

AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT (this “**Agreement**”) is made this 8th day of May, 2025 between:

ABCU CREDIT UNION LTD., a credit union existing under the *Credit Union Act* (Alberta), having its head office at 5007-50 Avenue, Beaumont, Alberta T4X 1E7
 (“**ABCU**”)

- and -

INNOVATION FEDERAL CREDIT UNION, a federal credit union existing under the *Bank Act* (Canada), having its head office at 198-1 Avenue, Swift Current, Saskatchewan S9H 2B2
 (“**IFCU**”)

WHEREAS upon the terms and subject to the conditions set out in this Agreement, ABCU and IFCU have agreed to amalgamate and continue as one federal credit union pursuant to the requirements of the Bank Act (the “**Amalgamation**”);

AND WHEREAS ABCU has agreed to continue as a federal credit union under section 33(3) of the Bank Act for purposes of immediately completing the Amalgamation (the “**Federal Continuance**”);

AND WHEREAS the board of directors of each of ABCU and IFCU has determined that the Amalgamation is in the best interest of the respective credit union and its respective members;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the respective covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto covenant and agree as follows:

ARTICLE 1 DEFINITIONS

1.1 In this Agreement, including the Recitals, unless there is something in the subject matter or context inconsistent therewith:

- (a) “**ABCU Amalgamation Resolution**” means the special resolution of the members of ABCU approving the Amalgamation, including this Agreement and the Federal Continuance;
- (b) “**ABCU Shares**” means, prior to the Federal Continuance, the common shares in the capital of ABCU and, following the Federal Continuance, the membership

shares which such common shares are deemed to be thereafter pursuant to the Bank Act;

- (c) “**ABCU Special Redemption**” means the redemption by ABCU, in accordance with its constating documents and prior to the Effective Date, of such ABCU Shares as are necessary in order to ensure that each shareholder of ABCU holds no more than five ABCU Shares at the time of the Amalgamation;
- (d) “**Alberta Minister**” means the means the Minister determined under section 16 of the *Government Organization Act* (Alberta) as the Minister responsible for the Credit Union Act;
- (e) “**Amalgamation**” has the meaning ascribed thereto in the Recitals;
- (f) “**Amalgamation Application**” means the application, prepared in accordance with the Bank Act, by the Predecessor Credit Unions to the Federal Minister seeking (i) letters patent continuing ABCU as a federal credit union under the Bank Act, and (ii) letters patent amalgamating and continuing the Predecessor Credit Unions as one federal credit union under the Bank Act, being the Amalgamated Credit Union;
- (g) “**Amalgamation Authorizations**” has the meaning ascribed thereto in Section 6.1(c);
- (h) “**Amalgamated Credit Union**” means the amalgamated federal credit union to be created by this Agreement and the Letters Patent;
- (i) “**ARC**” means an advance ruling certificate issued by the Commissioner under Section 102(1) of the Competition Act in respect of the Amalgamation;
- (j) “**Assets**” means all property or assets of any nature or kind, whether real or personal, tangible or intangible and includes any interest therein;
- (k) “**Bank Act**” means the *Bank Act* (Canada) SC 1991, c.46 and any successor legislation thereto, as enacted and as amended, from time to time, including regulations made thereunder;
- (l) “**By-Laws**” has the meaning ascribed in Section 2.4;
- (m) “**Business Day**” means any day that commercial banks are open for business in Beaumont, Alberta and Swift Current, Saskatchewan, other than Saturday, Sunday or a statutory holiday in the Province of Alberta, the Province of Saskatchewan or the Province of Ontario;
- (n) “**Commissioner**” means the Commissioner of Competition appointed under subsection 7(1) of the Competition Act and includes any person designated by the Commissioner to act on his behalf;

- (o) “**Competition Act**” means the *Competition Act* (Canada) RSC 1985, c. C-34 and any successor legislation thereto, as enacted and as amended, from time to time, including regulations made thereunder;
- (p) “**Competition Act Approval**” means either: (a) the Commissioner has issued an ARC; or (b) both of (i) the waiting period in respect of the Amalgamation, including any extension thereof, under section 123 of the Competition Act has expired or been terminated or the obligation to provide a pre-merger notification in accordance with Part IX of the Competition Act in respect of the Amalgamation has been waived in accordance with paragraph 113(c) of the Competition Act, and (ii) the Parties have received a letter from the Commissioner indicating that he does not, at that time, intend to make an application under section 92 of the Competition Act in respect of the Amalgamation (a “**No-Action Letter**”);
- (q) “**Credit Union Act**” means the *Credit Union Act* (Alberta) RSA 2000 and any successor legislation thereto, as enacted and as amended, from time to time, including regulations made thereunder;
- (r) “**CUDGC**” means the Credit Union Deposit Guarantee Corporation established under the Credit Union Act;
- (s) “**Effective Date**” means July 1, 2025 or such later effective date set forth in the Letters Patent issued by the Federal Minister;
- (t) “**Encumbrances**” means any pledges, liens, security interests, adverse claims or other encumbrances of any nature or kind whatsoever;
- (u) “**Federal Continuance**” has the meaning ascribed thereto in the Recitals;
- (v) “**Federal Minister**” means the Minister of Finance of Canada;
- (w) “**Financial Statements**” means, in respect of IFCU, its audited consolidated financial statements for the year ended December 31, 2023 and, in respect of ABCU, its audited consolidated financial statements for the year ended October 31, 2023;
- (x) “**Governmental Authority**” means (i) any court, tribunal, judicial body or arbitral body or arbitrator; (ii) any domestic or foreign government or supranational body or authority whether multinational, national, federal, provincial, territorial, state, municipal or local and any governmental agency, governmental authority, governmental body, governmental bureau, governmental department, governmental tribunal or governmental commission of any kind whatsoever; (iii) any subdivision or authority of any of the foregoing; and (iv) any quasi-governmental or private body or public body exercising any regulatory, administrative, expropriation or taxing authority under or for the account of the foregoing;

