



# Investment Subscription Agreement

(Individuals resident in the Province of Ontario)  
Updated May 29, 2019

A completed and originally executed copy of this Subscription Agreement, including all applicable schedules hereto, along with payment must be delivered either as a hard copy with cheque payable to "Community Energy Development Co-operative Ltd." enclosed, or electronically with a single e-transfer of funds to:

Community Energy Development Co-operative Ltd., Attention: Investments  
1358 Weber Street East,  
Kitchener, Ontario N2A 1C4

invest@cedco-op.com (email a scanned copy of your Subscription Agreement, and request e-transfer details)

## TO: COMMUNITY ENERGY DEVELOPMENT CO-OPERATIVE LTD. (the "Co-operative")

The undersigned, on its own behalf, and, if applicable, on behalf of those for whom the undersigned is contracting hereunder (the "Purchaser") hereby irrevocably subscribes for and agrees to purchase the number of Bonds Series O2 and Bonds Series P2, as the case may be, of the Co-operative set out below having the terms and conditions set forth in the Offering Statement (as defined below), receipt of a copy of which is acknowledged by the Purchaser (collectively, the "Securities"), for the aggregate subscription price set out below (the "Purchase Price"), subject to the following terms and conditions. This subscription agreement is referred to herein as the "Subscription Agreement". The Purchaser agrees to be bound by the terms and conditions set forth in the attached "Terms and Conditions of Subscription". The Purchaser further acknowledges and agrees, without limitation, that the Co-operative and its counsel may rely on the Purchaser's representations, warranties, and covenants contained this Subscription Agreement.

**Issuer: Community Energy Development Co-operative Ltd.**

### Purchaser Information

Name (Individual or Corporation) \_\_\_\_\_

SIN / Business Number \_\_\_\_\_

Date of Birth (mm/dd/yyyy) \_\_\_\_\_

Address \_\_\_\_\_

Telephone \_\_\_\_\_

Email \_\_\_\_\_

### Type of Investment - complete one form for each investment type

- Non-Registered     RRSP     Spousal RRSP     TFSA     RESP     RIF

### Securities To Be Purchased

Subscription Type	Total Subscription Amount (\$)
Bonds Series O2 (3-year bond, 4.5%)	
Bonds Series P2 (5-year bond, 5%)	
<b>Aggregate Subscription Amount (\$)</b>	

\_\_\_\_\_  
Signature of Purchaser

\_\_\_\_\_  
Date (mm/dd/yyyy)



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(Individuals resident in the Province of Ontario)  
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## Acceptance

The foregoing is acknowledged, accepted, and agreed to.

Community Energy Development Co-operative Ltd.

Per: \_\_\_\_\_

Brian Unrau, President, CED Co-operative

\_\_\_\_\_  
Date (mm/dd/yyyy)

## Payment Receipt - New Monies

Method of Payment

- Cash
- Cheque
- E-Transfer

Date Payment Received (mm/dd/yyyy) \_\_\_\_\_

Payment Amount: \_\_\_\_\_

## Transfers of Monies From Another Financial Institution

Name of Financial Institution: \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

Estimated Amount of Transfer: \_\_\_\_\_

I, \_\_\_\_\_, acknowledge that the transfer amount as indicated above is an estimate based on the attached statement of account, and that the actual amount to be transferred may be slightly different due to transfer fees, a change in valuation, etc. I will verify the value of the transfer at various points in time to confirm the accuracy of the transfer. I request that the securities be purchased using the exact value of the transfer.

