

THIS AMALGAMATION AGREEMENT made as of the 7th day of April, 2022.

B E T W E E N :

HURON BAY CO-OPERATIVE INC.
(hereinafter called "Huron Bay")

OF THE FIRST PART;

- and -

NORTH WELLINGTON CO-OPERATIVE SERVICES INC.
(hereinafter called "North Wellington")

OF THE SECOND PART;

WHEREAS Huron Bay has mandatory member loans, demand loans, deferred patronage loans and 1, 3 and 5 year term loans, of which mandatory member loans and 1, 3 and 5 year term loans are outstanding;

AND WHEREAS North Wellington has mandatory member loans, demand loans and 1, 3 and 5 year term loans, of which mandatory member loans, demand loans and 1, 3 and 5 year term loans are outstanding;

AND WHEREAS Huron Bay and North Wellington having made full disclosure to one another of all their respective assets and liabilities, desire to amalgamate and continue as one co-operative corporation pursuant to the provisions of the Co-operative Corporations Act (Ontario) (hereinafter called the "Act") upon the terms and conditions hereinafter set forth;

NOW THEREFORE THIS AGREEMENT witnesses that:

ARTICLE 1 - DEFINITIONS

1.1 Definitions: In this Agreement, the following terms shall have the respective meanings ascribed to them as follows:

"Act" shall mean the Co-operative Corporations Act (Ontario) or any statute which may be substituted therefor including the regulations made thereunder as amended from time to time;

"Agreement" shall mean this Amalgamation Agreement;

"Amalgamated Co-operative" or "Co-operative" shall mean the co-operative corporation continuing from the amalgamation of Huron Bay and North Wellington;

"Amalgamation Date" has the meaning set out in Section 2.1 of this Agreement; and

"Board" means the board of directors of the Amalgamated Co-operative.

ARTICLE 2 - AMALGAMATION

2.1 Effective Date: Subject to Section 2.3 hereof, Huron Bay and North Wellington shall amalgamate effective the date a Certificate of Amalgamation is issued (the "Amalgamation

Date”) under the provisions of the Act, and continue as one co-operative corporation under the terms and conditions hereinafter set forth and to file Articles of Amalgamation accordingly. Articles of Amalgamation in the prescribed form shall be sent to the Minister under the Act, together with all other documents necessary to bring the amalgamation into effect.

2.2 Effect of Amalgamation: Upon the amalgamation of Huron Bay and North Wellington and their continuance as the Amalgamated Co-operative becoming effective:

- (a) The Amalgamated Co-operative shall possess all the property, rights, privileges and franchises and shall be subject to all liabilities, including civil, criminal and quasi-criminal liabilities and all contracts, obligations and debts of each of Huron Bay and North Wellington;
- (b) A conviction against, or ruling, order or judgment in favour of or against any of Huron Bay and North Wellington may be enforced by or against the Amalgamated Co-operative;
- (c) The Amalgamated Co-operative shall be deemed to be the party plaintiff or the party defendant, as the case may be, in any civil action commenced by or against Huron Bay or North Wellington before the amalgamation has become effective; and
- (d) Except for the purposes specified in the Act, the Amalgamated Co-operative’s articles of amalgamation shall be deemed to be its articles of incorporation, and the Amalgamated Co-operative’s certificate of amalgamation shall be deemed to be its certificate of incorporation.

2.3 Termination: Notwithstanding the approval of this Agreement by their members, the board of directors of either of Huron Bay or North Wellington, without further member approval, may terminate the amalgamation and this Agreement at any time before the issuance of a certificate of amalgamation.

ARTICLE 3 – ORGANIZATION

3.1 Name: The name of the Amalgamated Co-operative shall be:

MIDWEST CO-OPERATIVE SERVICES INC.

3.2 Registered Head Office: The address and the municipality or geographic township in Ontario where the registered office of the Amalgamated Co-operative is to be situate is 15 Hillcrest Street East, Teeswater, Ontario, Municipality of South Bruce, N0G 2S0, until changed in accordance with the Act.