- (y) “**IFCU Amalgamation Resolution**” means the special resolution of the members of IFCU approving the Amalgamation, including this Agreement;
- (z) “**IFCU Shares**” means the membership shares in the capital of IFCU;
- (aa) “**Interim Period**” means the period of time from and including the date of this Agreement to the Effective Date;
- (bb) “**Letters Patent**” means the letters patent issued by the Federal Minister (i) continuing ABCU as a federal credit union, and (ii) amalgamating and continuing the Predecessor Credit Unions as one federal credit union, being the Amalgamated Credit Union;
- (cc) “**Liabilities**” means all claims, debts, obligations and liabilities of any nature or kind, whether accrued absolute, contingent or otherwise;
- (dd) “**No-Action Letter**” has the meaning ascribed thereto in Section 1.1(p);
- (ee) “**Ordinary Course**” means, in respect of a Party, any transaction that constitutes an ordinary, day-to-day business activity of the Party conducted in a manner consistent with the Party’s past practice;
- (ff) “**Parties**” means ABCU and IFCU, being the parties to this Agreement, and “**Party**” shall mean one of them as the context requires;
- (gg) “**Predecessor Credit Unions**” means ABCU and IFCU, and “**Predecessor Credit Union**” shall mean one of them as the context requires;
- (hh) “**Superintendent**” means the Superintendent of Financial Institutions appointed pursuant to the *Office of the Superintendent of Financial Institutions Act* (Canada); and
- (ii) “**Tax Act**” means the *Income Tax Act* (Canada) RSC 1985, c. 1 (5th Supp.) and any successor legislation thereto, as enacted and as amended, from time to time, including regulations made thereunder.

ARTICLE 2 THE AMALGAMATION

2.1 Amalgamation

Subject to the terms and conditions of this Agreement, the Parties agree to amalgamate on the Effective Date pursuant to the provisions of the Bank Act and to continue as one federal credit union, being the Amalgamated Credit Union. The Amalgamated Credit Union shall be organized and carry on business on a cooperative basis in accordance with section 12.1 of the Bank Act.

2.2 Name

The name of the Amalgamated Credit Union shall be “Innovation Federal Credit Union”.

2.3 Head Office

The head office of the Amalgamated Credit Union shall be located at 198-1 Avenue, Swift Current, Saskatchewan S9H 2B2.

2.4 By-Laws

The by-laws of the Amalgamated Credit Union shall be the by-laws set out in Schedule 2.4 attached hereto (the “**By-Laws**”).P

2.5 Authorized Capital

The classes of shares that the Amalgamated Credit Union is authorized to issue, along with the attendant rights, privileges, restrictions and conditions, shall be as set out in the By-Laws, subject to any restrictions contained in the Bank Act.

2.6 Transfer Restrictions

The right to transfer any shares of the Amalgamated Credit Union shall be subject to the restrictions set out in the By-Laws.

2.7 No Restrictions on Business

There shall be no restrictions on the business which the Amalgamated Credit Union is authorized to carry on, save for those prescribed under the Bank Act.

2.8 Board of Directors

- (a) The minimum number of directors of the Amalgamated Credit Union shall be 7 and the maximum number of directors shall be 15.
- (b) In accordance with section 224(2)(b) of the Bank Act, the name and place of ordinary residence of each proposed director of the Amalgamated Credit Union are set forth on Schedule 2.8(b) attached hereto, as well as the expiry date of their term (each a “**Proposed Director**”).
- (c) The term of office of the initial members of the board of directors of the Amalgamated Credit Union shall be as set forth in Schedule 2.8(b). Subsequent members of the board of directors of the Amalgamated Credit Union shall be elected in accordance with the By-Laws, subject to the requirements contained in the Bank Act.

2.9 Committees of the Board

The committees of the board of directors of IFCU existing immediately prior to the Effective Date shall be the committees of the board of the Amalgamated Credit Union.

2.10 Members

Pursuant to section 226.1 of the Bank Act, the members of each of the Predecessor Credit Unions immediately prior to the Effective Date shall become the members of the Amalgamated Credit Union upon the Effective Date. In the event that a member of one of the Predecessor Credit Unions is also a member of the other Predecessor Credit Union, any such member shall be entitled to only one vote at any meeting of the members of the Amalgamated Credit Union.

2.11 Conversion of Shares

(a) Upon the Effective Date, subject to Section 2.11(b), the issued and outstanding shares of each Predecessor Credit Union shall, as and from that date, be converted into issued and outstanding shares of the Amalgamated Credit Union as follows:

- (i) Every one (1) issued and outstanding IFCU Share shall be converted into one (1) issued and outstanding membership share of the Amalgamated Credit Union; and
- (ii) Every five (5) issued and outstanding ABCU Shares shall be converted into one (1) issued and outstanding membership share of the Amalgamated Credit Union;

(collectively, the “**Amalgamated Credit Union Shares**”).

(b) No fractional Amalgamated Credit Union Shares will be issued pursuant to the Amalgamation. Any fractional Amalgamated Credit Union Share that a shareholder of one of the Predecessor Credit Unions would otherwise be entitled to receive in accordance with Section 2.11(a) shall be disregarded and, in lieu thereof, such holder shall be entitled to receive a cash payment from the Amalgamated Credit Union following the Effective Date in an amount equal to the relevant fraction multiplied by \$5.00.

2.12 Stated Capital

(a) The aggregate stated capital of the Amalgamated Credit Union Shares will be an amount equal to (i) the aggregate of the paid-up capital for the purposes of the Tax Act of the ABCU Shares immediately before the Amalgamation plus (ii) the aggregate of the paid-up capital for the purposes of the Tax Act of the IFCU Shares immediately before the Amalgamation.

- (b) For certainty, the aggregate stated capital of the ABCU Shares immediately following the Federal Continuance shall be equal to the stated capital of the ABCU Shares immediately before the Federal Continuance.

ARTICLE 3 MANAGEMENT AND OPERATIONS

3.1 Employees

- (a) Pursuant to the provisions of section 230(1) of the Bank Act, all employees of the Predecessor Credit Unions shall become employees of the Amalgamated Credit Union and all employment obligations under existing employment agreements shall continue to be obligations of the Amalgamated Credit Union with full recognition of an employee's length of service with the applicable Predecessor Credit Union. All non-management employees shall continue to have duties of similar scope and complexity as they had with the applicable Predecessor Credit Union.
- (b) The Amalgamated Credit Union shall be managed by IFCU's management and the officers of IFCU in office immediately prior to the Effective Date shall continue to hold the same offices with the Amalgamated Credit Union until determined otherwise by the board of directors of the Amalgamated Credit Union.

3.2 ABCU Branches

Both branches of ABCU, being the Beaumont branch, located at 5007-50 Avenue, Beaumont, Alberta and the Edmonton branch, located at 11715A 108 Avenue, Edmonton Alberta, shall continue to operate after the Effective Date under the name "Innovation Federal Credit Union".

