

DISCLOSURE STATEMENT FOR COMMON SHARES

SPARK The Energy Credit Union Limited

(the "Credit Union")

Price: \$1.00 per Common Share

NOTICE TO PROSPECTIVE INVESTOR IN COMMON SHARES

Common Shares are risk capital. They are not deposits, and they are not insured or guaranteed by any government or government agency, by the Canada Deposit Insurance Corporation or by Alberta's Credit Union Deposit Guarantee Corporation and no such institution has considered the merits of the shares as an investment. There is no assurance that, in the event of the liquidation or dissolution of the Credit Union, it will have enough assets to return your investment to you.

There are restrictions on the redemption of these Shares and no certainty of future dividends. Common Shares are an important part of the equity of the Credit Union.

Any rights you may have to dividends or to have the Shares redeemed by the Credit Union or to transfer those to others are subject to certain preconditions, which are referred to in the disclosure statement.

The Shares are not tradeable on any stock exchange or similar market. You may be able to transfer your Shares in limited circumstances.

The Securities Act does not apply to Shares issued by Credit Unions.

1. FINANCIAL POSITION OF THE CREDIT UNION

The Credit Union's most recent audited annual financial statements and its unaudited quarterly financial statements for the most recent quarter should be attached to this Disclosure Statement. Those financial statements provide information on the Credit Union's assets, liabilities, equity (deficit) and income (loss).

Although there will have been some changes in the ordinary course of the Credit Union's business since the dates of those annual and quarterly financial statements, to the best of the knowledge of the Board of Directors they continue to present a reasonably accurate picture of the Credit Union's financial position as of the date of this Disclosure Statement.

If you have not received all of these documents, please ask the Credit Union for those you haven't received. You will also be entitled to obtain from the Credit Union copies of annual and quarterly financial statements. These will be available at any branch of the Credit Union, on request, and displayed prominently at each branch.

2. BUSINESS OF THE CREDIT UNION

The Credit Union is incorporated and regulated under Alberta's Credit Union Act. It provides a full

range of financial services in the Province of Alberta.

If you have any questions about the business of the Credit Union, its management, the geographic area it serves or the legal or regulatory status of Alberta credit unions generally, be sure you have those questions answered to your satisfaction, either by the Credit Union or by your professional advisers, before purchasing any Common Shares.

3. RISK FACTORS

In addition to general competitive and economic risks, the Credit Union is not exposed to any other risk factors.

4. CREDIT UNION SHARE CAPITAL

The Credit Union is permitted to issue and has issued the following kind of Shares:

Common Shares- The rights attaching to common shares are set out in the Credit Union Act and the Regulations and, to some extent, in the Credit Union's by-laws. They are an important part of the equity of the Credit Union. The attached financial statements show the number and the total value of the Credit Union's Common Shares currently issued and outstanding.

This class of shares does not carry voting rights, since Credit Unions operate on the principle of one vote per member. You must, however, hold the required minimum number of Common Shares in order to be a member of a Credit Union.

5. DESCRIPTION OF COMMON SHARES

A. Voting Rights:

Common Shares carry no voting rights. Members are entitled to one vote each at annual and special meetings.

B. Dividends:

Dividends will not be paid if the Credit Union is or would become insolvent. Dividends become payable only when "declared" by the directors of the Credit Union. Directors have the discretion to pay patronage rebates ahead of Common Share dividends or to retain earnings for operational purposes. The rate of payment of dividends may be different on holdings of Common Shares above and below the minimum common shareholdings required for membership.

C. Redemptions:

Common Shares are "redeemed" when the Credit Union buys them back from you and you sell them back to the Credit Union (refer to Section 3.10 of the by-laws).

The Credit Union has the right to buy back common shares when the maximum number of Common Shares is reached by a member. Where a person holding common shares wishes to request the credit union redeem all, or a portion, of their shares they shall make

such a request in writing to the credit union. On approval by a resolution of the Board of Directors and subject to Section 111 of the Credit Union Act and the credit union's by-laws the credit union shall, after deduction of all amounts due from the person to the credit union, remit to them the balance due in respect of the shares redeemed.

However, redemption of Common Shares is subject to a number of preconditions. Common Shares cannot be redeemed if the Credit Union is insolvent or, in certain cases, if its obligations as to certain capital requirements are not met or if the redemption would cause either of those circumstances.

