

FORM 5
ARTICLES OF AMENDMENT
(Credit Unions Act, S.N.B. 2019, c.C-25, s.144)

1. OMISTA CREDIT UNION LIMITED
Name of credit union

2. The amendment to the articles has been authorized by:

a. the members under subsection 143(1) of the Credit Unions Act

3. The articles are amended as follows:

1) Article 6 of the Restated Articles of Incorporation is amended by adding the following paragraphs immediately after the Class AA Preferred Shares share number and consideration maximums:

Class AAA Preferred Shares (Series 1):

Maximum number of shares authorized to be issued: 50,000

Total Consideration to be paid: \$5,000,000

Class AAA Preferred Shares (Series 2):

Maximum number of shares authorized to be issued: 50,000

Total Consideration to be paid: \$5,000,000

The Class AAA Preferred Shares (Series 1) and the Class AAA Preferred Shares (Series 2) are collectively referred to as the "**Class AAA Preferred Shares**".

2) Article 7 of the Restated Articles of Incorporation is amended by adding the following immediately after the wording "See Schedule E for Class AA Preferred Shares":

See Schedule F for Class AAA Preferred Shares (Series 1)

See Schedule G for Class AAA Preferred Shares (Series 2)

3) Existing Schedule A, Schedule B and Schedule E are replaced with the attached Schedule A, Schedule B and Schedule E (with revisions to the wording in the existing schedules noted with underline).

4) The addition of Schedule F and Schedule G attached.

Signature

Name and description of Office:

JLOW

JLOW (Apr 4, 2022 13:16 ADT)

Jack Low, Board Chairperson & Director

Rayanne Brennan

Rayanne Brennan, Board Secretary & Director

Apr 4, 2022

Date

Apr 4, 2022

Date

SCHEDULE A

Membership Shares:

1. Subject to subsection 44(1) of the Act, Membership Shares shall be redeemed or paid out at a price not to exceed the issue price at such time as the member is not accepted for membership by the Board of Directors, or the member withdraws from membership in the Credit Union, or the member is terminated from membership by the Board of Directors.
2. Membership Shares shall rank behind all other classes of shares issued by the Credit Union and holders of membership shares shall not, upon winding up or liquidation of the Credit Union, be entitled to redeem, in whole or in part, any Membership Shares until the amounts outstanding on all other classes of shares have been paid in full.
3. Dividends may be declared and paid on membership shares subject to Section 46 of the Act, and with the approval of the Board of Directors of the Credit Union.

SCHEDULE B

Surplus Shares:

1. Dividends shall not be paid on Surplus Shares.
2. Subject to subsection 44(1) of the Act, a member reaching age 55, may request in writing or verbally that all funds in his surplus shares account at that time be reimbursed in the amount of 20 percent per year.
3. Subject to subsection 44(1) of the Act, a commercial member may request in writing or verbally, after participating for five years in the surplus shares program, that all funds in his surplus shares account be reimbursed in the amount of 20 percent per year.
4. Subject to subsection 44(1) of the Act, and notwithstanding sections (2) and (3) above, in the event that a member closes all his accounts with the Credit Union the funds in the Surplus Shares Account will become available to the member one year from receipt of written application.
5. Surplus Shares will be issued to members only.
6. There is no right to vote attached to Surplus Shares.
7. Surplus Shares may not be converted to any other type of share currently outstanding or that may be issued by the Credit Union.
8. In the event of a liquidation, insolvency or dissolution of the Credit Union, a surplus share ranks behind all rights of reimbursement of a depositor, behind other creditors, the Class C Preferred Shares issued to Atlantic Central, the Class A Preferred Shares, Class AA Preferred Shares and Class AAA Preferred Shares issued to members, but will rank before the reimbursement of Membership Shares.

SCHEDULE "E"

The rights, conditions, restrictions, limitations, priorities, preferences, and privileges of the **Class AA Preferred Shares** shall be as follows:

1.00 DEFINITIONS

1.01 In this Schedule E, the following definitions shall apply:

- (a) "Accumulated Dividends" shall mean any Dividends on the Class AA Preferred Shares which are due to be paid but which have either not been declared by the Board of Directors of the Credit Union or, having been so declared and approved, have not been paid.
- (b) "Act" means the *Credit Unions Act* (New Brunswick).
- (c) "New Brunswick Securities Commission" means the New Brunswick Securities Commission under the *Securities Act* (New Brunswick).
- (d) "Articles" means the Restated Articles of Incorporation of Omista Credit Union Limited dated November 24, 2021 as amended by Articles of Amendment subsequently filed.
- (e) "Class AA Dividends" shall mean the dividends payable on the Class AA Preferred Shares as described in Article 4.01.
- (f) "Closing Date" for each Offering means the date on which the Credit Union ceases to offer Class AA Preferred Shares for sale as stated in the disclosure statement issued by the Credit Union in respect of such Offering.
- (g) "Commencement Date" for each Offering of Class AA Preferred Shares means the first day after the Closing Date for that Offering.
- (h) "Credit Union" or "OMISTA Credit Union" means Omista Credit Union Limited.
- (i) "Member" or "member" shall mean a member of the Credit Union and "members" means more than one member and the terms "member" or "members" may be used herein interchangeably.
- (j) "Equity" means
 - i. the value of the consideration paid for membership shares and any other shares issued by the Credit Union that are not redeemable within one year;
 - ii. the book value of any surplus shares issued by the Credit Union; and
 - iii. the retained earnings of the Credit Unions, unless the Credit Union has an accumulated deficit, in which case it means the amounts determined under paragraphs i. and ii. minus the accumulated deficit.
- (k) "Operation of Law" shall mean the manner of acquiring ownership to Class AA Preferred Shares by the application of the established rules of law and shall include without limitation the devolution of shares to the executor or administrator of the estate of a