3.3 Policies and Procedures

In addition to the By-Laws, the resolutions of the board of directors of IFCU and its committees respecting those matters required to be established under the Bank Act and those respecting the execution of instruments and indemnification of directors and all other operating resolutions, policies and procedures adopted or established by the board of directors of IFCU and its committees, in force and effect immediately prior to the Effective Date shall continue to be in force and apply as resolutions, policies and procedures of the Amalgamated Credit Union unless and until amended or repealed by the board of directors of the Amalgamated Credit Union or its committees.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties

Each of the Parties hereby represents and warrants to the other Party as follows, which statements are true and correct as of the date hereof:

- (a) it is a credit union validly existing and in good standing under the Bank Act or Credit Union Act (as applicable) and has all requisite power and authority to own and operate its respective Assets and to carry on the business and undertaking now being carried on by it;
- (b) it has the power, capacity and authority, subject to any approvals required pursuant to Section 6.1, to enter into and execute this Agreement and to carry out and perform its obligations under this Agreement;
- (c) this Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation of it enforceable against it in accordance with its terms, subject only to any limitation under applicable laws relating to bankruptcy, insolvency and other laws of general application affecting the enforcement of creditors' rights;
- (d) its Financial Statements, which have been furnished to the other Party, have been prepared in accordance with generally accepted accounting principles and have been audited in accordance with generally accepted auditing standards, in each case, applied on a basis consistent with that of prior financial years and present fairly, in all material respects, (i) its financial position as at December 31, 2023, and (ii) its financial performance and its cash flows for the year then ended;
- (e) since December 31, 2023, it has conducted its business in the Ordinary Course and there has not been any material adverse change in the condition or operations of its business, Assets or financial affairs;
- (f) it has no issued and outstanding shares other than membership shares or common shares (as applicable) and, as at December 31, 2023, the issued and outstanding membership shares or common shares (as applicable) were as set forth in the notes to the Financial Statements;
- (g) except for such Liabilities as are reflected in its Financial Statements, and those Liabilities incurred since the date of such Financial Statements in the Ordinary Course or expenses in connection with the transactions contemplated by this Agreement, it has no outstanding Liabilities and is not subject to any Liabilities;
- (h) it is a "credit union" and a "taxable Canadian corporation" for purposes of the Tax Act;
- (i) it has:
 - (i) duly and timely filed all requisite tax returns with the appropriate Governmental Authorities as prescribed by such Governmental Authorities;
 - (ii) duly, completely and correctly reported all information and income and all other amounts required to be reported thereon;

- (iii) duly and timely paid all taxes due and payable by it for periods (or portions thereof) ending on or before the date of hereof and has established adequate reserves for the payment by it of all taxes that are not yet due and payable or which are being contested in good faith; and
- (iv) it has withheld and collected all amounts required to be withheld and collected by it on account of taxes (other than those described in Section 4.1(p)) and has remitted all such amounts to the appropriate Governmental Authorities as required by applicable law;
- (j) it has good and marketable title to its Assets, free and clear of any, and all Encumbrances, except for those Encumbrances set forth in Schedule 4.1(j) in respect of its Assets;
- (k) subject to receipt of any approvals required pursuant to Section 6.1, it is not subject to any provision in its constating documents or any mortgage, lease, agreement, instrument, order, judgement, license or decree (as applicable) which would prevent the consummation of the transactions contemplated under this Agreement, or compliance by it with the terms, conditions, and provisions of this Agreement;
- (l) all its outstanding accounts receivable, as set forth in its Financial Statements or arising after the date thereof and in its books and records, are collectible except to the extent of the provisions for bad debts, if any, set forth in its Financial Statements;
- (m) it has maintained its books of account in the usual, regular, and ordinary manner in accordance with generally accepted accounting principles applied on a consistent basis and there are no material transactions which have not been properly recorded therein;
- (n) the disclosures made on its part are complete and accurate in all material respects with respect to all material matters affecting the ability to operate its business and any material omissions and any inaccuracies in such disclosure, whether considered alone or in the aggregate, do not materially adversely affect in any manner its ability to operate its business or to complete the Amalgamation;
- (o) neither the Amalgamation nor the execution of this Agreement will trigger any payment, acceleration of payment or vesting of benefits (including any change of control payments) becoming due or increase the compensation or benefits due to any current or former employee, other than, in the case of ABCU, as disclosed in writing to IFCU;
- (p) it is not now, and will not be on the Effective Date, in arrears with respect to the remittance of employees' statutory deductions and withholdings, plan premiums or any other required contributions, and has complied with all laws and regulations relating thereto;

- (q) it is, and at all times has been, operated in compliance with all terms and conditions of employment and all laws respecting employment and labour matters;
- (r) it is not now, and will not be on the Effective Date, a party to or bound by any collective agreement or any other agreement with any labour organization, trade union or any other representative of employees;
- (s) it does not sponsor, administer or contribute to any “registered pension plan” or “multi-employer plan” as those terms are defined in the Tax Act, or provide post-employment or retiree benefits to former employees or their beneficiaries or dependents, other than as disclosed in writing to the other Party;
- (t) there are no judgements or executions outstanding against it and it has not guaranteed to give security for any debt or obligations of any person, firm or corporation, except those arising in the Ordinary Course; and
- (u) it has disclosed to the other Party all material actions, labour disputes, arbitration suits or other legal proceedings, actual or threatened, as of the date hereof that it is or may be party to, and there is no circumstance, matter or thing which is likely to give rise to such action, suit or other legal proceeding except as has been expressly disclosed to the other Party.

ARTICLE 5 COVENANTS

5.1 Ordinary Course

During the Interim Period, unless otherwise agreed to by IFCU in writing, ABCU shall conduct its business in the Ordinary Course and endeavour to maintain and preserve its Assets and the level of its financial performance and, in particular, but without limiting the generality of the foregoing, shall:

- (a) not amalgamate, merge or consolidate with, or purchase the assets of, or otherwise acquire, or sell all or substantially all of its assets to, any corporation, partnership or other business organization or division thereof;
- (b) not make any amendments to its constating documents;
- (c) not sell any of its Assets other than in the Ordinary Course;
- (d) not incur any Liability whatsoever, secured or unsecured, other than current liabilities in the Ordinary Course, that would bind or become the obligation of the Amalgamated Credit Union;
- (e) not make any changes to or modify in anyway, any material contracts, agreements or understandings, or incur any further material obligations or surrender any rights under such contracts, agreements or undertakings except such changes or

modifications as are in the Ordinary Course or are necessary or appropriate to maintain its Assets;