The redemption of Common Shares in any given year cannot reduce the year-end balance of all Common Shares by more than 10%.

D. Conversion:

Common Shares may not be converted into any other class of shares.

6. APPLICATION AND PAYMENT FOR COMMON SHARES

Common Shares may be sold by the Credit Union at any time during normal business hours at any branch of the Credit Union or at any other premises where its business is transacted. If you already hold, or will, after the purchase, hold 3000 or more common shares, exclusive of Shares received as patronage rebates or dividends you are entitled to receive a copy of the disclosure statement and the latest audited annual financial statements and quarterly financial statements. Shares will not be issued unless fully paid for.

7. TRANSFER OF COMMON SHARES

Common Shares issued by Credit Unions are not tradeable on any stock exchange or similar market. Under the Credit Union Act, Common Shares may not be transferred unless the transfer is between members of the Credit Union in the same family or results only from the death of the holder or certain other limited circumstances.

A transfer of Common Shares will be permitted only under any one of the following conditions (refer to section 3.40 of the by-laws):

- a) membership has been terminated;
- b) all or a portion of the Common Shares are transferred to an associate account;
- c) the member will continue to hold 1,000 Common Shares after the redemption or transfer; or
- d) registered Common Shares may be redeemed on termination or transfer of the registered contract.

8. LIQUIDATION OR DISSOLUTION OF THE CREDIT UNION

If at some time in the future the Credit Union ceases to carry on business, the Credit Union may be dissolved and its assets sold to pay off its liabilities, including deposits. The proceeds received from the sale of assets will be used to repay deposits in the Credit

Union, return of capital (repayment of initial investment) before payment is made on Common Shares. If, after those liabilities are paid, there are sufficient remaining proceeds from the sale, the holders of Common Shares will receive the return of their capital investment and unpaid dividends. If there are not sufficient remaining proceeds from the sale to pay out all the capital and unpaid dividends of common shareholders fully, common shareholder will share rateably (your common shareholdings in proportion to all common shares) in the remaining proceeds.

There may also be no remaining proceeds from the sale once all liabilities, including prior claims of depositors are paid, in which case there will be no money available to pay common shareholders their capital and unpaid dividends. In this event you will lose the entire value of your investment and unpaid dividends.

NO LOSS FROM A HOLDING OF COMMON SHARES IS INSURED OR GUARANTEED; PLEASE SEE "THE NOTICE TO PROSPECTIVE INVESTOR IN COMMON SHARES" ON PAGE I OF THIS DISCLOSURE STATEMENT. Since a loss of your investment is possible, a decision to purchase common shares should reflect your judgment that the Credit Union is and will remain financially sound.

9. TAX CONSEQUENCES

This summary is of a general nature only and is not intended to be, nor should it be understood as, legal or tax advice to any particular person. Therefore, prospective investors should inform themselves of, and if appropriate consult their own tax or other professional advisers on, the possible tax consequences of any share transaction they might enter into, based on their own particular circumstances.

When dividends are paid on Common Shares, the dividend received by the member will appear on their annual T-5 slip showing interest income from the Credit Union. Any dividends paid on Registered Common Shares are not taxable until withdrawal.

10. FOR FURTHER INFORMATION

This Disclosure Statement is only a summary. If you or your professional adviser is interested in further details, you should obtain a copy of the Credit Union Act and the regulations under it.

THIS DISCLOSURE STATEMENT APPLIES ONLY TO THE CREDIT UNION'S COMMON SHARES.

The form of this Disclosure Statement is prescribed by the Regulations. THE INFORMATION INCLUDED IN IT IS CERTIFIED TO BE COMPLETE AND ACCURATE BY THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER OF THE CREDIT UNION BASED ON DUE DILIGENCE AND REASONABLE INQUIRY.

**BOARD OF DIRECTORS OF:
SPARK The Energy Credit Union Limited**

Date: 3/26/2020

DocuSigned by:
Tim Rose
Per: Tim Rose, Chair, Board of Directors

Date: 4/5/2020

DocuSigned by:
Tim Crowe
Per: Tim Crowe, 1st Vice Chair, Board of Directors

Date: 3/26/2020

DocuSigned by:
Badria Taha
Per: Badria Taha, President & CEO