shareholder, the vesting of shares in a trustee in bankruptcy or other trustee for creditors of a shareholder, the vesting of shares in any person by the order of any court.

- (l) “Maturity Date” for each Offering of Class AA Preferred Shares means the third-year anniversary date of the Closing Date for that Offering.
- (m) “Offering” means each offering of the Class AA Preferred Shares, as identified by its own distinct subscription period and accompanying disclosure statement issued by the Credit Union.

1.02 The foregoing and any other defined terms used in this Schedule E shall only be applied in this Schedule E.

2.00 THE ISSUE

The Credit Union will issue up to 30,000 Class AA Preferred Shares having a par value of \$100.00 per share. Shares will be issued only to members of the Credit Union. The issue price shall be \$100.00 per Class AA Preferred Share.

The Credit Union may issue successive Offerings of the Class AA Preferred Shares, but at no time shall the total issuance of outstanding Class AA Preferred Shares under all Offerings exceed 30,000 with aggregate par value of \$3,000,000.00

The minimum number of shares which may be purchased by one member is 10 Class AA Preferred Shares. The maximum number of shares which may be purchased by one individual member of the Credit Union shall be 500 Class AA Preferred Shares. The maximum number of shares which may be purchased by one member which is a corporation, or a partnership shall be 500 Class AA Preferred Shares. The Class AA Preferred Shares may not be held jointly by members.

3.00 USE OF PROCEEDS

The Credit Union will receive \$100.00 cash for each Class AA Preferred Share issued which will be added directly to the Credit Union's equity.

4.00 DESCRIPTION OF CLASS AA PREFERRED SHARES

Money invested in Class AA Preferred Shares is not guaranteed or insured by the New Brunswick Credit Union Deposit Insurance Corporation or any similar corporation or entity.

4.01 Dividend Rights and Rights on Maturity

The declaration and payment of any dividend on Class AA Preferred Shares is subject to the Act, the approval of the directors of the Credit Union and the consent of the Class Preferred C Shares (Atlantic Central), which consent will not be unreasonably withheld.

The holders of Class AA Preferred Shares are entitled to receive and there shall accrue to them annual, cumulative, preferential, cash dividends ("Class AA Dividends"). Class AA Dividends will be paid in full on Class AA Preferred Shares in priority to any dividends on any other shares of the Credit Union, except Class C Preferred Shares and Class A Preferred Shares, and in priority to patronage refunds.

For the three-year period commencing on the Commencement Date of each Offering, Class AA Dividends shall be paid in an amount equal to that percentage of the par value of the Class AA Preferred Shares which is equal to the Bank of Canada Prime Rate plus 50 basis points.

The Board of Directors of the Credit Union, may, in its sole and absolute discretion, fix by resolution, prior to the Commencement Date of each Offering, such higher dividend rate on the Class AA Preferred Shares as it shall deem appropriate.

In no event shall such discretionary higher dividend rate on the Class AA Preferred Shares exceed an annual rate of 5% of the par value of the Class AA Preferred Shares.

Each Offering of the Class AA Preferred Shares have a fixed term to maturity. The initial Commencement Date for the first Offering of the Class AA Preferred Shares is set as December 16, 2021 with an initial Maturity Date of December 15, 2024. Upon reaching the Maturity Date of an Offering, the shares shall be redeemed at their par value (\$100.00 per share), plus payment of any Accumulated Dividends or rolled over into a new Offering of up to 50,000 Class AA Preferred Shares for an additional three-year period. Any Member who wishes to roll over into the new Offering of Class AA Preferred Shares will be required to sign the new disclosure statement in respect of that Offering.

Once the dividend rate on the Class AA Preferred Shares is fixed for three-year periods as aforesaid, it shall not be changed during each such three-year period.

The Class AA Dividends shall accumulate daily.

In any fiscal year, the Board of Directors of the Credit Union may declare and approve payment of none or only part of the Class AA Dividends for that fiscal year. If in any fiscal year less than the full amount of the Class AA Dividends on Class AA Preferred Shares is paid, the portion of the Class AA Dividends which is approved shall be paid to the holders of the Class AA Preferred Shares in direct proportion to the number of Class AA Preferred Shares held by such holders.

