

## AMALGAMATION AGREEMENT

THIS AGREEMENT made this \_\_\_\_ day of \_\_\_\_\_, 2017

BETWEEN:

**Caradoc Delaware Mutual Insurance Company**

(Ontario Corporation No. 89869  
hereinafter sometimes called "CDM" )

of the FIRST PART

- and -

**Townsend Mutual Insurance Company**

(Ontario Corporation No. 89325  
hereinafter sometimes called "Townsend")

of the SECOND PART

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

### WHEREAS:

1. CDM was incorporated May 17, 1884;
2. Townsend was incorporated March 23, 1879;
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, 2016 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; and
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 CDM and Townsend;
  - (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 *Caradoc Townsend Mutual Insurance* Company; and
  - (d) "Effective Date" means the date set out on the Letters Patent of Amalgamation and intended by the parties to be January 1, 2018.
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 Caradoc Townsend 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, 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 in the Municipality of Norfolk County, at 780 Old Highway 24, Waterford, Ontario N0E 1Y0.
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>Residence</b>	<b>Origin</b>	<b>Term (Years)</b>
Marv Schupp	Self Employed	21783 Adelaide Rd Mount Brydges ON	Canadian	2

<b>Name</b>	<b>Calling</b>	<b>Residence</b>	<b>Origin</b>	<b>Term (Years)</b>
Debbie Van Meppelen Scheppink	Self Employed	22370 Adelaide Rd Mount Brydges ON	Canadian	3
Brian deJeu	Software Coordinator and Technical Reviewer	564 Pamela Dr Mount Brydges ON	Canadian	1
Ruth Huston	Self Employed	2337 Bentim Rd Mount Brydges ON	Canadian	2
Susan Clarke	Retired	5944 Inadale Rd Strathroy ON	Canadian	1
Jill Chuli	Self Employed	241 Duncombe Rd Waterford ON	Canadian	3
Barry Woodley	Self Employed	1222 Norfolk County Rd #19 E Wilsonville ON	Canadian	2
Doug Poss	Self Employed	831 Townsend Con #3 Wilsonville ON	Canadian	1
Wm. Moore	Realtor	1453 Concession 8, Waterford, ON	Canadian	2
Robin Opersko	Distribution Supervisor / Health and Safety	1908 Cockshutt Rd RR#5 Waterford ON	Canadian	1
John VanRyssen	Accountant / Controller	44 14 <sup>th</sup> St W Simcoe ON	Canadian	3
David Watt	Self Employed	115 Old Highway 24, R. R. #3 Waterford, ON	Canadian	3

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. CDM shall contribute to the Amalgamated Corporation, all its assets subject to all its liabilities at the close of business on December 31, 2017 as more particularly set forth in the balance sheet of CDM at December 31, 2016 subject to changes since that date in the ordinary course of its affairs which CDM represents and warrants are not, and to the best of its knowledge will not be, materially adverse.

9. Townsend shall contribute to the Amalgamated Corporations, all its assets subject to all its liabilities at the close of business on December 31, 2017 as more particularly set forth in the balance sheet of Townsend at December 31, 2016 subject to changes since that date in the ordinary course of its affairs which Townsend 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 - 2018 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 Superintendent of Financial Services 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 Superintendent of Financial Services 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 Superintendent of Financial Services 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.

Next page is signing page

**Caradoc Delaware Mutual Insurance Company**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chair

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Secretary  
We have authority to bind the company

**Townsend Mutual Insurance Company**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chair

Per: \_\_\_\_\_  
Name: Neil Shay  
Title: President  
We have authority to bind the company