

AMALGAMATION AGREEMENT

THIS AGREEMENT made this day of , 2020

BETWEEN:

Hay Mutual Insurance Company

(Ontario Corporation No. 87778)
hereinafter sometimes called "Hay")

of the FIRST PART

- and –

Town & Country Mutual Insurance Company

(Ontario Corporation No. 1454250)
hereinafter sometimes called "Town & Country")

of the SECOND PART

(The Parties of the First and Second Parts herein
collectively referred to as the "Amalgamating Corporations")

WHEREAS:

1. Hay was organized on the 1st day of January, 1875 as the Hay Township Farmers' Mutual Fire Insurance Company;
2. East Williams Mutual Insurance Company which was organized and commenced business on the 25th day of July, 1875, and Lobo Mutual Insurance Company which was organized on the 17th day of March, 1882, and Ekfrid Mutual Insurance Company which was organized on the 22nd day of August, 1891 amalgamated effective January 1, 2001, under the name of Town & Country Mutual Insurance Company;
3. The Amalgamating Corporations carry on similar businesses in Ontario through licences issued under the *Insurance Act*, R.S.O. 1990, c 1.8, as amended, and the corporations are subject to the provisions of the *Corporations Act*, R.S.O. 1990, c. C.38, as amended;
4. The Amalgamating Corporations have the same or similar objects and operate in adjacent areas in relative proximity but are not major competitors;
5. The Amalgamating Corporations have each made full disclosure to the other of all their respective assets and liabilities and have each carried on business in the usual and ordinary course since December 31, 2019 without adverse change;

6. The Amalgamating Corporations, acting under the authority contained in the said statutes, have agreed to amalgamate upon the terms and conditions hereinafter set out;
7. It is desirable that the Amalgamation should be effected.

NOW THEREFORE THIS INDENTURE WITNESSETH as follows:

1. In this Agreement:
 - (a) "Amalgamating Corporations" means Hay and Town & Country;
 - (b) "Amalgamation" means the amalgamation of the Amalgamating Corporations provided for herein;
 - (c) "Amalgamated Corporation" means the corporation continuing from the Amalgamation under the name ***H T & C Mutual Insurance Company***;
 - (d) "Effective Date" means the date set out on the Letters Patent of Amalgamation and intended by the parties to be January 1, 2021.
2. The Amalgamating Corporations hereby confirm the recitals above and agree to amalgamate under the provisions of Sections 113 and 175 and Part V of the *Corporations Act* and Part XVI of the *Insurance Act* to continue as one corporation under the terms and conditions hereinafter set out, effective the Effective Date.
3. The name of the Amalgamated Corporation shall be H T & C Mutual Insurance Company and the objects of the Amalgamated Corporation shall be as follows:

Subject to the powers granted to each Amalgamating Corporation under their respective charter documents and the *Insurance Act* and the *Corporations Act*, the purpose and business of the Amalgamated Corporation shall be the undertaking and transacting of any class of insurance for which a mutual insurance corporation may be licensed and the carrying on of or involvement in any business or activity which a mutual insurance company is permitted to carry on or be involved in.
4. The Amalgamated Corporation shall be a corporation without share capital.
5. The head office of the Amalgamated Corporation shall be in the Province of Ontario, at such location as the directors shall determine from time to time. The address of the head office as of the Effective Date shall be 37868 Zurich Hensall Road, Zurich, Ontario, N0M 2T0.
6. The first directors of the Amalgamated Corporation with their names, callings, places of residence, and terms of office as directors shall be the following:

Name	Address	Citizenship	Term (Years)
Errol Butler	10168 Shoreline Drive Grand Bend, ON N0M 1T0	Canadian	3
Robert Gauthier	504 Jeffreybrook Drive London, ON N5X 2S6	Canadian	2
David Latta	5937 Egremont Drive Komoka, ON N0L 1R0	Canadian	1
Laurie Bruvall	26 Mohawk Road London, ON N6G 2P5	Canadian	3
David Bolton	1574 Katesville Drive Kerwood, ON N0M 2B0	Canadian	2
Linda McCormick	4602 Egremont Drive Strathroy, ON N7G 3H6	Canadian	1
John Coleman	39940 Kippen Road Kippen, ON N0M 2E0	Canadian	3
William Gibson	76961 Airport Road R. R. # 5 Clinton, ON N0M 1L0	Canadian	2
Tom Hartman	71481 Goshen Line R. R. # 3 Zurich, ON N0M 2T0	Canadian	1
Robert Pertschey	69911 Parr Line R. R. # 1 Crediton, ON N0M 1M0	Canadian	3
John Van Loo	225 Cowper Street Clinton, ON	Canadian	2
Jerry Groot	38318 Zurich Hensall Rd R. R. # 1 Zurich, ON N0M 2T0	Canadian	1

7. The first directors of the Amalgamated Corporation shall hold office until the annual meeting of the Amalgamated Corporations next following the expiration of their respective terms, or until their successors are elected or appointed. Subsequent directors shall be elected each year at either a Special General Meeting or the Annual General Meeting of the members by a majority of the votes cast at such meeting, for a term of three (3) years. The affairs of the Amalgamated Corporation shall be under the supervision of the board of directors from time to time, subject to the provisions of the *Corporations Act*.
8. Hay shall contribute to the Amalgamated Corporation, all its assets subject to all its liabilities at the close of business on December 31, 2020 as more particularly set forth in the balance sheet of Hay at December 31, 2019 subject to changes since that date in the ordinary course of its affairs which Hay represents and warrants are not, and to the best of its knowledge will not be, materially adverse.
9. Town & Country shall contribute to the Amalgamated Corporations, all its assets subject to all its liabilities at the close of business on December 31, 2020 as more particularly set forth in the balance sheet of Town & Country at December 31, 2019 subject to changes since that date in the ordinary course of its affairs which Town & Country represents and warrants are not, and to the best of its knowledge will not be, materially adverse.
10. The Amalgamated Corporation shall possess all the property, rights, privileges and franchises and shall be subject to all the liabilities, contracts, disabilities and debts of the Amalgamating Corporations.
11. All rights of creditors against the property, rights and assets of the Amalgamating Corporations, and all liens upon their property, rights and assets, shall be unimpaired by the Amalgamation, and all debts, contracts, liabilities and duties of the Amalgamating Corporations shall thenceforth attach to the Amalgamated Corporation and may be enforced against it.
12. No action or proceeding by or against the Amalgamating Corporations shall abate or be affected by the Amalgamation.
13. By-law No. 1 - 2021 passed by the Amalgamating Corporations on the date hereof shall be the by-law of the Amalgamated Corporation as of the Effective Date until repealed, amended, altered or added to.
14. The Amalgamating Corporations agree not to execute this Agreement without receiving the prior permission in writing of the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario.
15. Upon the adoption of this Agreement by the members of the Amalgamating Corporations by special resolutions duly passed in accordance with Section 113 of the *Corporations Act*, such fact shall be certified upon the Agreement by the Secretaries of the Amalgamating Corporations and the Amalgamating Corporations shall forthwith thereafter jointly apply to the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario for final approval of this Agreement under Part XVI of

the *Insurance Act*, and shall forthwith thereafter jointly apply to the Ministry of Government Services of Ontario for Letters Patent of Amalgamation confirming this Agreement to take effect on the Effective Date.

16. At any time before the issuance of Letters Patent of Amalgamation, this Agreement may be terminated by the Board of Directors of either Amalgamating Corporation in its sole discretion, notwithstanding the approval of this Agreement by the members of such Amalgamating Corporation or by the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario.

IN WITNESS WHEREOF this Agreement has been duly executed by the Amalgamating Corporations under the signatures of their proper officers in that behalf, the date first above written.

Hay Mutual Insurance Company

Per: _____
Name: _____
Title: Chair

Per: _____
Name: Shawn Durnin
Title: President
We have authority to bind the company

Town & Country Mutual Insurance Company

Per: _____
Name: _____
Title: Chair

Per: _____
Name: Rob Pearson
Title: President
We have authority to bind the company