If in any fiscal year of the Credit Union none or only part of the Class AA Dividends is paid by the Credit Union, the Class AA Dividends or portion thereof (hereinafter referred to as the "Unpaid Dividends") which are not paid shall be paid as soon as the Credit Union is in a financial position to do so. Until such time as the Unpaid Dividends are paid in full, no dividends shall be paid on any other class of shares in the capital stock of the Credit Union except the Class C and Class A Preferred Shares and no patronage refunds shall be paid.

The Credit Union will not declare or pay any dividend on Class AA Preferred Shares if:

- a) the Credit Union, is, or would after the payment be, unable to pay its liabilities as they become due,
- b) the realizable value of the Credit Union's assets is, or would after the payment be, less than the aggregate of its liabilities and its equity other than retained earnings, or
- c) the Equity of the Credit Union is, or after the payment would be, less than that percentage of the total assets of the Credit Union required by the Act.

Holders of Class AA Preferred Shares are not entitled to any dividends other than those described herein.

Accumulated Dividends do not compound in any way while they remain unpaid.

4.02 Voting Rights

Class AA Preferred Shares are non-voting shares.

4.03 Rights on Liquidation, Dissolution or Winding-up

In the event of the liquidation, dissolution or winding-up of the Credit Union, its property shall be distributed, and its obligations shall be satisfied in the order provided by the Act and the Articles and By-laws of the Credit Union.

First, all debts and liabilities of the Credit Union (including liabilities to depositors and creditors and the costs of liquidation, dissolution or winding-up) shall be satisfied then the Class C Preferred Shares, followed by the Class A Preferred Shares, shall be redeemed and the holder of the Class C Preferred Shares, followed by the Class A Preferred Shares, shall be paid all amounts payable to it.

If there is no surplus or balance remaining after the payment of all the debts and liabilities of the Credit Union, the holders of the Class AA Preferred Shares will receive nothing.

If there is a surplus or balance remaining after the payment of all of the debts and liabilities of the Credit Union and the Class C, followed by the Class A Preferred Shares are redeemed, the holders of the Class AA Preferred Shares shall receive, in priority to the holders of Class AAA Preferred Shares, Membership Shares and Surplus Shares of the Credit Union, the par value of all Class AA Preferred Shares held by them plus any Accumulated Dividends which have not been paid at the time of the liquidation, dissolution or winding-up. If the surplus or balance remaining after the payment of all of the debts and liabilities of the Credit Union and the payment to the holder of the Class C and Class A Preferred Shares as aforesaid is not sufficient to pay all of the holders of the Class AA Preferred Shares in full, as set out above, they shall be paid pro rata based on the number of Class AA Preferred Shares held by them.

Finally, if any surplus or balance remains after the payment of the foregoing, the holders of Class AAA Preferred Shares, Membership Shares and Surplus Shares shall be entitled to share in the surplus or balance and the holders of the Class AA Preferred Shares, as such, shall not be entitled to share therein.

4.04 Conversion Rights

There are no rights to convert a Class AA Preferred Shares into any other type of share or security of the Credit Union other than a future Offering of Class AA Preferred Shares upon Maturity as provided under 4.01 hereof.

4.05 Calls and Redemptions

Each Class AA Preferred Share will be issued as a fully paid share only and no calls for additional payments by the holder of such Class AA Preferred Share will be made with respect to such Class AA Preferred Share.

Subject to the Act and By-laws of the Credit Union, the Board of Directors of the Credit Union, in its discretion may authorize the Credit Union to redeem or purchase any Class AA Preferred Shares. A Class AA Preferred Share will be redeemed or purchased by the Credit Union at its par value (\$100.00) plus Accumulated Dividends which have not been paid to the time of redemption.

The Credit Union shall deliver a written notice to the holders of the Class AA Preferred Shares to be redeemed setting out the Credit Union's desire to redeem their Class AA Preferred Shares at least 60 days prior to the date on which the redemption is to take place. A holder of Class AA Preferred Shares may waive such notice in writing.

Notwithstanding the foregoing and the retraction rights owing to the holders of Class AA Preferred Shares at the Maturity Date for each Offering, the Credit Union shall not make any payment to redeem Class AA Preferred Shares if:

- (a) two years has not elapsed since the Commencement Date of the Offering of such shares;
- (b) there are reasonable grounds for believing that:
 - (i) the Credit Union is, or would after the payment be, unable to pay its liabilities as they become due, or
 - (ii) the realizable value of the Credit Union's assets is, or would after the payment be, less than the aggregate of
 - a. its liabilities, and
 - b. the amount that would at that time be required to pay the shareholders that have a right to be paid, on a redemption or in a liquidation, rateably with or before the shareholders of the shares to be purchased or redeemed; or
- (c) the Equity of the Credit Union is, or after the redemption would be, less than that percentage of the total assets of the Credit Union required under the Act; or
- (d) any Accumulated Dividends are outstanding to the holders of the Class AA Preferred Shares.

4.06 Retraction Rights

There is no market through which the Class AA Preferred Shares may be sold. There is no inter-membership transfer rights of the Class AA Preferred Shares. There are no retraction rights or privileges attached to the Class AA Preferred Shares other

than the retraction rights owing to the holder of Class AA Preferred Shares at the Maturity Date for each Offering.

