

CLARE GOLF AND COUNTRY CLUB LTD.

CONSTITUTION AND BY-LAWS

2016 EDITION

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A - Articles of Association

The company is incorporated under all the articles of Table A of the first schedule of the Nova Scotia Companies Act, being chapter 42 of the revised statutes of Nova Scotia, 1967 and amendments thereto, either by revision of these statutes or by special resolution at a general meeting of the shareholders.

B - Memorandum of Association

1. Name

- 1.1. The name of this corporation is **Clare Golf and Country Club limited**, hereafter called "club".

Interpretation:

- 1.2. In these by-laws, words in the singular include the plural, words in the plural include the singular; words importing male persons include female persons and words importing female persons include male persons.

2. Purposes and Objects

The objects for which the club is established are:

- 2.1. To promote, organize, conduct, and manage a golf, country and social club, for the enjoyment of the residents of Clare and surrounding area and to promote the welfare of the members thereof, with power to make and adopt a constitution and by-laws, rules and regulations for the admission, suspension and expulsion of its members and for their government, and for the establishing of different classes of membership, and for the collection of fees and dues, for the election and appointment of its directors and other officers and to define their duties, and for the safekeeping and protection of its property and funds, and in general to regulate, manage and preserve its property and interests, and from time to time alter, repeal, rescind or vary such constitution, by-laws, rules and regulations, or any of them.
- 2.2. The club shall not be permitted to carry on any trade, industry, or business for the purpose of gain to any of its members or shareholders, and any surplus or any accretions of the club shall be used solely for the purposes of the club and the promotion of its objects.
- 2.3. The liability of the members or shareholders is limited.
- 2.4. The Company shall have twelve hundred (1200) authorized common shares, eight hundred (800) having a par value of one hundred dollars (\$100.00) each, which are all issued and outstanding, and four hundred (400) having no par value.

C- By-Laws

3. Membership

All memberships are subject to the approval of the Board of Directors. The following types of memberships are available:

- 3.1 Shareholder membership: Eligible for this membership is a shareholder of the club, his spouse and any dependants as defined by the Income Tax Act.
- 3.2 Honorary Life membership: This membership may be awarded to an individual in recognition of many years of outstanding personal service and dedication to the development of the club.
- 3.3 Non shareholder membership: This membership applies to all persons who are not included in either 3.1 or 3.2.
- 3.4 Social membership: All shareholders and their spouse are regarded as social members.

4. Expulsion of Members

- 4.1 The Board of Directors may place on probation or suspend for a fixed time, or expel, any member of the club from membership in the club provided:

Member has been notified in writing by the secretary of the club of:

- a) the charge or charges laid against the member and,
- b) the time and place when a hearing into the charge(s) will take place by the Board of Directors.

The member has been given an opportunity to appear in person, with or without counsel before the Board of Directors to answer the charges.

Written notification of the Board of Directors' meeting during which the hearing shall be conducted shall be postmarked not later than ten (10) clear days prior to the hearing.

- 4.2 The Board of Directors shall hold a meeting at the earliest convenient opportunity to inquire into any and all charges presented in writing to it, against any member. During the meeting the Board of Directors, following a two-third (2/3) majority vote of the Directors present shall have the authority to place on probation, or suspend for a fixed time, or expel from membership in the club the member against whom the charges have been brought. The terms and conditions of probation or the length of a suspension shall be defined by the Board of Directors at this meeting.

5. Board of Directors

- The Board of Directors of this club shall be shareholders in good standing and shall consist of the President, Immediate Past President and Vice President plus ten (10) directors.
- The Board of Directors shall be elected at the annual shareholder meeting.
- The term of office of any Director shall be two (2) years.
- A Director may seek re-election for a maximum of three (3) consecutive terms by advising the nominating committee of his intent.
- The president shall be elected for a term of two years and shall not remain in office for more than three consecutive years.
- Upon serving one term a director is eligible to become president.
- The President shall, if present, preside at all meetings of the club. He shall call meetings of the Board of Directors and shareholders when necessary and shall advise with and render such assistance to the Board of Directors as may be in his power. In his absence, the Vice President shall chair the meeting in the president's absence.
- If the President should vacate his office permanently, then the Vice President shall have and exercise all the rights and powers of the President until the next shareholder's meeting, where an election for the office of President shall be called.