- (f) not enter into any contracts or agreements of any nature or kind whatsoever that would bind or become the obligation of the Amalgamated Credit Union for any amount in excess of \$[50,000] during the term of such contract or agreement or in excess of \$[10,000] per year during any year of such contract or agreement;
- (g) not initiate a distribution of current earnings or capital in excess of \$[50,000] (cumulative) except for expenses in relation to employee variable pay, patronage allocations, dividends, or hedging or securitization arrangements, if incurred, distributed, or paid in accordance with established policies and procedures for ABCU in a manner consistent with prior years;
- (h) not make or commit to make any capital expenditures in excess of an aggregate of \$[50,000];
- (i) except in the Ordinary Course or pursuant to existing employment, collective bargaining, pension, supplemental pension, termination or compensation arrangements, policies or contracts (copies of which have been provided to IFCU on or prior to the date hereof), not grant to any executive officer or director an increase in compensation in any material form (including retention bonuses, change of control provisions or increased severance arrangements), grant to any other employee any increase in compensation in any form, or make any interest free loan to any officer or director;
- (j) not adopt or amend any employee pension or benefit plan, or make any material contribution to any bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, retention, incentive compensation, other compensation or other similar plan, contract, trust, fund or arrangement for the benefit of employees, except as is necessary to comply with applicable law or non-discretionary requirements of pre-existing plans; and
- (k) not enter into any agreement to effect any of the foregoing.

5.2 Redemption or Issue of Additional Shares

The Parties agree that during the Interim Period, neither Predecessor Credit Union will redeem any of its shares or issue any of its shares other than (i) the redemption of membership shares or common shares (as applicable) or the issuance of additional membership shares or common shares (as applicable), in the Ordinary Course, as provided in its respective articles of incorporation, letters patent and/or by-laws (as applicable); or (ii) the redemption of ABCU Shares as part of the ABCU Special Redemption.

5.3 Change of Directors prior to Effective Date

If, prior to the Effective Date: (i) any of the Proposed Directors provide written notice to the Predecessor Credit Unions of their desire to not sit on the board of directors of the

Amalgamated Credit Union; (ii) the Predecessor Credit Unions mutually agree to remove one of the Proposed Directors by providing such Proposed Director with written notice of their removal; or (iii) a Proposed Director is not re-elected at an annual meeting of IFCU or ABCU (as applicable) (the Proposed Director referred to in (i) to (iii) being hereinafter referred to as a “**Former Director**”), then the Predecessor Credit Union of which the Former Director is a director as of the date of this Agreement shall be entitled by notice in writing to the other Party to designate a replacement for the Former Director and Schedule 2.8(b) shall be updated accordingly prior to the Effective Date.

5.4 Closing Conditions

During the Interim Period, each Party shall use its commercially reasonable efforts and take such actions as are necessary to expeditiously satisfy the closing conditions set forth in Section 6.1 which efforts shall, for greater certainty, include working together to: (i) provide any Governmental Authority with any requested documentation; (ii) publish all notices required under the Bank Act or the Credit Union Act or by any Governmental Authority; (iii) obtain the Competition Act Approval, and (iv) complete the Amalgamation Application and satisfy all requirements of the Credit Union Act and the Bank Act with respect to same.

5.5 Competition Act Approval

In furtherance of, and not in limitation to, Section 5.4, the Parties shall take the following steps to obtain the Competition Act Approval as expeditiously as possible and, in any event, prior to the Effective Date:

- (a) As soon as reasonably practicable, and in any event, no later than ten (10) Business Days from the date of this Agreement, IFCU shall file with the Commissioner a submission in support of a request for an ARC or, in the event that the Commissioner will not issue an ARC, a No-Action Letter in respect of the transactions contemplated by this Agreement. If an ARC or No-Action Letter shall not have been obtained within five (5) Business Days after the filing thereof, IFCU or ABCU may at any time thereafter prior to the Effective Date, acting reasonably, notify the other Party that it intends to file a notification pursuant to subsection 114(1) of the Competition Act, in which case IFCU and ABCU shall each file their respective notifications pursuant to subsection 114(1) of the Competition Act as promptly as practicable but in any event within ten (10) Business Days following the date IFCU or ABCU, as applicable, notified the other Party of its intention to file a notification.
- (b) The Parties shall cooperate with each other in connection with the preparation and submission of all applications, notices, filings, submissions, undertakings, correspondence and communications of any nature (including responses to requests for information and inquiries from any Governmental Authority) as may be or become necessary or desirable pertaining to the Competition Act Approval in connection with the completion of the transactions contemplated herein. Each Party shall furnish to the other Party such information and assistance as a Party may

reasonably request from another Party in order to obtain the Competition Act Approval.

(c) Each Party shall:

- (i) promptly inform the other Party of any material communication received by that Party from any Governmental Authority in respect of obtaining or concluding the Competition Act Approval;
- (ii) use commercially reasonable efforts to respond promptly to any request or notice from any Governmental Authority requiring the Parties, or any one of them, to supply additional information that is relevant to the review of the transactions contemplated by this Agreement in respect of obtaining or concluding the Competition Act Approval;
- (iii) permit the other Party to review in advance any proposed applications, notices, filings, submissions, undertakings, correspondence and communications of any nature (including responses to requests for information and inquiries from any Governmental Authority) in respect of obtaining the Competition Act Approval and shall provide the other Party a reasonable opportunity to comment thereon and agree to consider those comments in good faith;
- (iv) promptly provide the other Party with copies of any applications, notices, filings, submissions, undertakings, correspondence and communications of any nature (including responses to requests for information and inquiries from any Governmental Authority) that were submitted to a Governmental Authority in respect of obtaining the Competition Act Approval;
- (v) not participate in any substantive meeting or discussion (whether in person, by telephone or otherwise) with a Governmental Authority in respect of obtaining the Competition Act Approval unless it consults with the other Party or its outside legal counsel, as appropriate, in advance and provides the other Party or its outside legal counsel, as appropriate, the opportunity to attend and participate thereat; and
- (vi) keep the other Party informed of the status of discussions relating to obtaining the Competition Act Approval.

(d) Notwithstanding any requirement in this Section 5.5 in connection with obtaining the Competition Act Approval, where a Party (in this Section 5.5 only, a **“Disclosing Party”**) is required under this Section 5.5 to provide information to another Party (a **“Receiving Party”**) that the Disclosing Party deems to be competitively sensitive information, the Disclosing Party may restrict the provision of such competitively sensitive information to only the external legal counsel of the Receiving Party, provided that the Disclosing Party also provides a redacted version of any such application, notice, filing, submissions, undertakings, correspondence

or communications (including responses to requests for information and inquiries from any Governmental Entity).