SCHEDULE "F"

The rights, conditions, restrictions, limitations, priorities, preferences, and privileges of the Class AAA Preferred Shares (Series 1) shall be as follows:

1.00 DEFINITIONS

1.01 In this Schedule F, the following definitions shall apply:

- (a) "Accumulated Dividends" shall mean any Dividends on the Class AAA Preferred Shares (Series 1) which are due to be paid but which have either not been declared by the Board of Directors of the Credit Union or, having been so declared and approved, have not been paid.
- (b) "Act" means the *Credit Unions Act* (New Brunswick).
- (c) "New Brunswick Securities Commission" means the New Brunswick Securities Commission under the *Securities Act* (New Brunswick).
- (d) "Articles" means the Restated Articles of Incorporation of Omista Credit Union Limited dated November 24, 2021 as amended by Articles of Amendment subsequently filed.
- (e) "Class AAA (Series 1) Dividends" shall mean the dividends payable on the Class AAA Preferred Shares (Series 1) as described in Article 4.01.
- (f) "Class AAA Dividends" shall mean the dividends payable on the Class AAA Preferred Shares.
- (g) "Class AAA Preferred Shares" shall mean the Shares of all series of Class AAA Preferred Shares and includes Class AAA Preferred Shares (Series 1) and Class AAA Preferred Shares (Series 2).
- (h) "Closing Date" for each Offering means the date on which the Credit Union ceases to offer Class AAA Preferred Shares (Series 1) for sale as stated in the disclosure statement issued by the Credit Union in respect of such Offering.
- (i) "Commencement Date" for each Offering of Class AAA Preferred Shares (Series 1) means the first day after the Closing Date for that Offering.
- (j) "Credit Union" or "OMISTA Credit Union" means Omista Credit Union Limited.
- (k) "Equity" means
 - i. the value of the consideration paid for membership shares and any other shares issued by the Credit Union that are not redeemable within one year;
 - ii. the book value of any surplus shares issued by the Credit Union; and
 - iii. the retained earnings of the Credit Unions, unless the Credit Union has an accumulated deficit, in which case it means the amounts determined under paragraphs i. and ii. minus the

- accumulated deficit.
- (l) "Maturity Date" for each Offering of Class AAA Preferred Shares (Series 1) means the third-year anniversary date of the Closing Date for that Offering.
 - (m) "Member" or "member" shall mean a member of the Credit Union and "members" means more than one member and the terms "member" or "members" may be used herein interchangeably.
 - (n) "Offering" means each offering of the Class AAA Preferred Shares (Series 1), as identified by its own distinct subscription period and accompanying disclosure statement issued by the Credit Union.
 - (o) "Operation of Law" shall mean the manner of acquiring ownership to Class AAA Preferred Shares (Series 1) by the application of the established rules of law and shall include without limitation the devolution of shares to the executor or administrator of the estate of a shareholder, the vesting of shares in a trustee in bankruptcy or other trustee for creditors of a shareholder, the vesting of shares in any person by the order of any court.

1.02 The foregoing and any other defined terms used in this Schedule F shall only be applied in this Schedule F.

2.00 THE ISSUE

The Credit Union will issue up to 50,000 Class AAA Preferred Shares (Series 1) having a par value of \$100.00 per share. Shares will be issued only to members of the Credit Union. The issue price shall be \$100.00 per Class AAA Preferred Share (Series 1).

The Credit Union may issue successive Offerings of the Class AAA Preferred Shares, (Series 1) but at no time shall the total issuance of outstanding Class AAA Preferred Shares (Series 1) under all Offerings exceed 50,000 with aggregate par value of \$5,000,000.00.

The minimum number of shares which may be purchased by one member is 10 Class AAA Preferred Shares (Series 1). The maximum number of shares which may be purchased by one individual member of the Credit Union shall be 500 Class AAA Preferred Shares (Series 1). The maximum number of shares which may be purchased by one member which is a corporation, or a partnership shall be 500 Class AAA Preferred Shares (Series 1). The Class AAA Preferred Shares (Series 1) may not be held jointly by members.

3.00 USE OF PROCEEDS

The Credit Union will receive \$100.00 cash for each Class AAA Preferred Share (Series 1) issued which will be added directly to the Credit Union's equity.

4.00 DESCRIPTION OF CLASS AAA PREFERRED SHARES (SERIES 1)

4.01 Dividend Rights and Rights on Maturity

The declaration and payment of any dividend on Class AAA Preferred Shares (Series 1) is subject to the Act, the approval of the directors of the Credit Union and the consent of the Class Preferred C Shares (Atlantic Central), which consent will not be unreasonably withheld.

The holders of Class AAA Preferred Shares (Series 1) are entitled to receive and there shall accrue to them annual, cumulative, preferential, cash dividends ("Class AAA (Series 1) Dividends"). Class AAA (Series 1) Dividends will be paid in full on Class AAA Preferred Shares (Series 1) *pari passu* with dividends declared on all other Class AAA Preferred Shares and in priority to any dividends on any other shares of the Credit Union, except Class C Preferred, Class A Preferred Shares and Class AA Preferred Shares and in priority to patronage refunds.