Purchaser Acknowledgement (Signature): \_\_\_\_\_

Date: (mm/dd/yyyy) \_\_\_\_\_

## TERMS AND CONDITIONS OF SUBSCRIPTION

1. **Subscription.** The Purchaser hereby tenders to the Co-operative this Subscription Agreement which, upon acceptance by the Co-operative, will constitute an irrevocable agreement of the Purchaser to purchase from the Co-operative, and of the Co-operative to sell to the Purchaser, the aggregate number and/or principal amount of the Securities set out on the face page hereof (the “**Purchaser’s Securities**”) at the Purchase Price, all on the terms and subject to the conditions set out in this Subscription Agreement.
2. **Payment.** The Purchaser shall deliver the aggregate amount payable in respect of the Purchaser’s Securities subscribed for hereby to the Co-operative, by personal cheque or bank draft drawn on a Canadian chartered bank, credit union or trust company in Canadian dollars and payable to “Community Energy Development Co-Operative Ltd.”.
3. **Definitions.** In this Subscription Agreement, unless the context otherwise requires:
  - “**CCA**” means *Co-operative Corporations Act*, R.S.O. 1990, c. C.35, and the regulations made thereunder;
  - “**Closing**” means the completion of the issue and sale by the Co-operative and the purchase by the Purchaser of the Securities pursuant to the provisions of this Subscription Agreement;
  - “**CRA**” means the Canada Revenue Agency;
  - “**CWCF**” means the Canadian Worker Co-op Federation;
  - “**FSCO**” means the Financial Services Commission of Ontario;
  - “**Offering Statement**” means the offering statement of the Co-operative in respect of the Securities dated July 28, 2017;
  - “**person**” means an individual, firm, corporation, syndicate, partnership, trust, association, unincorporated organization, joint venture, investment club, government or agency or political subdivision thereof and every other form of legal or business entity of whatsoever nature or kind;
  - “**Personal Information**” means any information about a person (whether an individual or otherwise) required to be disclosed to FSCO, whether pursuant to the CCA or a request made by the Superintendent, and includes information contained in this Subscription Agreement;
  - “**Superintendent**” means Superintendent of Financial Services appointed under the Financial Services Commission of Ontario Act, 1997;
  - “**United States**” means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;
  - “**U.S. Person**” means a U.S. person as defined in Rule 902(k) of Regulation S under the U.S. Securities Act; and
  - “**U.S. Securities Act**” means the United States Securities Act of 1933, as amended.
4. **Delivery and Payment.** The Purchaser agrees that the following shall be delivered to the Co-operative at the address set out on the face page hereof, or such other place as the Co-operative may advise:
  - a) a completed and duly signed copy of this Subscription Agreement; and
  - b) a personal cheque or bank draft made payable to “Community Energy Development Co-Operative Ltd.” representing the aggregate Purchase Price payable by the Purchaser for the Purchaser’s Securities, or such other method of payment of the same amount as the Co-operative may accept.The Purchaser consents to the filing of any documents as may be required to be filed with FSCO, CRA, CWCF or other related financial organizations in connection with the transactions contemplated hereby. The Purchaser acknowledges and agrees that this offer, the Purchase Price and any other documents delivered in connection herewith will be held by the Co-operative until such time as the conditions set out in this Subscription Agreement are satisfied by the Co-operative.
5. **Closing.** The transactions contemplated hereby will be completed at the offices of the Co-operative at 1358 Weber Street East, Kitchener, Ontario N2A 1C4, at such date or time as the Co-operative may determine. Upon compliance with the terms and conditions contained in this Subscription Agreement, the Co-operative shall deliver to each Purchaser (x) one or more certificates evidencing the Securities (if applicable), and (y) such other documentation as may be required pursuant to this Subscription

Agreement, against the Purchaser's delivery of (a) this Subscription Agreement completed and duly signed by the Purchaser, (b) payment of the aggregate Purchase Price payable by the Purchaser for the Purchaser's Securities and (c) a receipt for the certificates (if any) evidencing the Securities signed by the Purchaser.

If, prior to the time of completion of the transactions contemplated hereby, the terms and conditions contained in this Subscription Agreement (other than delivery by the Co-operative of certificates representing the Securities) have not been complied with, the Co-operative and the Purchaser will have no further obligations under this Subscription Agreement

If the Closing does not occur, the Co-operative shall return this Subscription Agreement and any funds, personal cheques and bank drafts delivered by the Purchaser to the Co-operative representing the aggregate Purchase Price for the Purchaser's Securities, without interest, to the Purchaser.

6. **Representations and Warranties of the Co-operative.** The Co-operative represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in subscribing for the Securities hereunder:

- a) the Co-operative is incorporated and validly subsisting under the laws of the Ontario *Co-operative Corporations Act*;
- b) if signed by the Co-operative, this Subscription Agreement will be duly authorized, executed and delivered by the Cooperative and will constitute a legal, valid and binding obligation of the Co-operative; and
- c) subject to the acceptance of this Subscription Agreement by the Co-operative, all necessary action will have been taken by the Co-operative to issue the Securities to the Purchaser.

7. **Conditions of Closing.** The Purchaser acknowledges that the Co-operative's obligation to sell the Purchaser's Securities to the Purchaser is subject to, among other things, the following condition:

- a) the representations and warranties of the Purchaser set out herein being true and correct as at the time of Closing.

8. **Acceptance or Rejection.** The Co-operative will have the right, in its sole discretion, to accept or reject this Subscription Agreement at any time at or prior to the Closing. The Purchaser acknowledges and agrees that the acceptance of this offer will be conditional upon the issue and sale of the Purchaser's Securities to the Purchaser being exempt from the requirement to provide the Purchaser with an offering statement available to the Co-operative under the regulations to the CCA. The Cooperative will be deemed to have accepted this Subscription Agreement upon the Co-operative's execution of the acceptance at page 2 of this Subscription Agreement and the delivery at the Closing of the Purchaser's Securities in accordance with the provisions hereof.

