

What you need to know about prohibited conduct.

As part of our commitment to help you build financial wellbeing and confidence, we are dedicated to ensuring you are provided with the information you need to make decisions about your finances.

In accordance with the Bank Act and in alignment with our values, Tru Cooperative Bank commits that we will not:

1. Impose undue pressure or coerce a person for any purpose, including to obtain a product or service as a condition for obtaining another product or service from Tru Cooperative Bank (also known as, ‘coercive tied selling’);
2. Take advantage of a person.

What is undue pressure?

Undue pressure means any pressure, imposed in the form of practice or a communication or otherwise, that could be considered to excessive or persistent in the circumstances.

What is coercive tied selling?

Coercive tied selling means being unduly pressured to buy a product or service you don’t want, from us or our affiliates, just to obtain another product or service. The following examples will help to illustrate coercive tied selling and what is not allowed:

Scenario: A Tru Cooperative Bank advisor tells you that you qualify for a home mortgage. However, you are also told we will approve your mortgage **only** if you transfer your investments to Tru Cooperative Bank or one of our affiliates

Scenario: A Tru Cooperative Bank advisor tells you that you qualify for a Registered Retirement Savings Plan (RRSP) loan. However, you are also told we will approve the loan **only** if you redeposit the money in a Tru Cooperative Bank term deposit. Both of these scenarios are examples of coercive tied selling and are against the law. If you qualify for a product, a Tru Cooperative Bank employee is not allowed to unduly pressure you to buy another unwanted

product or service as a condition for receiving the product you want.

What IS NOT coercive tied selling?

Certain sales practices do not constitute coercive tied selling. For example, **preferential pricing** and **bundling of products and services** offers existing and potential members better prices or more favourable terms, as a tangible way to show our interest in your business and appreciation for your loyalty. Neither of these is coercive tied selling because they provide members with the choice to buy the product or service on its own or take advantage of preferential or bundling incentives.

What is preferential pricing?

Preferential pricing means offering members a better price or rate on all or part of their business with Tru Cooperative Bank. You may be familiar with this if, for example, a printer offers a lower price per business card when you purchase a thousand cards instead of a hundred. Similarly, at Tru Cooperative Bank, we may be able to offer you preferential pricing — a higher interest rate on investments or a lower interest rate on loans — if you use more of our products or services. The following examples will help to illustrate preferential pricing:

Scenario: After approving your application for a home mortgage from Tru Cooperative Bank, your advisor tells you that this mortgage would be available at a lower interest rate if you transfer your investments to Tru Cooperative Bank or one of our affiliates.

Scenario: After approving your application for a RRSP loan, your advisor offers you a lower interest rate if you use the loan to deposit funds with Tru Cooperative Bank.

The practices illustrated above are acceptable because the approvals of your mortgage and RRSP loan are not conditional on you taking another of our products or services. Preferential pricing simply encourages you to choose to provide us more of your business.

What is bundling of products and services?

Tru Cooperative Bank sometimes combines products or services to provide members with better prices, incentives, or more favourable terms. By linking or bundling our products or services, we are often able to offer them to you at a lower combined price, compared to buying each product on its own. A common example you may be familiar with is when a travel agency books your flight, hotel and rental car all at the same time. The overall price is lower than if you bought each item separately. Similarly, we may offer bundled financial services or products so that you can take advantage of packaged prices that are less than the sum of the individual items.

The following example will help to illustrate bundling of products and services:

Scenario: You plan to open a deposit account with charges for individual transactions. The Tru Cooperative Bank advisor offers a package of services including a comparable deposit account, a credit card with no annual fee, and a discount on a Safety Deposit Box. The total price for the package is less than if you purchased each product and service separately.

Bundling products and services in this way is permitted because you have the choice to buy the items individually or in a package.

How do we manage our credit risk?

Carefully managing the risk on the loans we approve, ensures the safety of our members, depositors, and creditors. At law, Tru Cooperative Bank is allowed to impose certain requirements on borrowers as a condition for granting a loan, but only to the extent necessary to manage our risk. The following example will help to illustrate how we manage such risk:

Scenario: You apply for an operating loan for your business. To manage the risk associated with the loan, Tru Cooperative Bank requires your business to maintain an operating account with us as a condition for obtaining the loan.

The above example is legal and necessary. Maintaining your business' operating account with Tru Cooperative Bank allows us to assess possible risks associated with your business' cash flow, and manage the risk associated with the loan. However, our requirements for borrowers will always be reasonable and consistent with our level of risk.

Our commitment to you.

All Tru Cooperative Bank employees must follow laws that prohibit undue pressure, coercion, or taking advantage of any person, for any purpose. Please let us know if you have any questions about your dealings with us.

If you have a complaint, please refer to our Complaint Handling Procedure which can be found at:

Envision Financial

envisionfinancial.ca/contact-us/resolving-your-complaint

Island Savings

islandsavings.ca/contact-us/resolving-your-complaint

Valley First/Enderby & District Financial

valleyfirst.com/contact-us/resolving-your-complaint

or request a printed brochure at any of our branch locations.

Contact us

If you have question, please contact us at:

Envision Financial

1-888-597-6083
or visit envisionfinancial.ca

Island Savings

1-888-597-1083
or visit islandsavings.ca

Valley First/Enderby & District Financial

1-888-597-8083
or visit valleyfirst.com