For the three-year period commencing on the Commencement Date of each Offering, Class AAA (Series 1) Dividends shall be paid in an amount equal to that percentage of the par value of the Class AAA Preferred Shares (Series 1) which is equal to the Bank of Canada Prime Rate plus 50 basis points.

The Board of Directors of the Credit Union, may, in its sole and absolute discretion, fix by resolution, prior to the Commencement Date of each Offering, such higher dividend rate on the Class AAA Preferred Shares (Series 1) as it shall deem appropriate.

In no event shall such discretionary higher dividend rate on the Class AAA Preferred Shares (Series 1) exceed an annual rate of 5% of the par value of the Class AAA Preferred Shares (Series 1).

Once the dividend rate on the Class AAA Preferred Shares (Series 1) is fixed for three-year periods as aforesaid, it shall not be changed during each such three-year period.

Each Offering of the Class AAA Preferred Shares (Series 1) have a fixed term to maturity. Upon reaching the Maturity Date of an Offering, the shares shall be redeemed at their par value (\$100.00 per share), plus payment of any Accumulated Dividends, or

rolled over into a new Offering of up to 50,000 Class AAA Preferred Shares (Series 1) for an additional three-year period. Any Member who wishes to roll over into the new Offering of Class AAA Preferred Shares (Series 1) will be required to sign the new disclosure statement in respect of that Offering.

The Class AAA (Series 1) Dividends shall accumulate daily.

In any fiscal year, the Board of Directors of the Credit Union may declare and approve payment of none or only part of the Class AAA Dividends for that fiscal year. If in any fiscal year less than the full amount of the Class AAA Dividends on Class AAA Preferred Shares is paid, the portion of the Class AAA Dividends which is approved shall be paid to the holders of the Class AAA Preferred Shares in direct proportion to the number of Class AAA Preferred Shares held by such holders.

If in any fiscal year of the Credit Union none or only part of the Class AAA Dividends is paid by the Credit Union, the Class AAA Dividends or portion thereof (hereinafter referred to as the "Unpaid Dividends") which are not paid shall be paid as soon as the Credit Union is in a financial position to do so. Until such time as the Unpaid Dividends are paid in full, no dividends shall be paid on any other class of shares in the capital stock of the Credit Union except the Class C, Class A Preferred Shares and Class AA Preferred Shares and no patronage refunds shall be paid.

The Credit Union will not declare or pay any dividend on Class AAA Preferred Shares if:

- a) the Credit Union, is, or would after the payment be, unable to pay its liabilities as they become due,
- b) the realizable value of the Credit Union's assets is, or would after the payment be, less than the aggregate of its liabilities and its equity other than retained earnings, or
- c) the Equity of the Credit Union is, or after the payment would be, less than that percentage of the total assets of the Credit Union required by the Act.

Holders of Class AAA Preferred Shares (Series 1) are not entitled to any dividends other than those described herein.

Accumulated Dividends do not compound in any way while they remain unpaid.

4.02 Voting Rights

Class AAA Preferred Shares (Series 1) are non-voting shares.

4.03 Rights on Liquidation, Dissolution or Winding-up

In the event of the liquidation, dissolution or winding-up of the Credit Union, its property shall be distributed, and its obligations shall be satisfied in the order provided by the Act and the Articles and By-laws of the Credit Union.

First, all debts and liabilities of the Credit Union (including liabilities to depositors and creditors and the costs of liquidation, dissolution or winding-up) shall be satisfied then the Class C Preferred Shares, followed by the Class A Preferred Shares, followed by the Class AA Preferred Shares shall be redeemed and the holder of the Class C Preferred Shares, followed by the Class A Preferred Shares, followed by the Class AA Preferred Shares, shall be paid all amounts payable to it.

If there is no surplus or balance remaining after the payment of all the debts and liabilities of the Credit Union, the holders of the Class AAA Preferred Shares will receive nothing.

If there is a surplus or balance remaining after the payment of all of the debts and liabilities of the Credit Union and the Class C, followed by the Class A Preferred Shares, followed by the Class AA Preferred Shares are redeemed, the holders of the Class AAA Preferred Shares shall receive, *pari passu* with each other, in priority to the holders of the Membership Shares and Surplus Shares of the Credit Union, the par value of all Class AAA Preferred Shares held by them plus any Accumulated Dividends which have not been paid at the time of the liquidation, dissolution or winding-up. If the surplus or balance remaining after the payment of all of the debts and liabilities of the Credit Union and the payment to the holder of the Class C, Class A Preferred Shares and Class AA Preferred Shares as aforesaid is not sufficient to pay all of the holders of the Class AAA Preferred Shares in full, as set out above, they shall be paid pro rata based on the number of Class AAA Preferred Shares held by them.

Finally, if any surplus or balance remains after the payment of the foregoing, the holders of the Membership Shares and Surplus Shares shall be entitled to share in the surplus or balance and the holders of the Class AAA Preferred Shares, as such, shall not be entitled to share therein.

4.04 Conversion Rights

There are no rights to convert Class AAA Preferred Shares (Series 1) into any other type of share or security of the Credit Union other than a future Offering of Class AAA Preferred Shares (Series 1) upon Maturity as provided under 4.01 hereof.