If this Subscription Agreement is rejected, the Purchaser understands that any funds, personal cheques and bank drafts delivered by the Purchaser to the Co-operative representing the aggregate Purchase Price for the Purchaser's Securities will be returned promptly by the Co-operative to the Purchaser without interest or deduction.

9. **Purchaser's Representations and Warranties.** The Purchaser represents and warrants to the Co-operative as follows and acknowledges that the Co-operative is relying on such representations and warranties in connection with the transactions contemplated in this Subscription Agreement which representations and warranties shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Co-operative with respect thereto and notwithstanding any subsequent disposition by the Purchaser of any of the Purchaser's Securities shall continue in full force and effect for the benefit of the Co-operative following the Closing:

- a) **Authorization and Effectiveness.** The Purchaser is an individual of the full age of majority resident in the Province of Ontario and has all requisite legal capacity and competence to execute and deliver this Subscription Agreement and to observe and perform his or her covenants and obligations hereunder, or under any agreement to which the Purchaser is a party or by which the Purchaser is bound or any law applicable to the Purchaser or any judgment, decree, order, statute, rule or regulation applicable to the Purchaser;
- b) **Offering Statement.** The decision of the Purchaser to tender this Subscription Agreement and acquire the Purchaser's Securities has not been made as a result of any oral or written representation as to fact or otherwise made by or on behalf of the Co-operative or any other person other than as contained in the Offering Statement. The Purchaser is solely responsible for its own due diligence investigation of the Co-operative, its business and the merits and risks of its investment pursuant to this Subscription Agreement and the Offering Statement, and has relied only on the information contained in the Offering Statement in making the decision to subscribe for the Purchaser's Securities hereunder;

c) **Broker.** There is no person acting or purporting to act in connection with the transactions contemplated herein who is entitled to any brokerage or finder's fee and if any person establishes a claim that any fee or other compensation is payable in connection with this subscription for the Purchaser's Securities, the Purchaser covenants to fully indemnify and hold harmless the Co-operative with respect thereto and with respect to all costs reasonably incurred in the defense thereof;

d) **Illegal Use of Funds.** None of the funds being used to purchase the Purchaser's Securities are to the Purchaser's knowledge proceeds obtained or derived directly or indirectly as a result of illegal activities. The funds being used to purchase the Purchaser's Securities which will be advanced by the Purchaser to the Co-operative hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) Act* (Canada) (the "PCMLA") and the Purchaser acknowledges that the Co-operative may in the future be required by law to disclose the Purchaser's name and other information relating to this Subscription Agreement and the Purchaser's subscription hereunder, on a confidential basis, pursuant to the PCMLA. To the best of its knowledge (i) none of the funds to be provided by the Purchaser are being tendered on behalf of a person or entity who has not been identified to the Purchaser, and (ii) it shall promptly notify the Co-operative if the Purchaser discovers that any of such representations cease to be true, and to provide the Co-operative with appropriate information in connection therewith;

e) **No Purchase or Offer in United States.** The Purchaser is not a U.S. Person and was not offered the Purchaser's Securities in the United States, at the time the purchase order originated was outside the United States, did not execute or deliver this Subscription Agreement or related documents in the United States, is not purchasing the Purchaser's Securities on behalf of or for the benefit of a person in the United States or a U.S. Person, and confirms that no act, solicitation, conduct or negotiation directly or indirectly in furtherance of the purchase of the Purchaser's Securities hereunder has occurred in the United States, and acknowledges that the Securities have not been, nor will they be, registered under the U.S. Securities Act or the securities laws of any state, and such securities may not be offered or sold, directly or indirectly, in the United States except pursuant to registration or unless an exemption from the registration requirements under the U.S. Securities Act and applicable state securities laws is available, and agrees not to offer or sell the Securities in the United States unless registered under the U.S. Securities Act or pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws and the Purchaser acknowledges and understands that the Co-operative has no present intention of filing a registration statement under the U.S. Securities Act in respect of the Securities;

f) **Investment Suitability.** The Purchaser has such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of the investment hereunder in the Purchaser's Securities and is able to bear the economic risk of total loss of such investment; and

g) **Personal Information.** The Purchaser acknowledges that this Subscription Agreement requires the Purchaser to provide certain Personal Information to the Co-operative and its agents and advisers as reasonably necessary in connection with the proposed Offering. Such information is being collected and will be used by the Co-operative for the purposes of completing the proposed Offering. The Purchaser agrees that the Purchaser's Personal Information may be disclosed by the Co-operative to: (a) FSCO and other applicable regulatory authorities, (b) CRA or other taxing authorities, (c) Independent Electricity System Operator, Ministry of Energy, local distribution companies or other parties as required for the Co-operative's operations and (d) any of the other parties involved in the proposed Offering, including legal counsel, and may be included in record books in connection with the Offering. By executing this Subscription Agreement, the Purchaser consents to the foregoing collection, use and disclosure of the Purchaser's Personal Information. The Purchaser also consents to the filing of copies or originals of any of the Purchaser's documents described herein as may be required to be filed with any regulatory authority in connection with the transactions contemplated hereby.