6. Vacancies

- 6.1 Any vacancy occurring in the directorate during the year shall be filled by the Directors but such person appointed shall hold office only until the next annual shareholder meeting.
- 6.2 Any Director who shall absent himself without reasonable cause from four (4) consecutive meetings of the Board of Directors shall be considered to have resigned as a Director, and the Board of Directors shall proceed at once to fill this vacancy. The secretary shall notify the defaulting Director in writing that the vacancy on the Board caused by his resignation has been filled.

7. Committees

The Board of Directors shall ensure that the following positions are duly appointed annually:

- Greens Chairperson
- Match and Handicap Chairperson
- Junior Development Chairperson
- Social and Entertainment Chairperson
- Ladies Club Chairperson
- Publicity Chairperson
- Finance Chairperson
- Other such chairpersons as deemed necessary for the most effective operation of the club.

8. Meetings

Notice of all regular meetings of the Board of Directors shall be given to each Director at least three (3) days prior to the meeting, except for emergency meetings, at the discretion of the president.

9. Books

The Directors shall cause true accounts to be kept of the assets and liabilities of the club, of the sum of money received and expended by the club, and the matters of which such receipts and expenditures and all matters pertaining to the business of the club, with monthly income and expense reports. The books shall be kept in the office of the club house. A back-up (copy) of such records shall be kept at an offsite location designated by the directors. All approved financial records and minutes of meetings of the club shall be open to inspection by any and all shareholders during regular office hours.

10. Quorum

The quorum for any Director's meeting shall be seven (7) Directors.

11. Budget

The Directors shall present a budget before the club at the annual shareholder meeting as well as a statement of the income and expenditures for the past year. A balance sheet shall be made out every year or more frequently, if desired, and placed before the club at general or special meetings and such balance sheet shall contain a summary of the assets and liabilities of the club.

12. Auditors

An auditor or firm of auditors or financial review shall be appointed annually by the shareholders whose duty it shall be to examine and audit all the books, vouchers and accounts of the club and as well all documents having reference to the business thereof. The auditor or auditors shall make a report of their findings to the directors as soon after the close of the Financial Year as possible. Such report may contain recommendations from time to time by the auditor or auditors as to improvements that may be made in the keeping of the club's records and the handling of its Finances.

13. Secretary and treasurer

The Board of Directors shall appoint a secretary and a treasurer or a secretary-treasurer each year.

The secretary shall:

13.1 keep a record of all proceedings at all meetings of the club and of the Board, and be custodian of the seal of the club and all books, paper, records, etc., belonging to the club, which shall deliver when authorized to do so by a resolution of the Board, to such persons as may be named in the resolution; give notice of all meetings of the club and conduct the correspondence of the club.

13.2 keep books in which shall be recorded the names alphabetically arranged of all persons who are and have been shareholders; the address and calling of each such person while a shareholder; the number of shares of stock held by each shareholder; all transfers of stock and date of entry thereof. Such books shall be kept open for inspection by the shareholders.

The treasurer shall:

13.3 journalize transactions in synoptic journal; use cheque stubs and cash book as source documents; do monthly bank reconciliation; do monthly postings to general ledger; prepare worksheet and monthly financial statements and year-end , such statements to be presented at monthly Directors' meetings; present the year-end statement at the annual shareholder meeting; prepare monthly sales tax remittance and remittance to receiver-general; prepare T-4 slips and T-4 summary; prepare the annual corporate tax returns.

14. Executive Committee

The executive committee shall consist of the President, the Vice President, Secretary, Treasurer, and one other board member to deal with matters affecting the club, three (3) to constitute a quorum, and all actions of the executive committee to be ratified at the following Board of Directors meeting.

15. Annual Shareholder Meeting

The Annual meeting of the shareholders shall be held on the last Monday of April, each year, at a time and place to be fixed by the Board of Directors.

15.1 Business

ORDER OF BUSINESS AT ANNUAL MEETING SHALL INCLUDE, BUT NOT BE LIMITED TO:

- a. Minutes of the preceding Annual Meeting and of any intervening Special Meetings.
- b. Unfinished business
- c. Reception and adoption of Audited Financial Statements or Financial Review and reports from officers and Directors.
- d. To receive the manager's report, and the Presidents report.
- e. Presentation of operating budget and presentation and approval of capital budget for the forthcoming season.
- f. The election of Directors
- g. The appointment of Auditors or Financial Review
- h. New Business
- i. Adjournment

If, for any reason, this meeting is not held on this date, the Directors shall call a meeting at a later date, said meeting to be known as the annual or special meeting of the club.