4.05 Calls and Redemptions

Each Class AAA Preferred Share (Series 1) will be issued as a fully paid share only and no calls for additional payments by the holder of such Class AAA Preferred Share (Series 1) will be made with respect to such Class AAA Preferred Share (Series 1).

Subject to the Act and By-laws of the Credit Union, the Board of Directors of the Credit Union, in its discretion may authorize the Credit Union to redeem or purchase any Class AAA Preferred Shares (Series 1). A Class AAA Preferred Share (Series 1) will be redeemed or purchased by the Credit Union at its par value (\$100.00) plus Accumulated Dividends which have not been paid to the time of redemption.

The Credit Union shall deliver a written notice to the holders of the Class AAA Preferred Shares (Series 1) to be redeemed setting out the Credit Union's desire to redeem their Class AAA Preferred Shares (Series 1) at least 60 days prior to the date on which the redemption is to take place. A holder of Class AAA Preferred Shares (Series 1) may waive such notice in writing.

Notwithstanding the foregoing and the retraction rights owing to Class AAA Preferred (Series 1) shareholders at the Maturity Date for each Offering, the Credit Union shall not make any payment to redeem Class AAA Preferred Shares (Series 1) if :

- (a) two years has not elapsed since the Commencement Date of the Offering of such shares;
- (b) there are reasonable grounds for believing that:
 - (i) the Credit Union is, or would after the payment be, unable to pay its liabilities as they become due, or
 - (ii) the realizable value of the Credit Union's assets is, or would after the payment be, less than the aggregate of
 - a. its liabilities, and
 - b. the amount that would at that time be required to pay the shareholders that have a right to be paid, on a redemption or in a liquidation, rateably with or before the shareholders of the shares to be purchased or redeemed; or
- (c) the Equity of the Credit Union is, or after the redemption would be, less than that percentage of the total assets of the Credit Union required under the Act; or
- (d) any Accumulated Dividends are outstanding to the holders of the Class AAA Preferred Shares.

4.06 Retraction Rights

There is no market through which the Class AAA Preferred Shares (Series 1) may be sold. There is no inter-membership transfer rights of the Class AAA Preferred Shares (Series 1). There are no retraction rights or privileges attached to the Class AAA Preferred Shares (Series 1) other than the retraction rights owing to the holder of Class AAA Preferred Shares (Series 1) at the Maturity Date for each Offering.

SCHEDULE "G"

The rights, conditions, restrictions, limitations, priorities, preferences, and privileges of the Class AAA Preferred Shares (Series 2) shall be as follows:

1.00 DEFINITIONS

1.01 In this Schedule G, the following definitions shall apply:

- (a) "Accumulated Dividends" shall mean any Dividends on the Class AAA Preferred Shares (Series 2) which are due to be paid but which have either not been declared by the Board of Directors of the Credit Union or, having been so declared and approved, have not been paid.
- (b) "Act" means the *Credit Unions Act* (New Brunswick).
- (c) "New Brunswick Securities Commission" means the New Brunswick Securities Commission under the *Securities Act* (New Brunswick).
- (d) "Articles" means the Restated Articles of Incorporation of Omista Credit Union Limited dated November 24, 2021 as amended by Articles of Amendment subsequently filed.
- (e) "Class AAA (Series 2) Dividends" shall mean the dividends payable on the Class AAA Preferred Shares (Series 2) as described in Article 4.01.
- (f) "Class AAA Dividends" shall mean the dividends payable on the Class AAA Preferred Shares.
- (g) "Class AAA Preferred Shares" shall mean the Shares of all series of Class AAA Preferred Shares and includes Class AAA Preferred Shares (Series 1) and Class AAA Preferred Shares (Series 2).
- (h) "Closing Date" for each Offering means the date on which the Credit Union ceases to offer Class AAA Preferred Shares (Series 2) for sale as stated in the disclosure statement issued by the Credit Union in respect of such Offering.
- (i) "Commencement Date" for each Offering of Class AAA Preferred Shares (Series 2) means the first day after the Closing Date for that Offering.
- (j) "Credit Union" or "OMISTA Credit Union" means Omista Credit Union Limited.
- (k) "Equity" means
 - i. the value of the consideration paid for membership shares and any other shares issued by the Credit Union that are not redeemable within one year;
 - ii. the book value of any surplus shares issued by the Credit Union; and
 - iii. the retained earnings of the Credit Unions, unless the Credit Union has an accumulated deficit, in which case it means the amounts determined under paragraphs i. and ii. minus the

accumulated deficit.

- (l) "Maturity Date" for each Offering of Class AAA Preferred Shares (Series 2) means the third-year anniversary date of the Closing Date for that Offering.
- (m) "Member" or "member" shall mean a member of the Credit Union and "members" means more than one member and the terms "member" or "members" may be used herein interchangeably.
- (n) "Offering" means each offering of the Class AAA Preferred Shares (Series 2), as identified by its own distinct subscription period and accompanying disclosure statement issued by the Credit Union.
- (o) "Operation of Law" shall mean the manner of acquiring ownership to Class AAA Preferred Shares (Series 2) by the application of the established rules of law and shall include without limitation the devolution of shares to the executor or administrator of the estate of a shareholder, the vesting of shares in a trustee in bankruptcy or other trustee for creditors of a shareholder, the vesting of shares in any person by the order of any court.