- (e) The obligation of the Parties to use their respective commercially reasonable efforts to obtain the Competition Act Approval does not require IFCU or ABCU (or any affiliates thereof) to undertake any divestiture of any business, business segment or assets of IFCU or ABCU, to agree to any material operating restrictions related thereto or to incur any material expenditure(s) related therewith, unless agreed to by both IFCU and ABCU. In connection with obtaining the Competition Act Approval, neither Party nor any affiliate thereof shall agree to any of the foregoing items without the prior written consent of the other Party.
- (f) The Parties shall not, and shall not allow any of their affiliates to, take any action or enter into any transaction, including any merger, amalgamation, acquisition, business combination, joint venture, disposition, lease or contract, that would reasonably be expected to prevent, delay or impede the obtaining of, or increase the risk of not obtaining, the Competition Act Approval, or otherwise prevent, delay or impede the consummation of the Transaction.
- (g) Eighty percent (80%) of all filing fees incurred in connection with the Competition Act Approval will be borne by IFCU and twenty percent (20%) of such expenses will be borne by ABCU.

5.6 Confidentiality

The Parties agree to treat as confidential all information disclosed by each Party in pursuance of the Amalgamation except where disclosure is required by law and provided that the Parties may disclose such information to their respective agents, employees, advisors and consultants who reasonably need such disclosure and who are bound to maintain such information in confidence and are informed of their obligation to do so. The foregoing obligation shall continue for an indefinite period.

5.7 Public Disclosure

Any press release or other public communication of this Agreement or the transactions contemplated hereby proposed to be issued by a Party shall be subject to the prior review and approval of the other Party.

5.8 Community Investment Fund

The Parties covenant and agree that the Amalgamated Credit Union shall, on or shortly after the Effective Date, allocate 10% of ABCU's capital (which amount shall be confirmed as of the Effective Date) to a long-term fund for community development items.

ARTICLE 6

CONDITIONS PRECEDENT

6.1 Conditions Precedent

The obligations of the Parties to consummate the Amalgamation contemplated hereby shall be subject to the fulfillment of the following conditions at or before the Effective Date:

- (a) the ABCU Amalgamation Resolution shall have been approved by the required majority of the members of ABCU who, being entitled to do so, vote at a special meeting of the members of ABCU to consider the Amalgamation;
- (b) the IFCU Amalgamation Resolution shall have been approved by the required majority of the members of IFCU who, being entitled to do so, vote at a special meeting of the members of IFCU to consider the Amalgamation;
- (c) all consents, approvals or authorizations from any Governmental Authority required to be received in advance of the Effective Date shall have been received, including but not limited to:
 - (i) approval of CUDGC of this Agreement and the calling of a meeting of the members of ABCU to consider and vote on the ABCU Amalgamation Resolution;
 - (ii) approval of the Superintendent of this Agreement;
 - (iii) approval of the Alberta Minister for the Federal Continuance
 - (iv) the Competition Act Approval; and
 - (v) approval of the Amalgamation Application by the Federal Minister and the issuance of the Letters Patent,(collectively, the “**Amalgamation Authorizations**”); and
- (d) the representations and warranties of the Parties set out in this Agreement shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality) or in all material respects (in the case of any representation or warranty not qualified by materiality) on and as of the date hereof and on and as of the Effective Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects) and each Party shall deliver a certificate to the other Party, dated the Effective Date, and signed by a duly authorized officer of the Party delivering the certificate, certifying same in respect of such Party’s representations and warranties.

ARTICLE 7 CLOSING

7.1 Effective Date

The Amalgamation shall be effective on the Effective Date.

7.2 Closing

All closing certificates and other closing documents contemplated to be delivered pursuant to this Agreement shall be delivered electronically between the Parties on the Effective Date prior to the issuance of the Letters Patent by the Minister.

7.3 Termination

If the Amalgamation Authorizations are not received by the date that is twelve months from the date of this Agreement, or such later date as agreed to by the Parties in writing, this Agreement may be terminated by either Party at any time prior to the Effective Date upon written notice to the other Party.

ARTICLE 8 MISCELLANEOUS

8.1 Entire Agreement

This Agreement and documents to be delivered hereunder constitute the sole and entire agreement of the Parties with respect to the subject matter contained herein and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. The Schedules to this Agreement are an integral part of this Agreement.

8.2 Successors and Assigns

This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party may assign its rights or obligations hereunder without the prior written consent of the other Party. No assignment shall relieve the assigning Party of any of its obligations hereunder.

8.3 Amendment and Modification; Waiver.

This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Party. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. No waiver by any Party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial

exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

8.4 Expenses

Except as provided for in Section 5.5(g) and as provided for below with respect to certain common expenses and unless otherwise agreed between the Parties, each Party shall be responsible for its own expenses incurred in connection with this Agreement and the transactions contemplated hereby.

- (a) The Parties will share common legal expenses relative to the preparation of documentation and the submission of materials, including the Amalgamation Application, to CUDGC, the Superintendent and any other Governmental Authority. Eighty percent (80%) of such expenses will be borne by IFCU and twenty percent (20%) of such expenses will be borne by ABCU unless the Parties agree to another allocation for a particular type or category of legal expense. It is understood that if a circumstance should arise where either ABCU or IFCU determines that it requires independent legal advice, then such Party will forthwith obtain such independent advice at its own expense.
- (b) The Parties will agree upon and share other common expenses relative to accounting advice and consulting services, as applicable. Eighty percent (80%) of such expenses will be borne by IFCU and twenty percent (20%) of such expenses will be borne by ABCU unless the Parties agree to another allocation for a particular type or category of expense. Where possible the Parties will endeavour to use the same accounting firm and consultant(s) to carry out work common to both Parties and those expenses will be shared as above; provided, however, it is understood that should a circumstance arise where either ABCU or IFCU determines that it requires independent accounting or consulting advice, then such Party will forthwith obtain such independent advice at its own expense.

8.5 Time

Time shall be of the essence of this Agreement.

8.6 Governing Law

The Parties agree that this Agreement shall be construed and interpreted in accordance with and governed by the laws of the Province of Alberta and the laws of Canada applicable therein.

8.7 Counterparts

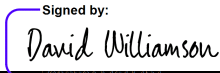
This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. This Agreement may be signed by way of associating or otherwise appending an electronic signature or other facsimile signature of the applicable signatory which shall be of the same legal effect as a manually executed signature and a signed copy of this Agreement delivered

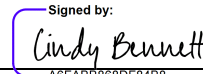
by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[Remainder of this page left intentionally blank; signature page follows.]

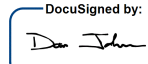
IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the day and year first written above.

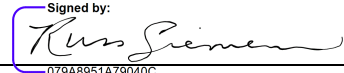
ABCU CREDIT UNION LTD.

