

## AMALGAMATION AGREEMENT

THIS AGREEMENT made this        day of August, 2022

BETWEEN:

**Howard Mutual Insurance Company**

(Ontario Corporation No. 81161)  
hereinafter sometimes called "Howard")

of the FIRST PART

- and -

**West Elgin Mutual Insurance Company**

(Ontario Corporation No. 85701)  
hereinafter sometimes called "West Elgin")

of the SECOND PART

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

### WHEREAS:

1. Howard was organized was organized on the 18th day of January, 1892 as the Howard Farmers Mutual Fire Insurance Company;
2. West Elgin was organized as on the 25<sup>th</sup> day of August, 1880, originally as the Dunwich Farmers' Mutual Fire 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 Amalgamating 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, 2021 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 Howard and West Elgin;
- (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 *Salus 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, 2023.

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 Salus 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 29584 Pioneer Line, Dutton Ontario.

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:

<b>Name</b>	<b>Calling</b>	<b>Address</b>	<b>Citizenship</b>	<b>Term (Years)</b>
Kenneth McCallum	Farmer	32468 Chalmers Line Iona Station ON N0L 1P0	Canadian	1
Norman Miller	Farmer/Motor Vehicle Salesman	22167 Douglas Line Rodney ON N0L 2C0	Canadian	3
Ruleen Lilley	Standardbred Horse Breeder/Farmer	28322 Chalmers Line Dutton ON N0L 1J0	Canadian	1
Victor Lapadat Jr.	Farmer	25138 Talbot Line West Lorne ON N0L 2P0	Canadian	2
Remi Van De Slyke	Farmer	57544 Jackson Line Straffordville ON N0J 1Y0	Canadian	2
Teresa Ferguson	Retired	42030 Ron McNeil Line St Thomas ON N5P 3T1	Canadian	3
Jim Clark	Farmer	20855 Orford Road, Highgate, Ontario N0P 1T0	Canadian	3
Gerry Sullivan	Farmer	18985 Charing Cross Road, Blenheim, Ontario N0P 1A0	Canadian	1
Dan McDonald	Farmer	15423 McDonald Line, Muirkirk, Ontario N0L 1X0	Canadian	3
Janet Nauta	Project Coordinator, Business Development Centre, University of Guelph, Ridgetown Campus	10625 Ridge Line, Blenheim, Ontario N0P 1A0	Canadian	2
Ken Scott	Farmer	15082 McDonald Line, Muirkirk, Ontario N0L 1X0	Canadian	2

Darrin Spence	Retired	12036 Front Line, Blenheim, Ontario NOP 1A0	Canadian	1
Heidi Wyma	Manager, Support Services, CK Public Library	11676 McKay's Line, Kent Bridge, Ontario NOP 1V0	Canadian	1
Petra Hathaway	Customer Experience Coach	6697 Longwoods Road, Melbourne, Ontario NOL 1T0	Canadian	3
Michael Ross	Real Estate Agent	1400 Oxford Street East, Kingsville, Ontario N9Y 2S8	Canadian	2

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. Howard shall contribute to the Amalgamated Corporation, all its assets subject to all its liabilities at the close of business on December 31, 2022 as more particularly set forth in the balance sheet of Howard at December 31, 2021 subject to changes since that date in the ordinary course of its affairs which Howard represents and warrants are not, and to the best of its knowledge will not be, materially adverse.
9. West Elgin shall contribute to the Amalgamated Corporations, all its assets subject to all its liabilities at the close of business on December 31, 2022 as more particularly set forth in the balance sheet of West Elgin at December 31, 2021 subject to changes since that date in the ordinary course of its affairs which West Elgin 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 - 2023 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.
17. This Agreement may be executed in separate counterparts and such signed counterparts will together constitute one and the same agreement.

Next page is signing page.

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.

**Howard Mutual Insurance Company**

Per: \_\_\_\_\_  
Name: Jim Clark  
Title: Chair

Per: \_\_\_\_\_  
Name: Jodi Rich  
Title: President  
We have authority to bind the company

**West Elgin Mutual Insurance Company**

Per: \_\_\_\_\_  
Name: Remi Van De Slyke  
Title: Chair

Per: \_\_\_\_\_  
Name: Brian Downie  
Title: President  
We have authority to bind the company