1.02 The foregoing and any other defined terms used in this Schedule G shall only be applied in this Schedule G.

2.00 THE ISSUE

The Credit Union will issue up to 50,000 Class AAA Preferred Shares (Series 2) having a par value of \$100.00 per share. Shares will be issued only to members of the Credit Union. The issue price shall be \$100.00 per Class AAA Preferred Share (Series 2).

The Credit Union may issue successive Offerings of the Class AAA Preferred Shares, (Series 2) but at no time shall the total issuance of outstanding Class AAA Preferred Shares (Series 2) under all Offerings exceed 50,000 with aggregate par value of \$5,000,000.00.

The minimum number of shares which may be purchased by one member is 10 Class AAA Preferred Shares (Series 2). The maximum number of shares which may be purchased by one individual member of the Credit Union shall be 500 Class AAA Preferred Shares (Series 2). The maximum number of shares which may be purchased by one member which is a corporation, or a partnership shall be 500 Class AAA Preferred Shares (Series 2). The Class AAA Preferred Shares (Series 2) may not be held jointly by members.

3.00 USE OF PROCEEDS

The Credit Union will receive \$100.00 cash for each Class AAA Preferred Share (Series 2) issued which will be added directly to the Credit Union's equity.

4.00 DESCRIPTION OF CLASS AAA PREFERRED SHARES (SERIES 2)

4.01 Dividend Rights and Rights on Maturity

The declaration and payment of any dividend on Class AAA Preferred Shares (Series 2) is subject to the Act, the approval of the directors of the Credit Union and the consent of the Class Preferred C Shares (Atlantic Central), which consent will not be unreasonably withheld.

The holders of Class AAA Preferred Shares (Series 2) are entitled to receive and there shall accrue to them annual, cumulative, preferential, cash dividends ("Class AAA (Series 2) Dividends"). Class AAA (Series 2) Dividends will be paid in full on Class AAA Preferred Shares (Series 2) *pari passu* with dividends declared on all other Class AAA Preferred Shares and in priority to any dividends on any other shares of the Credit Union, except Class C Preferred, Class A Preferred Shares and Class AA Preferred Shares and in priority to patronage refunds.

For the three-year period commencing on the Commencement Date of each Offering, Class AAA (Series 2) Dividends shall be paid in an amount equal to that percentage of the par value of the Class AAA Preferred Shares (Series 2) which is equal to the Bank of Canada Prime Rate plus 50 basis points.

The Board of Directors of the Credit Union, may, in its sole and absolute discretion, fix by resolution, prior to the Commencement Date of each Offering, such higher dividend rate on the Class AAA Preferred Shares (Series 2) as it shall deem appropriate.

In no event shall such discretionary higher dividend rate on the Class AAA Preferred Shares (Series 2) exceed an annual rate of 5% of the par value of the Class AAA Preferred Shares (Series 2).

Once the dividend rate on the Class AAA Preferred Shares (Series 2) is fixed for three-year periods as aforesaid, it shall not be changed during each such three-year period.

Each Offering of the Class AAA Preferred Shares (Series 2) have a fixed term to maturity. Upon reaching the Maturity Date of an Offering, the shares shall be redeemed at their par value (\$100.00 per share), plus payment of any Accumulated Dividends, or

rolled over into a new Offering of up to 50,000 Class AAA Preferred Shares (Series 2) for an additional three-year period. Any Member who wishes to roll over into the new Offering of Class AAA Preferred Shares (Series 2) will be required to sign the new disclosure statement in respect of that Offering.

The Class AAA (Series 2) Dividends shall accumulate daily.

In any fiscal year, the Board of Directors of the Credit Union may declare and approve payment of none or only part of the Class AAA Dividends for that fiscal year. If in any fiscal year less than the full amount of the Class AAA Dividends on Class AAA Preferred Shares is paid, the portion of the Class AAA Dividends which is approved shall be paid to the holders of the Class AAA Preferred Shares in direct proportion to the number of Class AAA Preferred Shares held by such holders.

If in any fiscal year of the Credit Union none or only part of the Class AAA Dividends is paid by the Credit Union, the Class AAA Dividends or portion thereof (hereinafter referred to as the "Unpaid Dividends") which are not paid shall be paid as soon as the Credit Union is in a financial position to do so. Until such time as the Unpaid Dividends are paid in full, no dividends shall be paid on any other class of shares in the capital stock of the Credit Union except the Class C, Class A Preferred Shares and Class AA Preferred Shares and no patronage refunds shall be paid.

The Credit Union will not declare or pay any dividend on Class AAA Preferred Shares if:

- a) the Credit Union, is, or would after the payment be, unable to pay its liabilities as they become due,
- b) the realizable value of the Credit Union's assets is, or would after the payment be, less than the aggregate of its liabilities and its equity other than retained earnings, or
- c) the Equity of the Credit Union is, or after the payment would be, less than that percentage of the total assets of the Credit Union required by the Act.

