

RESOLUTION

OF THE BOARD OF DIRECTORS OF

ALTERNA SAVINGS AND CREDIT UNION LIMITED (“**Alterna Savings**”)

AMENDING ALTERNA SAVINGS’ ARTICLES OF AMALGAMATION

WHEREAS its articles of amalgamation authorize Alterna Savings to issue an unlimited number of Class A Special Shares and an unlimited number of Class B Special Shares;

AND WHEREAS its articles of amalgamation authorize the board of directors of Alterna Savings to issue the Class A Special Shares in series and the Class B Special Shares in series;

AND WHEREAS pursuant to the asset purchase agreement dated September 22, 2016 (the “**Purchase Agreement**”) between Alterna Savings and Nexus Community Credit Union Limited (“**Nexus**”), Alterna Savings wishes create a new series of each of the Class A Special Shares and Class B Special Shares;

AND WHEREAS pursuant to the Purchase Agreement, Alterna wishes to offer to the members of Nexus that held:

- (a) Class A special shares of Nexus as of the Closing Date (as defined in the Purchase Agreement) an equivalent number of the new series of Class B Special Shares of Alterna Savings; and
- (b) Class B special shares of Nexus as of the Closing Date (as defined in the Purchase Agreement) an equivalent number of the new series of Class A Special Shares of Alterna Savings;

NOW THEREFORE BE IT RESOLVED THAT:

1. Alterna Savings’ articles of amalgamation be amended by adding the following provisions following paragraph 6.1 thereof:

6.2. Series 4: The fourth series of the Class A Shares shall be designated as the “**Series 4 Shares**”. The board of directors is authorized to issue an unlimited number of Series 4 Shares. In addition to the rights, privileges, restrictions, and conditions attaching to the Class A Shares as a class, the Series 4 Shares shall have attached thereto the following:

(a) Definitions:

“**Issuance Date**” shall have the meaning given to it in subsection 6.2(c) below.

(b) Non-Cumulative Dividends: The holders of the Series 4 Shares shall be entitled to receive, and Alterna Savings shall pay thereon, as and when declared by the board of directors of Alterna Savings, out of the

assets of Alterna Savings properly applicable to the payment of dividends, a preferential non-cumulative cash or stock dividend, at a rate determined by the board of directors from time to time on the Redemption Price per share.

If, after the expiration of any fiscal year of Alterna Savings, the board of directors in its discretion shall not declare a dividend on the Series 4 Shares for the fiscal year, then the rights of the holders of the Series 4 Shares to such dividend, or to any undeclared part thereof for such fiscal year, shall be forever extinguished.

- (c) Redemption Requests (Retraction): Subject to the Act and these articles, a holder of Series 4 Shares, or the estate of any deceased holder of Series 4 Shares, shall be entitled to request Alterna Savings to redeem all or any portion of the Series 4 Shares held by him or her.

The request to redeem shall be initiated by the holder or his or her personal representative during the six-month period preceding the end of the fifth anniversary of the first issuance of the shares (which, in the case of Series 4 Shares, shall be the date on which Northern Lights Credit Union Limited issued the shares that were subsequently converted into shares of Nexus Community Credit Union Limited before being converted into these Series 4 Shares upon the completion of the purchase of the assets of Nexus Community Credit Union Limited by Alterna Savings (the “**Issuance Date**”)), or any subsequent fiscal year, and ending with the end of that fiscal year. The request shall be made by tendering to Alterna Savings at its head office a share certificate or certificates, or written acknowledgement or acknowledgements, representing the Series 4 Shares which the registered holder desires to have Alterna Savings redeem, together with a request in writing specifying:

- (i) that the registered holder desires to have the Series 4 Shares represented by such certificate or certificates, or written acknowledgement or acknowledgements, redeemed by Alterna Savings; and
- (ii) the Redemption Date on which the holder desires to have Alterna Savings redeem such Series 4 Shares, which Redemption Date shall be within a sixty day period, beginning with the first day of the fiscal year following the fiscal year in which the request was made, and ending sixty days later.

Upon receipt of a share certificate or certificates representing the Series 4 Shares, which the registered holder desires to have Alterna Savings redeem, together with such a request, Alterna Savings may, subject to the Act and to the aggregate limit detailed below, on the Redemption Date,

redeem such Series 4 Shares by paying to such registered holder the Redemption Amount for each such Series 4 Shares being redeemed. The said Series 4 Shares shall then be redeemed on the Redemption Date, and, from and after such date, such shares shall cease to be entitled to dividends, and the holder thereof shall not be entitled to exercise any of the rights of holders of Series 4 Shares in respect thereof, unless payment of the Redemption Amount is not made on the Redemption Date, in which event the rights of the holder of the said Series 4 Shares shall remain unaffected.

In any one fiscal year Alterna Savings shall only redeem a maximum of ten per cent of the number of Series 4 Shares issued and outstanding at the end of the immediately-preceding fiscal year of Alterna Savings. Redemptions will be approved by the directors of Alterna Savings on a first-come, first-served basis. If more than ten per cent of the issued and outstanding Series 4 Shares are presented for redemption in any one fiscal year, the Series 4 Shares not considered for redemption in that year shall be the first such shares considered for redemption in the subsequent fiscal year of Alterna Savings.