15.2 Calling a meeting

A general or special meeting of the shareholders may be called at any time by the Directors whenever they deem the same necessary or advisable for any purpose not contrary to law or to call a special meeting of the shareholders whenever required to do so in writing by not less than twenty (20) shareholders of the club for the transaction of any business as specified in said written requisition.

A non voting information meeting for Shareholders and all members shall be held in the Clubhouse during the latter part of August or early September, at a time to be determined by the Board of Directors. Notification may be by notices posted in the Club House, Propshop, on Club Bulletin Boards and in Membership Publications.

15.3 Notice of Meeting (Annual Shareholders Meeting 2016) - revised

Notice of the time and place for holding the annual, general or special meeting of the club shall be communicated by: e-mail, on the Clare Golf and Country Club website; and through local medias no later than two weeks (14 days) prior to the said meeting.

16. Votes of Members

At any annual or special meetings of the club every shareholder present in person or by proxy shall be entitled to one vote and no more regardless of the number of shares held by him upon a show of hands or upon a poll.

The form of proxy to be used at all Shareholders meetings must clearly indicate who the Shareholder giving the proxy wishes to vote in his/her absence.

All mailed proxies shall be delivered to a committee of three shareholders and one director appointed by the Board of Directors and must be received by them at least two (2) hours prior to the commencement of any meeting.

The form of proxy to be used shall be valid only for the meeting for which it was issued or any adjournment thereof. If another general or special meeting of shareholders is called, a new proxy shall be issued.

This committee shall indicate at the commencement of any meeting the number of proxies held. They shall tabulate the proxy votes and announce them on each vote.

This committee shall cast the appropriate ballots for the election of Directors and in run off ballots, proxy votes may be cast for names remaining on the ballot only on the basis of the proxy gives original instructions.

On amendments to any motions on which instructions are held proxy votes shall be cast as negative votes.

17. Casting Vote

All questions proposed for the consideration of the shareholders shall be determined by the voters present at the meeting, the chairman having the casting vote in case of a tie.

18. Quorum

Twenty (20) shareholders present in person or by proxy shall constitute a quorum for the annual or any special shareholder meeting.

19. Nominating Committee

The objective of this committee is to nominate shareholders for election for vacancies on the Board of Directors. The nominating committee shall consist of two (2) board members and three

(3) shareholders not currently on the Board of Directors. This committee shall be named at an annual meeting of the shareholders and shall report to the next annual shareholder meeting. Additional nominations may be made from the floor at the annual shareholder meeting. The names of the nominees shall be included in the notice of the AGM mailed to all shareholders.

20. Corporate Seal

The club shall have a corporate seal, which, whenever used, shall be authenticated by the signature of the President and the Secretary of the club.

21. Financial Year

The financial year of the club shall close on December 31.

22. Annual Dues

The annual subscription fee to the club shall become payable on the day of application for membership.

23. Lady Members

The lady members of the club shall hold an annual meeting at the onset of each golfing season to appoint or elect their own president, vice president, secretary and treasurer and other committee chairpersons deemed necessary for an efficient operation of the club.

24. Junior Members

All members over the age of eight years and under the age of nineteen years shall be called Juniors. This division of the club shall be promoted and directed by a Junior Development Committee appointed each year by the Board of Directors.

25. Amendments

This constitution may be amended or altered or any new by-law passed by a three-fourth (3/4) majority vote at any annual or special Shareholder Meeting provided that all shareholders have been duly notified of the meeting and have each received a copy of the text of the amendment alteration, or addition no later than at the time of notice of the meeting for that purpose.

26. **General**

Concessions of any nature shall be the property of the Club. The Board of Directors shall be responsible for the leasing of such concessions. The maximum term of any such lease shall be five (5) years.

Any change that will materially alter the character, purpose, make up or culture of the Club shall be presented to the Shareholders and their approval obtained before the change is made. In matters not specifically covered in these by-laws, the Board of Directors shall take such measures, as, in their judgement, the best interests of the Club will be served.

The Board of Directors may not sell any part of the real estate of the Company (Club) without approval of the shareholders as a special resolution at a Special or General meeting of the Shareholders.

27. **Benefits of Directors**

The President is to institute & establish a system of guidelines regarding benefits to directors and to ensure against abuse of these benefits.