Holders of Class AAA Preferred Shares (Series 2) are not entitled to any dividends other than those described herein.

Accumulated Dividends do not compound in any way while they remain unpaid.

4.02 Voting Rights

Class AAA Preferred Shares (Series 2) are non-voting shares.

4.03 Rights on Liquidation, Dissolution or Winding-up

In the event of the liquidation, dissolution or winding-up of the Credit Union, its property shall be distributed, and its obligations shall be satisfied in the order provided by the Act and the Articles and By-laws of the Credit Union.

First, all debts and liabilities of the Credit Union (including liabilities to depositors and creditors and the costs of liquidation, dissolution or winding-up) shall be satisfied then the Class C Preferred Shares, followed by the Class A Preferred Shares, followed by the Class AA Preferred Shares shall be redeemed and the holder of the Class C Preferred Shares, followed by the Class A Preferred Shares, followed by the Class AA Preferred Shares, shall be paid all amounts payable to it.

If there is no surplus or balance remaining after the payment of all the debts and liabilities of the Credit Union, the holders of the Class AAA Preferred Shares will receive nothing.

If there is a surplus or balance remaining after the payment of all of the debts and liabilities of the Credit Union and the Class C, followed by the Class A Preferred Shares, followed by the Class AA Preferred Shares are redeemed, the holders of the Class AAA Preferred Shares shall receive, *pari passu* with each other, in priority to the holders of the Membership Shares and Surplus Shares of the Credit Union, the par value of all Class AAA Preferred Shares held by them plus any Accumulated Dividends which have not been paid at the time of the liquidation, dissolution or winding-up. If the surplus or balance remaining after the payment of all of the debts and liabilities of the Credit Union and the payment to the holder of the Class C, Class A Preferred Shares and Class AA Preferred Shares as aforesaid is not sufficient to pay all of the holders of the Class AAA Preferred Shares in full, as set out above, they shall be paid pro rata based on the number of Class AAA Preferred Shares held by them.

Finally, if any surplus or balance remains after the payment of the foregoing, the holders of the Membership Shares and Surplus Shares shall be entitled to share in the surplus or balance and the holders of the Class AAA Preferred Shares, as such, shall not be entitled to share therein.

4.04 Conversion Rights

There are no rights to convert Class AAA Preferred Shares (Series 2) into any other type of share or security of the Credit Union other than a future Offering of Class AAA Preferred Shares (Series 2) upon Maturity as provided under 4.01 hereof.

4.05 Calls and Redemptions

Each Class AAA Preferred Share (Series 2) will be issued as a fully paid share only and no calls for additional payments by the holder of such Class AAA Preferred Share (Series 2) will be made with respect to such Class AAA Preferred Share (Series 2).

Subject to the Act and By-laws of the Credit Union, the Board of Directors of the Credit Union, in its discretion may authorize the Credit Union to redeem or purchase any Class AAA Preferred Shares (Series 2). A Class AAA Preferred Share (Series 2) will be redeemed or purchased by the Credit Union at its par value (\$100.00) plus Accumulated Dividends which have not been paid to the time of redemption.

The Credit Union shall deliver a written notice to the holders of the Class AAA Preferred Shares (Series 2) to be redeemed setting out the Credit Union's desire to redeem their Class AAA Preferred Shares (Series 2) at least 60 days prior to the date on which the redemption is to take place. A holder of Class AAA Preferred Shares (Series 2) may waive such notice in writing.

Notwithstanding the foregoing and the retraction rights owing to Class AAA Preferred (Series 2) shareholders at the Maturity Date for each Offering, the Credit Union shall not make any payment to redeem Class AAA Preferred Shares (Series 2) if :

- (a) two years has not elapsed since the Commencement Date of the Offering of such shares;
- (b) there are reasonable grounds for believing that:
 - (i) the Credit Union is, or would after the payment be, unable to pay its liabilities as they become due, or
 - (ii) the realizable value of the Credit Union's assets is, or would after the payment be, less than the aggregate of
 - a. its liabilities, and
 - b. the amount that would at that time be required to pay the shareholders that have a right to be paid, on a redemption or in a liquidation, rateably with or before the shareholders of the shares to be purchased or redeemed; or
- (c) the Equity of the Credit Union is, or after the redemption would be, less than that percentage of the total assets of the Credit Union required under the Act; or
- (d) any Accumulated Dividends are outstanding to the holders of the Class AAA Preferred Shares.

4.06 Retraction Rights

There is no market through which the Class AAA Preferred Shares (Series 2) may be sold. There is no inter-membership transfer rights of the Class AAA Preferred Shares (Series 2). There are no retraction rights or privileges attached to the Class AAA Preferred Shares (Series 2) other than the retraction rights owing to the holder of Class AAA Preferred Shares (Series 2) at the Maturity Date for each Offering.









ArticlesofAmendment_March18_2022FCNBPre_Approved_MembershipApproved_March_31_2022

Final Audit Report

2022-04-04

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