3.3 Objects: The objects of the Amalgamated Co-operative shall be:

- (a) To buy, sell or otherwise dispose of, hold, own, transport, produce, export, import, manufacture, process and deal in cereals, fruits, seeds, fertilizer, vegetables and animal or other products of the farm of every kind or nature whatsoever in any state, fresh, processed or otherwise, or by-products thereof;
- (b) To act for the members as the selling medium for their products;

- (c) To arrange cash advances if deemed advisable, the amount of such cash advances to be fixed by the Board from time to time;
- (d) To purchase and sell and generally deal in fuel, petroleum products, farm implements and machinery, food, groceries, household goods and all other supplies, wares and such other merchandise as the Board may authorize;
- (e) To acquire or undertake the whole or any part of the undertaking, property and liabilities of any person, company or association carrying on any undertaking which the Co-operative is authorized to carry on or possessed of property suitable for the purpose of the Co-operative;
- (f) To apply for, purchase or otherwise acquire any patents, licenses, concessions and the like conferring any exclusive or non-exclusive or limited right to use or hold any secret or other information as to any invention which may seem capable of being used for any purpose of the Co-operative;
- (g) To take or otherwise acquire and hold membership or other shares in any other association having objects altogether or in part similar to those of the Co-operative or carrying on any undertaking capable of being conducted so as to directly or indirectly benefit the Co-operative;
- (h) To enter into any arrangement with any authorities, municipal, local or otherwise , which may seem conducive to the Co-operative's objects or any of them, and to obtain from any such authority any rights, privileges and concessions which the Co-operative may think desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions;
- (i) To purchase, take on loans or exchange, hire or otherwise acquire any personal property and any rights or privileges which the Co-operative may think necessary or convenient for the purpose of its undertaking and in particular any machinery, plant and stock in trade;
- (j) To construct, improve, maintain, work, manage, carry out or control any rights, ways, sidings, manufacturing facilities, warehouses, shops, stores and other works and conveniences which may seem calculated directly or indirectly to advance the Co-operative's interests and to contribute to, subsidize or otherwise assist or take part in the construction, improvement, maintenance, working, management, carrying out or control thereof;
- (k) To lend money on the security of personal property only to customers and others having dealings with the Co-operative and to guarantee the performance of contracts by any such persons;
- (l) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warehouse receipts, warrants and other negotiable or transferable instruments;
- (m) To sell or dispose of the undertaking of the Co-operative or any part thereof as an entirety or substantially as an entirety for such consideration as the Co-operative may think fit and, in particular, for debentures or securities of another association having objects, altogether or in part, similar to those of the Co-operative if

authorized to do so by the vote of two-thirds of the members present at a general meeting duly called for considering the matter;

- (n) To adopt such means of making known the products of the Co-operative as may seem expedient and, in particular, by advertising in the press, by circulars, by the purchase and exhibition of works of art or interest, by the publication of books and periodicals and by the granting of prizes, rewards and donations;
 - (o) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the Co-operative;
 - (p) To do all or any of the above things as principals, agents, contractors or otherwise and either alone or in conjunction with others; and
 - (q) To do all such other acts and things as are incidental or conducive to the attainment of the above objects.
- 3.4 Mandatory Member Loan: The amount of the minimum mandatory member loan shall be \$500.00 per Member, which amount must be advanced to the Amalgamated Co-operative in cash. A Member will not be entitled to receive any patronage returns from the Amalgamated Co-operative until such time as the member has loaned all \$500.00 in cash to the Amalgamated Co-operative. In the event that, as a result of the amalgamation, the Amalgamated Co-operative is holding more than \$500.00 in mandatory member loans for a given Member, the excess will be repaid to that Member.
- 3.5 Authorized Loan Capital: The authorized loan capital of the Amalgamated Co-operative shall be:
- (a) \$3,000,000.00 in mandatory member loans;
 - (b) \$1,000,000.00 in demand loans;
 - (c) \$2,000,000.00 in deferred patronage loans; and
 - (d) \$30,000,000.00 in the aggregate in one year, three year and five term loans.
- 3.6 Restrictions on Transfer: No mandatory member loan shall be transferred without the approval of a majority of the Board, which approval shall be evidenced by a resolution of the Board.
- 3.7 Multi-Stakeholder Co-operative: The Amalgamated Co-operative shall not be a multi-stakeholder co-operative.
- 3.8 Membership Fee: The amount of the membership fee shall henceforth be a one time non-refundable membership fee of \$20.00.
- 3.9 Classes of Membership: There shall be one class of membership for the Amalgamated Co-operative.
- 3.10 Restrictions on Business: There shall be no restrictions on the business of the Amalgamated Co-operative may carry on or the powers the Amalgamated Co-operative may exercise, provided they are consistent with the objects of the Amalgamated Co-operative.