By: 
Name: David Williamson
Title: Chief Executive Officer

By: 
Name: Cindy Bennett
Title: Chief Operating Officer

INNOVATION FEDERAL CREDIT UNION

By: 
Name: Daniel Johnson
Title: Chief Executive Officer

By: 
Name: Russ Siemens
Title: IFCU Board Chair

SCHEDULE 2.4

Proposed By-Laws of the Amalgamated Credit Union

(attached)

SCHEDULE 2.8(b)**Proposed Directors of the Amalgamated Credit Union**

Name	Address	Term Expiry
Joan Baer	Goodsoil, SK	2029
Peter Brown	Lloydminster, SK	2027
Liam Choo-Foo	Swift Current, SK	2028
Marty Meloche	Regina, SK	2028
Michael Davis	Swift Current, SK	2027
Brian Guillemin	Saskatoon, SK	2029
Daniel Johnson	Swift Current, SK	2029
Karen McBride	Regina, SK	2029
Russ Siemens	Swift Current, SK	2027
Lisa Arora	Victoria, BC	2028
Michele Wilde	Meadow Lake, SK	2028
Meagan Cockrill	Battleford, SK	2029
Brent Trombley	Edmonton, AB	2027

**INNOVATION FEDERAL CREDIT UNION
BY-LAW NO. 2**

SHARE CAPITAL

1. MEANING OF TERMS

1.1 Defined Terms

As used in these By-laws the following terms have the definitions set forth below:

“**Act**” means *The Bank Act* (Canada) and any successor legislation thereto, as enacted and as amended, from time to time, by the Parliament of Canada, including regulations made thereunder;

“**Annual Meeting**” means the annual meeting of members of Innovation Federal Credit Union;

“**Board of Directors**” means the board of directors of Innovation Federal Credit Union;

“**Credit Union**” means Innovation Federal Credit Union; and

“**Intermediate Entitlement**” means the greater of zero and the value of the Credit Union’s gross common equity tier 1 capital (or equivalent thereof under the regulatory capital rules applicable to the Credit Union) - as reflected in the Credit Union’s consolidated balance sheet most recently filed with the Office of the Superintendent of Financial Institutions before the Credit Union’s liquidation, dissolution or winding-up - and multiplied by a factor of 0.9999. The Intermediate Entitlement is shared rateably between the holders of membership shares and Class C Equity Shares in proportion to:

(A) in the case where the only Class C Equity Shares issued and outstanding were issued as part of a non-viability contingent capital conversion, the aggregate number of all outstanding membership shares and the aggregate number of all outstanding Class C Equity Shares, respectively; or

(B) in the case where some or all of the Class C Equity Shares issued and outstanding were issued prior to a non-viability contingent capital conversion, the aggregate value of the issue price of all outstanding membership shares and the aggregate value of the issue price of all outstanding Class C Equity Shares, respectively. For greater certainty, the aggregate issue price of any Class C Equity Shares issued in connection with a non-viability contingent capital conversion will be (i) in the case of a conversion of subordinated debt, the aggregate nominal issue price of the subordinated debt instrument plus accrued but unpaid interest thereon (if any) at the time of conversion; and (ii) in the case of a conversion of another class of shares, the aggregate nominal issue price of those shares plus declared but unpaid dividends thereon (if any) at the time of conversion

1.2 Other Terms

Other terms, whenever used in these Bylaws, shall have their respective meanings ascribed to each such term in the Act.

2. HEADINGS

- 2.1 The section headings used in these Bylaws are not substantive and are included solely for convenience of reference only.
- 2.2 These Bylaws must be read and applied in conjunction with the Act. Except where the Act states the Bylaws may otherwise provide, any applicable provision of the Act that is inconsistent with these Bylaws shall prevail.

3. AUTHORIZED CAPITAL

- 3.1 The authorized capital of the ~~the~~ Credit Union shall consist of:

- (a) an unlimited number of membership shares without par value (the “**membership shares**”), to be issued at a price equal to the aggregate book value of the total number of issued and outstanding membership shares as of the date of issuance, divided by the total number of issued and outstanding membership shares as of the date of issuance;
- (b) an unlimited number of non-voting, Class A preferred shares without par value (the “**Class A Preferred Member Shares**”); ~~and~~
- (c) an unlimited number of non-voting, Class B preferred shares without par value (the “Class B Preferred Shares”); and
- ~~(e)(d)~~ an unlimited number of non-voting, Class C equity shares without par value (the “Class C Equity Shares”).

4. MEMBERSHIP SHARES

- 4.1 The rights of the holders of the membership shares of the Credit Union shall be equal in all respects and shall be as follows:
- (a) the right to receive dividends declared by the Board of Directors on those shares; and
 - (b) in the event of the liquidation, dissolution or winding-up of the Credit Union, voluntary or involuntary, or any other distribution of assets of the Credit Union among its members and shareholders for the purpose of winding-up its affairs, the holders of membership shares - subject to the prior rights of the holders of the Class A Preferred Member Shares and the Class B Preferred Shares with respect to a return of capital and dividends on the occurrence of such event - shall be entitled to receive the Intermediate Entitlement (rateably with the entitlement thereto of the

holders of Class C Equity Shares) and ~~the right to receive~~ the remaining property and assets of the Credit Union on dissolution.

- 4.2 Unless permitted by a resolution of the Board of Directors, membership shares are not transferable.

5. MEMBERSHIP

5.1 Qualification

Subject to the Act, any person may become a member of the Credit Union if the person has applied for membership in accordance with these Bylaws, subscribed and paid for in full the minimum number of membership shares specified in Section 5.2, and the application was approved by the Board of Directors or an employee authorized by the Board of Directors.

5.2 Minimum Membership Shares

All persons wishing to become a member shall hold a minimum of one (1) membership share.

5.3 Procedure for Acceptance of Members

Every application for membership shall be in writing or prescribed electronic means and be accompanied by payment in full of the number of membership shares to be purchased by a member on the date of application for membership. The Board of Directors may, in their sole discretion, delegate the authority to approve or reject applications for membership.

6. WITHDRAWAL FROM MEMBERSHIP

- 6.1 A member may withdraw from membership in the Credit Union by giving the Credit Union such notice as may be prescribed by the Board of Directors.

- 6.2 The membership of any person may be terminated by a resolution of the Board of Directors in accordance with these Bylaws and the Act on such grounds that are not prohibited by the Act or laws against discrimination.

- 6.3 A resolution passed by the Board of Directors under Section 6.2 is not valid unless a prior written notice of at least 21 days was given to the member setting forth the date, time, and venue of the meeting of the Board of Directors called to consider the resolution and a statement that the member has the right to appear to make submissions at the meeting of the Board of Directors.