The Purchaser acknowledges and agrees that the foregoing representations and warranties are made by it with the intention that they may be relied upon by the Co-operative and its respective counsel in determining the Purchaser's eligibility to purchase the Purchaser's Securities. The Purchaser further agrees that by accepting delivery of the Purchaser's Securities on Closing, it shall be representing and warranting that the foregoing representations and warranties are true and correct as at Closing with the same force and effect as if they had been made by the Purchaser at Closing and that they shall survive the purchase by the Purchaser of the Purchaser's Securities and shall continue in full force and effect notwithstanding any subsequent disposition by the Purchaser of the Purchaser's Securities. The Purchaser undertakes to notify the Co-operative immediately of any change in any representation, warranty or other information relating to the Purchaser set out in this Subscription Agreement which takes place prior to Closing.

The Purchaser acknowledges and agrees that the Co-operative may establish and maintain a file of the Purchaser's



Personal Information for the purposes set out above, which will be accessible at the Co-operative's office at 1358 Weber Street East, Kitchener, Ontario N2A 1C4. Authorized employees and agents of the Co-operative will have access to the Purchaser's Personal Information. The Purchaser may request access to or correction of his or her Personal Information in the Issuer's possession by writing to the foregoing address, to the attention of the President of the Co-operative.

10. **No Revocation.** The Purchaser agrees that this Subscription Agreement is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Purchaser without the consent of the Co-operative.
11. **Indemnity.** The Purchaser agrees to fully indemnify and hold harmless the Co-operative and its directors, officers, employees, agents, advisers, shareholders and partners from and against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all fees, costs and expenses whatsoever reasonably incurred in investigating, preparing or defending against any claim, lawsuit, administrative proceeding or investigation whether commenced or threatened) arising out of or based upon any representation or warranty of the Purchaser contained herein or in any document furnished by the Purchaser to the Co-operative in connection herewith being untrue in any material respect or any breach or failure by the Purchaser to comply with any covenant or agreement made by the Purchaser herein or in any document furnished by the Purchaser to the Co-operative in connection herewith.
12. **Modification.** Subject to the terms hereof, neither this Subscription Agreement nor any provision hereof shall be modified, changed, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.
13. **Assignment.** The terms and provisions of this Subscription Agreement shall be binding upon and enure to the benefit of the Purchaser, the Co-operative and their respective successors and assigns; provided that this Subscription Agreement shall not be assignable by any party without the prior written consent of the other parties. For greater certainty this Subscription Agreement may only be transferred or assigned by the Purchaser subject to compliance with applicable laws (including, without limitation, the CCA) and with the express written consent of the Co-operative, which is subject to approval by the Board of Directors of the Co-operative and the requirement that the transferee or assignee be a resident of the Province of Ontario.
14. **Miscellaneous.** All representations, warranties, agreements and covenants (including those relating to indemnification) made or deemed to be made by the Purchaser (and, if applicable, others for whom it is contracting hereunder) herein will survive the execution and delivery, and acceptance, of this Subscription Agreement and the Closing.
15. **Electronic Deliveries and Counterparts.** The Co-operative shall be entitled to rely on delivery by facsimile machine or other electronic means of an executed copy of this Subscription Agreement, and acceptance by the Co-operative of such facsimile copy shall be legally effective to create a valid and binding agreement between the Purchaser and the Co-operative in accordance with the terms hereof. This Subscription Agreement may be executed in any number of counterparts, each of which when delivered, either in original or electronic form, shall be deemed to be an original and all of which together shall constitute one and the same document.
16. **Governing Law.** This Subscription Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Purchaser hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario with respect to any matters arising out of this Subscription Agreement.
17. **Entire Agreement.** This Subscription Agreement (including the Schedules hereto) contains the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein. This Subscription Agreement may be amended or modified only by written instrument.
18. **Time of Essence.** Time shall be of the essence of this Subscription Agreement.
19. **Currency.** All dollar amounts referred to in this Subscription Agreement are in Canadian dollars.
20. **Further Assurances.** Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Subscription Agreement.
21. **Singular and Plural, etc.** Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.
22. **Headings.** The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.