

Proposed Amalgamation Agreement

THIS AMALGAMATION AGREEMENT (the “Agreement”) made the ____ day of _____, 20__.

BETWEEN:

Eagle River Credit Union Limited, a body corporate, having its registered office at 8 Branch Road, L’Anse au Loup, AOK 3L0, NL

- and -

Leading Edge Credit Union Limited, a body corporate, having its registered office at Grand Bay Mall, 2nd Floor, Grand Bay East, AON 1K0, NL

(referred to herein individually as a “Party”; and collectively as the “Parties”)

WHEREAS each of the Parties are desirous of amalgamating pursuant to Section 114 of the *Credit Union Act*, SNL 2009, c C-37.2 (the “Act”);

AND WHEREAS pursuant to section 115 of the Act, the Parties are required to enter into an agreement setting out the terms and means of effecting the amalgamation;

AND WHEREAS the Parties agree and acknowledge this Agreement meets the requirements of section 115, and is subject to approval of its respective Members;

WITNESSETH THAT for consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties covenant and agree with each other as follows:

1. The name of the amalgamated credit union shall be finalized after the members of each amalgamating credit union vote on the Member’s Special Resolution adopting the recommendation of the respective Boards to amalgamate. The finalized name of the amalgamated credit union will comply with the requirements established under the Act.
2. The registered office of the amalgamated credit union shall be at *8 Branch Rd, PO Box 29 L’Anse au Loup* in the Province of Newfoundland and Labrador, *AOK 3L0*.
3. The proposed inaugural Directors of the amalgamated credit union shall be comprised of the following twelve (12) Directors (six (6) from each of the amalgamating credit unions):

| Name | Residence Address |
|-------------------------|--|
| 1. Edwina Bateman | 16 Sunset Drive, Port aux Basques, NL, AOM 1C0 |
| 2. Josiah “Bert” Belben | 27 Main Street, PO Box 78 Forteau, NL AOK 2P0 |

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| 3. Brian Button | PO Box 614, Port aux Basques, NL, A0M 1C0 |
| 4. Dave Evans | 6 Main Road Little Harbour, NL A8A 3M2 |
| 5. Terri Gilbert | 12 Colbourne Street Deer Lake, NL A8A 1E4 |
| 6. Bradley Hancock | 91 King Street East, Apt #703 Kingston, ON K7L 2Z8 |
| 7. Tony Leamon | 26 Sunset Drive, Port aux Basques, NL, A0M 1C0 |
| 8. Gary O'Brien | 130 Main Street, Port aux Basques, NL, A0M 1C0 |
| 9. Jeff Patry | 127 East Valley Road, Corner Brook, NL, A2H 2L8 |
| 10. Ginger Ryland | 103 Norman Blvd Hammonds Plains, NS B4B 1N6 |
| 11. Dan Sheaves | 13 Midway Road, Port aux Basques, NL, A0M 1C0 |
| 12. Brad Sheppard | 246 Main Street, PO Box 113 St. Lunaire-Griquet, NL A0K 2X0 |

4. Membership in the amalgamated credit union shall be open to all those conveniently served and as defined in the Act and specified in the Charter By-laws of the amalgamated credit union.
5. The amalgamated credit union may issue an unlimited number of common shares at an issue price of five dollars (\$5.00) per share.
6. The amalgamated credit union may issue an unlimited number of surplus shares or fractions of surplus shares at an issue price of 1 dollar (\$1.00) per share.
7. The rights, privileges, restrictions and conditions attached to common shares and surplus shares shall be as defined in the Act and as set out in the Charter By-laws of the amalgamated credit union.
8. Common shares and surplus shares are not transferable and are redeemable as set out in the Act and as defined in the Charter By-laws of the amalgamated credit union.
9. (a) The common shares and surplus shares of Eagle River Credit Union shall be converted to common shares and surplus shares of equal value in the amalgamated credit union.

(b) The common shares of Leading Edge Credit Union shall be converted to common shares of equal value in the amalgamated credit union.

(c) The Class 2 shares of Leading Edge Credit Union shall be converted to Class 1 shares of the amalgamated credit union, with rights, privileges, restrictions and conditions attached thereto as defined in the Act and as set out in the Charter By-laws of the amalgamated credit union.

- 10. The amalgamating credit union may issue other classes of uninsured non-voting equity shares and set the rights, privileges, restrictions and conditions attached thereto as defined in the Act and as set out in the Charter By-laws of the amalgamated credit union.
- 11. Restrictions on the business the amalgamated credit union may carry on, are only those restrictions as defined in the Act.
- 12. The proposed Charter By-laws of the amalgamated credit union are attached as Schedule "A" to this Agreement.
- 13. The arrangements agreed to conclude the amalgamation and to provide for subsequent management of the amalgamated credit union shall be as set out in the Amalgamation Plan attached hereto as Schedule "B" to this Agreement.
- 14. At any time before the issue of a certificate of amalgamation this agreement may be terminated by the directors of either of the amalgamating credit unions.

IN WITNESS WHEREOF the Parties have affixed their respective corporate seals, attested by the hands of their respective officers duly authorized to bind each Party they represent on the day and year first herein written.

SIGNED, SEALED AND DELIVERED:) **Eagle River Credit Union Limited**
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) **Leading Edge Credit Union Limited**
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Schedule "A"

Proposed Charter By-Laws

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Schedule "B"

Amalgamation Plan

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