

**ALLOYA CORPORATE FEDERAL CREDIT UNION**  
**Perpetual Contributed Capital Shares II**  
**Subscription Terms and Conditions**

To: The Board of Directors and the management of Alloya Corporate Federal Credit Union (“**Alloya**”):

A purchaser (“Member”) of Alloya Perpetual Contributed Capital Shares II (“**Capital Shares**”) hereby subscribes to and offers to purchase Perpetual Contributed Capital Shares II to be issued by Alloya in an amount set forth on the execution page of the Subscription Contract.

The Capital Shares offered hereby involve a high degree of risk and you may lose your entire investment. Members should carefully read the Confidential Private Placement Memorandum of Alloya dated June 21, 2013 (the “**Memorandum**”) and this Subscription Contract. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Memorandum.

As an inducement to Alloya to accept this offer to purchase, Member hereby acknowledges, represents, warrants and agrees that:

1. Member is not a natural person.
2. Member acknowledges that the Capital Shares may be issued by Alloya to both current credit union member-owners and nonmembers.
3. Member is an “Accredited Investor” as defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the “Securities Act”). Member is acquiring the Capital Shares for its own account, for investment and not with a view to or for resale, transfer, distribution or other disposition. The Capital Shares were not offered to Member by means of any general solicitation or general advertising by Alloya or any person acting on its behalf, including without limitation (a) any advertisement, article, notice or other communication published in any newspaper, magazine, or similar media or broadcast over television or radio or (b) any seminar or meeting to which Member was invited by any general solicitation or general advertising. Generally, credit unions whose accounts are insured by the National Credit Union Administration qualify as “Accredited Investors.” See Annex A for the definition of “Accredited Investor.”
4. Member has been informed that the Capital Shares have not been registered under the Securities Act.
5. Member has been informed that the Capital Shares have not been registered under the Exchange Act of 1934, as amended (the “Exchange Act”) or under any other state or federal law, but may be subject to such registration in the future.
6. Member acknowledges that it has received and its management and each of its board members has reviewed the Memorandum provided to it by Alloya in connection with this offering. Member understands and agrees that its investment in the Capital Shares shall be governed by and is subject to the terms and conditions and restrictions described in the Memorandum.
7. Member has reviewed the sections entitled “Terms and Conditions of Perpetual Contributed Capital Shares II” and “Description of Perpetual Contributed Capital Shares II” in the Memorandum, and understands the terms of the Capital Shares. Member further agrees to maintain in its files the annual

- notice of Perpetual Contributed Capital Shares II Terms and Conditions. Member has read and is familiar with the rules applicable to the Capital Shares pursuant to 12 C.F.R. Part 704.
8. Member understands that the Capital Shares are highly speculative in nature and involve a substantial degree of risk. Member acknowledges that such Member must bear the economic risk of the investment for an indefinite period of time as described in the Memorandum. Member has also reviewed the “Risk Factors” in the Memorandum.
  9. No oral or written representations or warranties have been made to Member other than those as may be contained in the Memorandum. Member acknowledges that no person is authorized to give any information or to make any statement not contained in the Memorandum, a copy of which Member acknowledges has previously been received, and that any information or statement not contained therein must not be relied upon as having been authorized by Alloya, any of its affiliates, or any professional advisors thereto. Member also acknowledges that any written or oral representation or information which may have been made or provided to Member prior to the date of the Memorandum is superseded by the Memorandum.
  10. Member represents and warrants that, to the extent Member has deemed necessary, it has consulted with its attorneys, financial advisors and others regarding all financial, securities and tax aspects of the proposed investment, and that said advisors have reviewed the Memorandum, this Subscription Contract and all documents relating thereto on Member’s behalf. Member and its advisors have sufficient knowledge and experience in business and financial matters to evaluate Alloya, to evaluate the risk of an investment in Alloya, to make an informed investment decision with respect thereto, and to protect Member’s interests in connection with its subscription. Member and its advisors have had an opportunity to ask questions of and to receive answers from Alloya management and to obtain additional information with respect to the offering in writing to the extent that Alloya possesses such information or could acquire it without unreasonable effort or expenses.
  11. Member acknowledges that it will transfer the greater of: (1) five percent (5%) of its average daily debit settlement activity over the most recent complete quarter times three (3) days; or (2) the minimum amount stated in the Memorandum (“Subscription Amount”).
  12. It is anticipated that the Subscription Amount will be transferred from Member’s settlement account directly to a capital account with Alloya at the time this Subscription Contract is approved by Alloya.
  13. Alloya will conduct two (2) quarterly capital reviews (semi-annually) for newly capitalized members to determine if additional capital is necessary. Members at the maximum capital level for their asset size will not be subject to review. A Member will be considered in “Good Standing” if its capital contribution multiplied by 1.25 is greater than or equal to the product of its average daily debit settlement for the quarter under review multiplied by three (3) (days) multiplied by 5%. If not in Good Standing, the Member will be required to either add more capital or reduce settlement accordingly – failure to do so may subject the Member to a non-capitalized member fee schedule (which is higher) and other actions as may be determined by the Board of Directors of Alloya, up to and including expulsion. If after two such reviews the Member is in good standing, further reviews will be suspended. However, Alloya retains the option to reinstitute the review and adjustment process in its sole discretion.

## ANNEX A

### Definition of Accredited Investor

An “accredited investor” as defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended, means:

- a bank, as defined in Section 3(a)(2) of the Securities Act, acting in its individual or fiduciary capacity.<sup>1</sup>
- a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, acting in its individual or fiduciary capacity. NOTE: The Securities and Exchange Commission's staff interprets the “similar institution” language to encompass credit unions whose accounts are insured by the National Credit Union Administration.
- a corporation, a or similar business trust, a partnership, or an organization described in Section 501(c)(3) of the Internal Revenue Code, which has total assets in excess of \$5,000,000 and which was not formed for the specific purpose of acquiring Capital Units.
- an entity in which all of the equity owners are accredited investors.
- a broker or dealer registered pursuant to Section 15 of the Exchange Act.
- a trust with total assets in excess of \$5,000,000 which was not formed for the specific purpose of acquiring Capital Units and whose purchase of Capital Units was directed by a person who has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the investment.
- an insurance company as defined in Section 2(13) of the Securities Act.
- an investment company registered under the Investment Company Act of 1940, or a business development company as defined in Section 2(a)(48) of the Investment Company Act of 1940.
- a small business investment company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the U.S. Small Business Investment Act of 1958, as amended.
- a plan which has total assets in excess of \$5,000,000 and which is established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions for the benefit of its employees.
- an employee benefit plan within the meaning of ERISA, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors.
- a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, as amended.

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<sup>1</sup> “Bank” means any national bank, or any banking institution organized under the laws of any State, territory, or the District of Columbia, the business of which is substantially confined to banking and is supervised by the State or territorial banking commission or similar official; except that in the case of a common trust fund or similar fund, or a collective trust fund, the term “bank” has the same meaning as in the Investment Company Act of 1940.