- 3.11 Special Provisions: There shall be no special provisions for the Amalgamated Co-operative.
- 3.12 Form of Loan Certificates: The form of loan certificate for the Amalgamated Co-operative shall be approved by the Board.
- 3.13 By-laws: The proposed by-laws of the Amalgamated Co-operative shall be in the form attached to this Agreement as Schedule A.
- 3.14 Number of Directors and First Directors: The minimum number of Board of directors of the Amalgamated Co-operative shall be eight (8) and the maximum number of Board of directors of the Amalgamated Co-operative shall be twelve (12). The name, residential address and resident Canadian status of the first Board of directors of the Amalgamated Co-operative are as follows:

Name	Residential Address	Resident Canadian
Timothy Andrew Edward Summers	395553 Concession 2, R.R. 1 Williamsford, Ontario, N0H 2V0	Yes
Jeffrey John Koehler	311442 Highway 6, R.R. 3 Mount Forest, Ontario, N0G 2L0	Yes
Ronald Charles Peter Ross	9089 Road No. 1 North, R.R. 3 Harriston, Ontario, N0G 1Z0	Yes
Abraham Arthur Versteeg	90417A Toll Gate Line, R.R. 2 Clifford, Ontario, N0G 1M0	Yes
Ronald John DeVisser	681 Concession 14 East, R.R. 1 Chesley, Ontario, N0G 1L0	Yes
John Andrew Black	112984 Grey Road 14, R.R. 1 Proton Station, Ontario, N0C 1L0	Yes
David Alfred Kuntz	1062 Concession 1, Carrick, R.R. 3 Walkerton, Ontario, N0G 2V0	Yes
Samuel Robert Luckhardt	457841 Grey Road No. 11, R.R. 6 Owen Sound, Ontario, N4K 5N8	Yes
Michael Peter Oberle	1223 Sideroad 30N, R.R.4 Hanover, Ontario, N4N 3C1	Yes
Jon Paul Eckhardt	393620 Concession 2, R.R. 1 Durham, Ontario, N0G 1R0	Yes

The said first Board of directors of the Amalgamated Co-operative shall hold office until the first meeting of the members of the Amalgamated Co-operative or until their successors are elected or appointed in accordance with the Act and by-laws of the Amalgamated Co-operative.

- 3.15 Officers: Initially, the persons named below shall hold the office or offices in the Amalgamated Co-operative set out opposite their respective names until their successors are duly elected or appointed by the Board:

Name	Office
Samuel Robert Luckhardt	President
Timothy Andrew Edward Summers	Vice-President
Jeffrey John Koehler	Secretary
John Andrew Black	Treasurer

3.16 Auditors: The Auditors of the Amalgamated Co-operative shall be BDO Canada LLP.

ARTICLE 4 – CONVERSION OF MEMBERSHIPS AND LOANS

4.1 Conversion of Huron Bay memberships and loans: At the time of amalgamation:

- (a) Each member of Huron Bay shall, in consideration of being a member of Huron Bay, become a member of the Amalgamated Co-operative without paying an additional membership fee.
- (b) Each mandatory member loan held by members in Huron Bay shall become a member loan of the Amalgamated Co-operative on the same terms and conditions, subject always to the application of Section 3.4 hereof; and
- (c) Save and except for the mandatory member loans referred to in (b) above, all other outstanding loans made by members of Huron Bay to Huron Bay including, without limitation, term loans, demand loans and deferred patronage loans, shall be deemed to be term loans, demand loans and deferred patronage loans made to the Amalgamated Co-operative by the Huron Bay members on the same terms and conditions, respectively.