- (d) Redemption by Alterna Savings: At any time after the date which is five (5) years from the Issuance Date, Alterna Savings may redeem, at its option, Series 4 Shares. If Alterna Savings intends to exercise its option, Alterna Savings shall, at least twenty-one (21) days before the date specified for redemption, mail to each person who at the date of mailing is a registered holder of Series 4 Shares to be redeemed, a notice in writing of the intention of Alterna Savings to redeem such Series 4 Shares. Such notice shall be mailed by letter, postage prepaid, addressed to each such shareholder at his address as it appears on the records of Alterna Savings, or, in the event of the address of any such shareholder not so appearing, then to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such shareholders shall not affect the validity of such redemption. Such notice shall set out the Redemption Amount and the Redemption Date, and, if part only of the shares held by the person to whom it is addressed is to be redeemed, the number thereof so to be redeemed.

On or after the Redemption Date, Alterna Savings shall pay, or cause to be paid, to, or to the order of, the registered holders of the Series 4 Shares to be redeemed, the Redemption Amount thereof, on presentation and surrender at the head office of Alterna Savings, or any other place designated in such notice, of the certificate(s) or written acknowledgement(s) representing the Series 4 Shares called for redemption. Such payment shall be credited to the member's account with Alterna Savings. If a part only of the shares represented by any certificate or written acknowledgement be redeemed, a new certificate or

written acknowledgement for the balance shall be issued at the expense of Alterna Savings. From and after the Redemption Date in any such notice, the Series 4 Shares called for redemption shall cease to be entitled to dividends, and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, unless payment of the Redemption Amount shall not be made upon presentation of certificate(s) or written acknowledgement(s) in accordance with the foregoing provisions, in which case the rights of the shareholders shall remain unaffected.

Alterna Savings shall have the right, at any time after the mailing of notice of its intention to redeem any Series 4 Shares, to deposit the Redemption Amount of the shares so called for redemption, or of such of the said shares represented by certificate(s) or written acknowledgement(s) as have not, at the date of such deposit, been surrendered by the holders thereof in connection with such redemption, to a special account, to be paid, without interest, to, or to the order of, the respective holders of such Series 4 Shares called for redemption, upon presentation and surrender of the certificate(s) or written acknowledgment(s) representing the same, and, upon such deposit being made, or upon the Redemption Date specified in such notice, whichever is the latter, the Series 4 Shares in respect whereof such deposit shall have been made shall be redeemed, and the rights of the holders thereof after such deposit, or such Redemption Date, as the case may be, shall be limited to receiving, without interest, their proportionate part of the total Redemption Amount so deposited against presentation and surrender of the said certificate(s) or written acknowledgement(s) held by them respectively, and any interest allowed on such deposit shall belong to Alterna Savings.

2. Alterna Savings' articles of amalgamation be amended by adding the following provisions following paragraph 7 thereof:

7.1 Series 2: The second series of the Class B Shares shall be designated as the "**Class B, Series 2 Shares**". The board of directors is authorized to issue an unlimited number of Class B, Series 2 Shares. In addition to the rights, privileges, restrictions and conditions attaching to the Class B Shares as a class, the Class B, Series 2 Shares shall have attached thereto the following:

- (a) Non-Cumulative Dividends: The holders of the Class B, Series 2 Shares shall be entitled to receive, and Alterna Savings shall pay thereon, if, as and when declared by the board of directors of Alterna Savings out of the assets of Alterna Savings properly applicable to the payment of dividends, a preferential non-cumulative dividend in the form of cash or additional Class B, Series 2 Shares, at a rate determined by the board of directors from time to time on the Redemption Price per share.

If, after the expiration of any fiscal year of Alterna Savings, the board of directors in its discretion shall not declare a dividend on the Class B, Series 2 Shares for the fiscal year, then the rights of the holders of the Class B, Series 2 Shares to any dividend for such fiscal year shall be forever extinguished.

- (b) Redemption by the Holder (Retraction): Subject to the Act and these articles, a holder of Class B, Series 2 Shares, or the estate of any deceased holder of Class B, Series 2 Shares, shall be entitled to request Alterna Savings to redeem all or any portion of the Class B, Series 2 Shares held by him or her.

The request to redeem shall be initiated by the holder or his or her personal representative during the six-month period preceding the end of the fifth anniversary of the first issuance of the shares (which, in the case of Class B, Series 2 Shares, shall be the date on which Northern Lights Credit Union Limited issued the shares that were subsequently converted into shares of Nexus Community Credit Union Limited before being converted into these Class B, Series 2 Shares upon the completion of the purchase of the assets of Nexus Community Credit Union Limited by Alterna Savings (the “**Series 2 Issuance Date**”), or any subsequent fiscal year, and ending with the end of that fiscal year. The request shall be made by tendering to Alterna Savings at its head office a share certificate or certificates, or written acknowledgement or acknowledgements, representing the Class B, Series 2 Shares which the registered holder desires to have Alterna Savings redeem, together with a request in writing specifying:

- (i) that the registered holder desires to have the Class B, Series 2 Shares represented by such certificate or certificates, or written acknowledgement or acknowledgements, redeemed by Alterna Savings; and
- (ii) the Redemption Date on which the holder desires to have Alterna Savings redeem such Class B, Series 2 Shares, which Redemption Date shall be within a sixty day period, beginning with the first day of the fiscal year following the fiscal year in which the request was made, and ending sixty days later.