- 6.4 A person may appeal a resolution passed by the Board of Directors under Section 6.2 expelling that person from membership in the Credit Union by filing a written notice of appeal with the Board of Directors at least 90 days prior to the Annual Meeting. If such

notice of appeal is filed, the Board of Directors shall submit an ordinary resolution to members for consideration at the Annual Meeting on whether to reinstate the expelled person's membership in the Credit Union. If at least a majority of the members voting at the Annual Meeting vote to approve such resolution, the expelled person shall be reinstated as a member of the Credit Union.

7. REDEMPTION OF MEMBERSHIP SHARES

- 7.1 A person who has withdrawn from membership in the Credit Union or whose membership in the Credit Union has been terminated under these Bylaws shall have the right to request that the Credit Union, at the discretion of the Board of Directors and subject to the approval of the Superintendent, redeem all of the membership shares held by that person and shall have all such other rights as may be provided for in the Act and these Bylaws. Membership shares which are redeemed by the Credit Union shall be redeemed at their issue price, plus any dividends declared but unpaid thereon.
- 7.2 Where a member has a loan with the Credit Union, all shares and other interests shall be firstly applied to the repayment of the loan with any balance remaining to be paid to the member.
- 7.3 Any closed or terminated account will not qualify for any dividend or patronage returns declared by the Board of Directors at a subsequent date.

8. MEMBERSHIP CERTIFICATE

- 8.1 Membership share certificates need not be issued to members.

9. ALLOCATION OF SURPLUS

- 9.1 Subject to the rights of the holders of any shares ranking in priority to the membership shares, the Board of Directors may distribute any surplus earnings arising from the operations of the Credit Union by paying dividends on membership shares and patronage allocations to members. Dividends or patronage allocations declared, if any, at the discretion of the Board of Directors may be paid in cash or as an allocation of membership shares, or any combination of them. The maximum dividend payable in any year on a membership share shall not exceed 1,000 per cent of the value of its issue price and, for greater certainty, dividends on membership shares shall be non-cumulative, and shall not be paid unless a dividend is first or concurrently paid on any issued and outstanding Class C Equity Shares and the value of dividend per Class C Equity Share (as a percentage of the average issue price) is equal to or greater than the value of dividend per membership share (as a percentage of the average issue price).
- 9.2 Members shall be informed in writing or prescribed electronic means of the membership shares allocated or to be allocated pursuant to Section 9.1.

- 9.3 The Credit Union may allocate a portion of surplus arising from the operation of the Credit Union to non-members.
- 9.4 Any closed or terminated account will not qualify for any dividend or patronage returns declared by the Board of Directors at a subsequent date.

10. CLASS A PREFERRED MEMBER SHARE ATTRIBUTES

The Class A Preferred Member Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

10.1 General Restriction

Subject to the Act, the Credit Union shall not issue any Class A Preferred Member Shares to any person that is not a member of the Credit Union. The transfer of Class A Preferred Member Shares of the Credit Union shall be restricted in that no shareholder shall be entitled to transfer any Class A Preferred Member Share to a person that is not a member of the Credit Union, and the Credit Union shall not register or otherwise recognize any transfer of Class A Preferred Member Shares in contravention of this restriction.

10.2 Directors' Right to Issue in One or More Series

The Class A Preferred Member Shares may be issued at any time or from time-to-time in one or more series. Before any shares of a series are issued, the Board of Directors shall fix the number of shares that will form such series, if any, and shall, subject to any limitations set out in these Bylaws or in the Act, determine the designation, rights, privileges, restrictions and conditions to be attached to the Class A Preferred Member Shares of such series, the whole subject to the filing with the *Office of the Superintendent of Financial Institutions* (Canada) of the particulars of such series, including the rights, privileges, restrictions and conditions determined by the Board of Directors.

10.3 Ranking of Class A Preferred Member Shares

No rights, privileges, restrictions or conditions attached to a series of Class A Preferred Member Shares confer on the series a priority in respect of dividends or return of capital over any other series of Class A Preferred Member Shares. The Class A Preferred Member Shares:

- (a) rank equally with the Class B Preferred Shares; and
- (b) are entitled to a preference over the membership shares, the Class C Equity Shares and any other shares ranking junior to the Class A Preferred Member Shares

with respect to priority in the payment of dividends and in the return of capital in the event of the liquidation, dissolution or winding-up of the Credit Union, whether voluntary or involuntary, or any other distribution of the assets of the Credit Union among its members

and shareholders for the specific purpose of winding up its affairs. After payment to the holders of the Class A Preferred Member Shares of the amount so payable to them, they shall not be entitled to share in any further distribution of the property or assets of the Credit Union.

If any cumulative dividends, whether or not declared, or declared non-cumulative dividends or amounts payable on return of capital are not paid in full in respect of any series of Class A Preferred Member Shares, then the Class A Preferred Member Shares of all series participate ratably in respect of such dividends in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full, and in respect of such return of capital in accordance with the sums that would be payable on such return of capital if all sums so payable were paid in full; provided, however, that if there are insufficient assets to satisfy in full all such claims as aforesaid, then the claims of the holders of the Class A Preferred Member Shares with respect to return of capital shall be paid and satisfied first and any assets remaining thereafter shall be applied towards the payment and satisfaction of claims in respect of dividends. The Class A Preferred Member Shares of any series may also be given such other preferences not inconsistent with the rights, privileges, restrictions and conditions attached to the Class A Preferred Member Shares as a class over the membership shares and any other shares ranking junior to the Class A Preferred Member Shares as may be determined in the case of such series of Class A Preferred Member Shares.

10.4 Voting Rights

Except as hereinafter referred to or as required by law or as specified in the rights, privileges, restrictions and conditions attached from time to time to any series of Class A Preferred Member Shares, the holders of the Class A Preferred Member Shares as a class shall not be entitled as such to receive notice of, to attend or to vote at any meeting of the members of the Credit Union.

10.5 Amendment with Approval of Holders of Class A Preferred Member Shares

The rights, privileges, restrictions and conditions attached to the Class A Preferred Member Shares as a class may be added to, changed or removed but only with the approval of the holders of the Class A Preferred Member Shares given as hereinafter specified.