4.2 Conversion of North Wellington memberships and loans: At the time of amalgamation:

- (a) Each member of North Wellington shall, in consideration of being a member of North Wellington, become a member of the Amalgamated Co-operative without paying an additional membership fee;
- (b) Each mandatory member loan held by members in North Wellington shall become a member loan of the Amalgamated Co-operative on the same terms and conditions, subject always to the application of Section 3.4 hereof; and
- (c) Save and except for the mandatory member loans referred to in (b) above, all other outstanding loans made by members of North Wellington to North Wellington including, without limitation, demand loans and term loans, shall be deemed to be demand loans and term loans made to the Amalgamated Co-operative by the North Wellington members on the same terms and conditions, respectively.

4.3 Delivery of Loan Certificates, Promissory Notes and other evidence of indebtedness: After the amalgamation becomes effective:

- (a) Mandatory member loans made by members of Huron Bay and North Wellington referred to in Sections 4.1(b) and 4.2(b) above shall be deemed to represent mandatory member loans to the Amalgamated Co-operative in favour of the holder

thereof on the same terms and conditions as set forth in such mandatory member loans; and

- (b) Any promissory notes or other documents or instruments evidencing loans issued by Huron Bay or North Wellington, as the case may be, shall, pursuant to the provisions of Sections 4.1(c) and 4.2(c) of this Agreement, be deemed to be and shall henceforth be loans, promissory notes or other evidence of indebtedness of the Amalgamated Co-operative in favour of the holder thereof on the same terms and conditions as set forth in such notes or other indebtedness,

provided always that a member shall be entitled, upon request, to receive a replacement loan certificate, promissory note or other evidence of indebtedness from the Amalgamated Co-operative upon delivery to the Amalgamated Co-operative of their loan certificate, promissory note or other evidence of indebtedness from Huron Bay or North Wellington, as the case may be.

4.4 Effect of Amalgamation: Huron Bay and North Wellington acknowledge and agree that:

- (a) Upon amalgamation the Amalgamated Co-operative shall possess all the property, rights, privileges and franchises and is subject to all liabilities, contracts and debts of each of Huron Bay and North Wellington; and
- (b) The Articles of Incorporation of each of Huron Bay and North Wellington are amended to the extent necessary to give effect to the terms and provisions of this Agreement.

ARTICLE 5 – REPRESENTATIONS, WARRANTIES AND COVENANTS

5.1 Each of Huron Bay and North Wellington represents, warrants and covenants to the other party hereto that it has provided the other party hereto with full disclosure of all assets, liabilities, results of operations, capitalization, business condition and prospects and there is no fact known to them that would reasonably be expected to have a material adverse effect on their assets, liabilities, results of operations, capitalization, business condition or prospects or otherwise deter them from entry into this Agreement.

5.2 Prior to the Amalgamation Date, both of Huron Bay and North Wellington covenant and agree with each other to disclose to the other co-operative any material change to its respective assets, liabilities, results of operations, capitalization, business condition or prospects.

ARTICLE 6 – GENERAL

6.1 This Agreement shall be construed in accordance with the laws of the Province of Ontario and Canada and shall be treated as an Ontario contract.

6.2 This Agreement shall enure to the benefit of the parties and their respective successors and permitted assigns. No party may assign this Agreement without the prior written consent of the other parties.

6.3 This Agreement may be executed in several counterparts and by facsimile or electronic pdf transmission, each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, notwithstanding their date of execution, shall be deemed to bear date as of the date above written.

- 6.4 Any director or officer of each of Huron Bay and North Wellington respectively, be and they are hereby authorized to sign this Agreement on behalf of their respective co-operative and to deliver Articles of Amalgamation in prescribed form to the Minister in order to give effect to the foregoing.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto each as of the date and year first above written.

HURON BAY CO-OPERATIVE INC.

Per: _____

Name:

Title: President

I have the authority to bind the Co-operative.

NORTH WELLINGTON CO-OPERATIVE SERVICES INC.

Per: _____

Name:

Title: President

I have the authority to bind the Co-operative.