payment arrangements unless officially advised otherwise.

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8. WHAT HAPPENS TO IECCU STAFF?

25. What will happen to IECCU employees?

Manchester Co-op has committed to providing opportunities for IECCU employees to continue serving members, subject to normal employment due diligence.

26. Will IECCU staff automatically become Manchester Co-op employees?

Individual employment arrangements will be addressed through the appropriate employment and transition processes.

Affected employees have been and will receive information directly regarding their circumstances.

27. Will I continue to see familiar IECCU staff?

Manchester Co-op has indicated its commitment to providing opportunities for IECCU employees to continue serving members.

The intention is to preserve the familiar relationships and personalised service members value while strengthening them with additional resources and support.

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9. MEMBER REPRESENTATION

28. Will IECCU members have a voice in the merged Credit Union?

Yes.

Manchester Co-op has committed to maintaining representation for IECCU members on the Board of Directors and Committees.

29. How many Board positions will be allocated to IECCU representatives?

The Merger Proposal provides for **four additional Board positions** to be allocated to IECCU representatives.

30. Will IECCU members have representation on other committees?

Yes. Representation will also be provided on the **Credit Committee and Supervisory Committee**.

31. Why is member representation important?

The representation arrangements are intended to ensure that IECCU members continue to have a voice and participate in decisions affecting the future of the combined Credit Union.

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10. PRODUCTS AND SERVICES

32. Will I have access to more financial products?

Yes. The proposed merger is expected to give IECCU members access to a significantly broader range of financial solutions, including additional lending and specialised programmes.

33. Will my current IECCU products disappear?

The Merger Proposal confirms the transfer of members' existing engagements but does not provide a complete product-by-product schedule identifying which IECCU products will be retained, modified or discontinued.

Members will be informed of any specific product changes that affect them.

34. Will fees and charges change?

The Merger Proposal does not provide a complete schedule of future fees and charges.

Members will be informed of any changes to fees or charges applicable to their accounts or services.

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11. THE MEMBER EXPERIENCE

35. Will I receive the same personal service I currently receive?

The intention is to preserve the personal service and relationships that IECCU members value.

The Merger Proposal specifically recognises that members may be concerned about losing established relationships with staff and states that the merged institution is expected to strengthen these relationships through additional resources and support.

36. Will the merger reduce the value of my membership?

The Board's position is that the proposed merger is designed to **improve rather than reduce the value of membership** by providing greater financial strength, expanded services, enhanced technology, increased lending capacity, broader geographic reach and greater opportunities for growth.

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12. WHY SHOULD MEMBERS SUPPORT THE MERGER?

37. What are the main benefits of the proposed merger?

The proposed merger is expected to provide:

- Greater financial strength
- Enhanced capital
- Improved operational efficiency
- Enhanced technology
- Stronger regulatory readiness
- Expanded lending capacity
- Better opportunities for growth
- Increased investment in member services
- Broader geographic presence
- Greater long-term sustainability

38. Is this merger because IECCU is financially failing?

No.

The Board has specifically stated that the recommendation is **not because IECCU has failed**.

The merger is being presented as a strategic decision to strengthen the Credit Union while IECCU has the opportunity to select a suitable partner and negotiate terms designed to protect members, employees and the Credit Union's legacy.

39. Why merge now?

The financial services environment is changing rapidly. Members increasingly expect digital banking, electronic payments, online applications, enhanced cybersecurity and greater convenience, while Credit Unions are also facing increased regulatory and governance requirements.

The Board believes that combining resources with a strong partner will position the Credit Union to meet these demands more effectively and sustainably.

It is also expected that the regulatory environment will become more challenging in the near future and increase further the cost of doing business.

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13. WHAT MEMBERS NEED TO KNOW

40. Do I need to do anything right now?

Unless specifically instructed otherwise, members should continue to:

- Make loan payments on time.
- Maintain their savings and other accounts as normal.
- Continue their existing payment arrangements.
- Keep their contact information up to date.
- Read official communications concerning the Transfer of Engagements.
- Provide any requested documentation when required.

41. Where will I get official information?

Members should rely on official communications issued by IECCU and, as the transition progresses, Manchester Co-op.

Official information may be communicated through the Credit Union's website, email, SMS, social media, meetings, written notices and other approved channels.

Members should be cautious about relying on unverified information circulated through WhatsApp groups or other informal channels.

42. What if my question is not answered here?

Members are encouraged to contact IECCU through the designated communication channels with any questions or concerns.

As the Transfer of Engagements progresses, this FAQ will be updated where necessary to address additional questions and provide members with relevant information.

A MESSAGE TO IECCU MEMBERS

For more than 48 years, IECCU has been built by its members, employees, directors and the wider insurance and financial services community.

The proposed Transfer of Engagements marks the beginning of a new chapter.

IECCU will no longer operate as a separate Credit Union following completion of the transaction. However, the proposal is designed to carry forward the values, relationships and member-focused approach that have defined IECCU while giving members access to the greater scale and resources of Manchester Co-operative Credit Union.

The Board believes that together, the two institutions can create a **larger, stronger and more resilient Credit Union** that is better positioned to serve members for generations to come.

Together, we have built a proud legacy.
Together, we now have the opportunity to build an even stronger future.

IMPORTANT

This FAQ is intended as a general guide and should be read together with the official **Special Resolution to Transfer the Engagements of Insurance Employees Co-operative Credit Union Limited to Manchester Co-operative Credit Union (1977) Limited** and the approved terms of the transaction.

Where specific arrangements are subject to final approval, regulatory requirements or further agreement, members will be provided with additional information when available.