10.6 Approval of Holders of Class A Preferred Member Shares

The approval of the holders of the Class A Preferred Member Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Class A Preferred Member Shares as a class or in respect of any other matter requiring the consent of the holders of the Class A Preferred Member Shares may be given in such manner as may then be required by law. The formalities to be observed with respect to the giving of notice of any such meeting or any continuation of an adjourned meeting, the quorum required therefor and the conduct thereof shall be those from time to time required by the Act as in force at the time of the meeting and those, if any, prescribed by the by-laws or the

administrative resolutions of the Credit Union with respect to meetings of the Credit Union. On every poll taken at every meeting of the holders of the Class A Preferred Member Shares as a class, or at any joint meeting of the holders of two or more series of Class A Preferred Member Shares, each holder of Class A Preferred Member Shares entitled to vote thereat shall have one vote in respect of each Class A Preferred Member Share held.

11. CLASS B PREFERRED SHARE ATTRIBUTES

The Class B Preferred Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

11.1 Directors' Right to Issue in One or More Series

The Class B Preferred Shares may be issued at any time or from time-to-time in one or more series. Before any shares of a series are issued, the Board of Directors shall fix the number of shares that will form such series, if any, and shall, subject to any limitations set out in these Bylaws or in the Act, determine the designation, rights, privileges, restrictions and conditions to be attached to the Class B Preferred Shares of such series, the whole subject to the filing with the *Office of the Superintendent of Financial Institutions* (Canada) of the particulars of such series, including the rights, privileges, restrictions and conditions determined by the Board of Directors.

11.2 Ranking of Class B Preferred Shares

No rights, privileges, restrictions or conditions attached to a series of Class B Preferred Shares confer on the series a priority in respect of dividends or return of capital over any other series of Class B Preferred Shares. The Class B Preferred Shares:

- (a) rank equally with the Class A Preferred Member Shares; and
- (b) are entitled to a preference over the membership shares, [the Class C Equity Shares](#) and any other shares ranking junior to the Class B Preferred Shares

with respect to priority in the payment of dividends and in the return of capital in the event of the liquidation, dissolution or winding-up of the Credit Union, whether voluntary or involuntary, or any other distribution of the assets of the Credit Union among its members and shareholders for the specific purpose of winding up its affairs. After payment to the holders of the Class B Preferred Shares of the amount so payable to them, they shall not be entitled to share in any further distribution of the property or assets of the Credit Union.

If any cumulative dividends, whether or not declared, or declared non-cumulative dividends or amounts payable on return of capital are not paid in full in respect of any series of Class B Preferred Shares, then the Class B Preferred Shares of all series participate ratably in respect of such dividends in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full, and in respect of such return of capital in accordance with the sums that would be payable on such return of capital

if all sums so payable were paid in full; provided, however, that if there are insufficient assets to satisfy in full all such claims as aforesaid, then the claims of the holders of the Class B Preferred Shares with respect to return of capital shall be paid and satisfied first and any assets remaining thereafter shall be applied towards the payment and satisfaction of claims in respect of dividends. The Class B Preferred Shares of any series may also be given such other preferences not inconsistent with the rights, privileges, restrictions and conditions attached to the Class B Preferred Shares as a class over the membership shares and any other shares ranking junior to the Class B Preferred Shares as may be determined in the case of such series of Class B Preferred Shares.

11.3 Voting Rights

Except as hereinafter referred to or as required by law or as specified in the rights, privileges, restrictions and conditions attached from time to time to any series of Class B Preferred Shares, the holders of the Class B Preferred Shares as a class shall not be entitled as such to receive notice of, to attend or to vote at any meeting of the members of the Credit Union.

11.4 Amendment with Approval of Holders of Class B Preferred Shares

The rights, privileges, restrictions and conditions attached to the Class B Preferred Shares as a class may be added to, changed or removed but only with the approval of the holders of the Class B Preferred Shares given as hereinafter specified.

11.5 Approval of Holders of Class B Preferred Shares

The approval of the holders of the Class B Preferred Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Class B Preferred Shares as a class or in respect of any other matter requiring the consent of the holders of the Class B Preferred Shares may be given in such manner as may then be required by law. The formalities to be observed with respect to the giving of notice of any such meeting or any continuation of an adjourned meeting, the quorum required therefor and the conduct thereof shall be those from time to time required by the Act as in force at the time of the meeting and those, if any, prescribed by the by-laws or the administrative resolutions of the Credit Union with respect to meetings of the Credit Union. On every poll taken at every meeting of the holders of the Class B Preferred Shares as a class, or at any joint meeting of the holders of two or more series of Class B Preferred Shares, each holder of Class B Preferred Shares entitled to vote thereat shall have one vote in respect of each Class B Preferred Share held.

12. CLASS C EQUITY SHARE ATTRIBUTES

The Class C Equity Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

12.1 Issue Price

Class C Equity Shares shall be issued at a price to be determined by resolution of the board.

12.2 Dividends

Holders of Class C Equity Shares shall be entitled to receive non-cumulative dividends declared thereon in the sole discretion of the board.

12.3 Ranking

In the event of the liquidation, dissolution or winding-up of the Credit Union, voluntary or involuntary, or any other distribution of assets of the Credit Union among its members and shareholders for the purpose of winding-up its affairs, the holders of Class C Equity Shares — subject to the prior rights of the holders of the Class A Preferred Member Shares and the Class B Preferred Shares with respect to a return of capital and dividends on the occurrence of such event — shall be entitled to receive the Intermediate Entitlement (rateably with the entitlement thereto of the holders of membership shares), and after payment to the holders of the Class C Equity Shares of the amount so payable to them, they shall not be entitled to share in any further distribution of the property or assets of the Credit Union.

12.4 Voting Rights

Except as hereinafter referred to or as required by law, the holders of the Class C Equity Shares as a class shall not be entitled as such to receive notice of, to attend or to vote at any meeting of the members of the Credit Union.

12.5 Amendment with Approval of Holders of Class C Equity Shares

The rights, privileges, restrictions and conditions attached to the Class C Equity Shares as a class may be added to, changed or removed but only with the approval of the holders of the Class C Equity Shares given as hereinafter specified.

12.6 Approval of Holders of Class C Equity Shares

The approval of the holders of the Class C Equity Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Class C Equity Shares as a class or in respect of any other matter requiring the consent of the holders of the Class C Equity Shares may be given in such manner as may then be required by law. The formalities to be observed with respect to the giving of notice of any such meeting or any continuation of an adjourned meeting, the quorum required therefor and the conduct thereof shall be those from time to time required by the Act as in force at the time of the meeting and those, if any, prescribed by the Bylaws or the administrative resolutions of the Credit Union with respect to meetings of the Credit Union. On every poll taken at every meeting of the holders of the Class C Equity Shares as a class, each holder of Class C Equity Shares entitled to vote shall have one vote in respect of each Class C Equity Share held.