Upon receipt of a share certificate or certificates representing the Class B, Series 2 Shares, which the registered holder desires to have Alterna Savings redeem, together with such a request, Alterna Savings may, subject to the Act and to the aggregate limit detailed below, on the Redemption Date, redeem such Class B, Series 2 Shares by paying to such registered holder the Redemption Amount for each such Class B, Series 2 Shares being redeemed. The said Class B, Series 2 Shares shall then be redeemed on the Redemption Date, and, from and after such date, such shares shall cease to be entitled to dividends, and the holder thereof shall not be entitled to exercise any of the rights of holders of Class B, Series 2 Shares in respect thereof, unless payment of the Redemption Amount is not made

on the Redemption Date, in which event the rights of the holder of the said Class B, Series 2 Shares shall remain unaffected.

In any one fiscal year Alterna Savings shall only redeem a maximum of ten per cent of the number of Class B, Series 2 Shares issued and outstanding at the end of the immediately-preceding fiscal year of Alterna Savings. Redemptions will be approved by the directors of Alterna Savings on a first-come, first-served basis. If more than ten per cent of the issued and outstanding Class B, Series 2 Shares are presented for redemption in any one fiscal year, the Class B, Series 2 Shares not considered for redemption in that year shall be the first such shares considered for redemption in the subsequent fiscal year of Alterna Savings.

- (c) Redemption by Alterna Savings: At any time from the date which is five (5) years from the Series 2 Issuance Date, Alterna Savings may redeem, at its option, Class B, Series 2 Shares. If Alterna Savings intends to exercise its option, Alterna Savings shall, at least twenty-one (21) days before the date specified for redemption, mail to each person who at the date of mailing is a registered holder of Class B, Series 2 Shares to be redeemed, a notice in writing of the intention of Alterna Savings to redeem such Class B, Series 2 Shares. Such notice shall be mailed by letter, postage prepaid, addressed to each such shareholder at his address as it appears on the records of Alterna Savings, or, in the event of the address of any such shareholder not so appearing, then to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such shareholders shall not affect the validity of such redemption. Such notice shall set out the Redemption Amount and the Redemption Date, and, if part only of the shares held by the person to whom it is addressed is to be redeemed, the number thereof so to be redeemed.

On or after the Redemption Date, Alterna Savings shall pay, or cause to be paid, to, or to the order of, the registered holders of the Class B, Series 2 Shares to be redeemed, the Redemption Amount thereof, on presentation and surrender at the head office of Alterna Savings, or any other place designated in such notice, of the certificate(s) or written acknowledgement(s) representing the Class B, Series 2 Shares called for redemption. Such payment shall be credited to the member's account with Alterna Savings. If a part only of the shares represented by any certificate or written acknowledgement be redeemed, a new certificate or written acknowledgement for the balance shall be issued at the expense of Alterna Savings. From and after the Redemption Date in any such notice, the Class B, Series 2 Shares called for redemption shall cease to be entitled to dividends, and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, unless payment of the Redemption Amount shall not be made upon presentation of certificate(s) or written acknowledgement(s) in accordance with the foregoing provisions, in which case the rights of the shareholders shall remain unaffected.

- (d) Alterna Savings shall have the right, at any time after the mailing of notice of its intention to redeem any Class B, Series 2 Shares, to deposit the Redemption

Amount of the shares so called for redemption, or of such of the said shares represented by certificate(s) or written acknowledgement(s) as have not, at the date of such deposit, been surrendered by the holders thereof in connection with such redemption, to a special account, to be paid, without interest, to, or to the order of, the respective holders of such Class B, Series 2 Shares called for redemption, upon presentation and surrender of the certificate(s) or written acknowledgement(s) representing the same, and, upon such deposit being made, or upon the Redemption Date specified in such notice, whichever is the latter, the Class B, Series 2 Shares in respect whereof such deposit shall have been made shall be redeemed, and the rights of the holders thereof after such deposit, or such Redemption Date, as the case may be, shall be limited to receiving, without interest, their proportionate part of the total Redemption Amount so deposited against presentation and surrender of the said certificate(s) or written acknowledgement(s) held by them respectively, and any interest allowed on such deposit shall belong to Alterna Savings.

3. Any director or officer of Alterna Savings is hereby authorized and directed, for and on behalf of Alterna Savings, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution (including, without limitation, the delivery of articles of amendment in the prescribed form to the Superintendent of Financial Services), the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.

PASSED by the Board of Directors of Alterna Savings and Credit Union Limited this _____ day of _____, 2016.

FILED with the Superintendent of Financial Services on the _____ day of _____, 2016.

Chair

Corporate Secretary