

APPENDIX I:
Terms and Conditions
Attaching to the Class A Shares,
Series 1 of East Coast Credit Union
Limited (the "Credit Union")

Par Value \$100.00 each.

The Class A Shares shall have attached thereto the following rights, privileges, restrictions, and conditions:

1. Right to Dividends

Holders of the Class A Shares are entitled to receive non-cumulative dividends as declared by the Directors of the Credit Union on the Class A Shares. The declaration of dividends is subject to the discretion of the Directors and the capital adequacy and liquidity provisions of the Credit Union Act. If the Directors declare a dividend on the Class A Shares, the dividend shall be a cash dividend and the annual dividend rate shall be not less than the greater of Two Point Eight Five Percent (2.85%) or One Point two Five Percent (1.25%) above the Credit Union's then current Five year Term Deposit rate calculated on the par value of the Class A Shares.

2. Return of Capital

In the event of a bankruptcy, liquidation or winding-up of the Credit Union, whether voluntary or involuntary, or other distribution of assets of the Credit Union among its shareholders, holders of the Class A Shares shall be entitled to receive an amount equal to the par value of the Class A Shares hereof before any amount shall be paid to or the property or assets of the Credit Union distributed to the holders of any shares ranking junior or inferior to the Class A Shares as to return of capital. After payment to the holders of the Class A Shares of the amount so payable to them, the holders of the Class A Shares shall not be entitled to share in any

further distribution of property or assets of the Credit Union.

If upon such bankruptcy, liquidation, winding-up or other distribution, the assets of the Credit Union shall be insufficient to permit the payment in full to the holders of the Class A Shares with respect to the return of capital of the sums which would have been due to them respectively if there had not been such insufficiency, then the entire remaining assets of the Credit Union shall be distributable rateably among the holders of the Class A Shares with respect to the return of capital in accordance with the sums which would have been due to them respectively if there had been no such insufficiency.

3. Rank of the Class A Shares

The Class A Shares rank senior and superior to the common shares and the surplus shares of the Credit Union with respect to any return of capital on any liquidation or winding up of the Credit Union.

4. Redemption Price

The "Redemption Price" in respect of the Class A Shares shall be equal to their par value, One Hundred Dollars (\$100.00) per share.

5. Redemption at Option of Holder

(a) Subject to the provisions of the Credit Union Act (Nova Scotia), as amended from time to time ("Act"), the Class A Shares shall be redeemable at the option of the holder by the Credit Union, subject to the foregoing restrictions:

i. On the death of a holder of Class A Shares, the Class A Shares owned by the holder shall be redeemable without restriction at any time following the holder's death;

ii. Save and except in circumstances of the death of a holder, the Class A Shares shall be

non-redeemable for five years following their issuance date;

iii. Save and except in circumstances of the death of a holder, all redemptions are subject to the approval of the Directors; and

(b) Subject to section 5(a), the Credit Union shall, within ten days of receiving written notice from a holder of the Class A Shares redeem the number of the Class A Shares stated in the notice provided by the holder. In the event that a holder of the Class A Shares should provide a notice of redemption for more of the Class A Shares than may be redeemed pursuant to these terms or the provisions of the Act, the Credit Union shall only be required to redeem the maximum number of the Class A Shares that it may redeem pursuant to the provisions of the Act.

The Credit Union shall redeem the Class A Shares in the order in which notices are received and shall redeem all the Class A Shares required to be redeemed pursuant to a notice to redeem before any of the Class A Shares are redeemed pursuant to any subsequent notice to redeem.

6. Redemption at Option of Credit Union

Subject to the provisions of the Act, the Credit Union may upon giving notice as hereinafter provided, redeem at any time the whole or any part of the then outstanding Class A Shares at the Redemption Price. If the Credit Union desires to redeem part only of the Class A Shares issued and outstanding, the shares to be redeemed shall be selected by the Directors of the Credit Union and the Directors may, if they so desire, redeem only the shares or some of the shares held by any one or more holder.

If the Credit Union intends to redeem any of the Class A Shares it

shall mail to each person who at the date of mailing is a registered holder of any of the Class A Shares to be redeemed at least thirty (30) days before the date specified for redemption a notice in writing of the intention of the Credit Union to redeem such shares. Such notice shall be mailed in an envelope by first class unregistered mail with postage prepaid, addressed to each such shareholder at his/her address as it appears in the books of the Credit Union or if the address of any such shareholder does not so appear then to the last known address of such shareholder; provided however, that accidental failure or omission to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the Redemption Price and the date on which redemption is to take place and if part only of the Class A 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 date so specified for redemption the Credit Union shall pay or cause to be paid to or to the order of the registered holder of the Class A Shares to be redeemed the Redemption Price thereof. Such payment shall be made by cheque payable at any branch of the Credit Union. If part only of any of the Class A Shares of a holder are redeemed, the Credit Union shall record the balance in the share register of the Credit Union.

From and after the date specified for redemption in any such notice, the Class A Shares called for redemption in such notice 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 Price shall not be made, in which case the rights of the holder shall remain unaffected.

The Credit Union shall have the right, at any time after the mailing of notice of its intention to redeem any of the Class A Shares, to deposit, in a special account at a branch of the Credit Union named in such notice for payment, an amount (held without interest) sufficient to redeem the Class A Shares specified in the notice. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Class A Shares in respect whereof such deposit has 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 the Redemption Price so deposited of their Class A Shares.

7. Redemption Out of Capital
Any redemption of the Class A Shares under the provisions of paragraphs 5 and 6 shall be deemed to be out of capital to the extent of the stated capital of the Class A Shares so redeemed and from and after the date of any such redemption the Class A Shares so redeemed shall be thereby cancelled and the issued capital of the Credit Union shall be thereby reduced.

8. No Voting Rights
The Class A Shares shall be non-voting except in the case of a class vote as provided in Section 39 of the Act.

9. Directors' Right to Issue in One or More Series
Class A Shares may at any time or from time to time be issued in one or more series as designated by the Directors. The Class A Shares of each series shall, with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding up of the Credit Union, whether voluntary or involuntary, or

any other distribution of the assets of the Credit Union among its shareholders for the purpose of winding up its affairs, rank on a parity with the Class A Shares of every other series and be entitled to a preference over the common and surplus shares and the shares of any other class ranking junior to the Class A Shares. The Class A Shares of any series shall also be entitled to such other preferences, not inconsistent with these provisions, over the common and surplus shares and the shares of any other class ranking junior to the Class A Shares