

GENERAL RULES

(Unofficial Version)

ASSOCIATION DU BASSIN VERSANT DU LAC BLUE SEA

«BLUE SEA LAKE WATERSHED ASSOCIATION»
(PART 3 OF THE COMPANIES' ACT)

HEADQUARTERS

1. **Headquarters:** The headquarters of the Blue Sea Lake Watershed Association (hereto after referred to as "the Corporation") is situated at 70 Rue Principale, PO Box 69, Messines, QC, J0X 2J0.

MEMBERS

2. **Categories:** The Corporation has only one category of members, that is, active members.
3. **Active Members:** An active member of the corporation is any person interested in the aims and activities of the corporation who conforms to the standards of admission that are established from time to time by the Administrative Council for this effect. Active members have the right to participate in all the activities of the corporation, to receive notices regarding general meetings of all members, and to attend and to vote at such meetings. They are eligible to become administrators of the corporation.
4. **Membership Fees:** The Administrative Council can, by resolution, establish the annual membership fee to be paid by anyone wishing to be a member. Such fees are not reimbursable in the event of a member's dismissal, suspension, or withdrawal from the corporation. A member who does not pay the membership fee by the month following the date of his/her eligibility can be struck from the list of members by a resolution of the Administrative Council.
5. **Withdrawal:** Any member can withdraw at any time from the corporation by so notifying the Secretary of the corporation.
6. **Suspension or Dismissal:** The Administrative Council can, by resolution, suspend for a period of its determination or dismiss outright any member who does not pay the membership fee or who commits an act judged to be unworthy or to be contrary or harmful to the aims of the corporation. A decision by the Administrative Council to this end will be final and not subject to appeal; the Administrative Council is authorized to adopt and follow a procedure in this regard as deemed necessary - this procedure need not comply with the rules of natural justice.

GENERAL MEETINGS

7. **Annual General Meeting:** The Annual General Meeting of the corporation will take place on the date established each year by the Administrative Council. This date

must be announced at least fourteen (14) full days before the meeting. The Annual General Meeting will take place at the corporation's headquarters or at any other place designated by the Administrative Council.

8. **Special General Meetings:** Special General Meetings will take place at a place determined by the Administrative Council or by the person or persons who convened the meeting. It is up to the President or the Administrative Council to convene such meetings when it is deemed necessary for the effective management of the corporation's business. It must be noted that the Administrative Council is required to call such a meeting upon receipt of a written request to this end that is signed by at least three tenths (3/10) of the active members. This request must specify the aim and objectives of the meeting. The Administrative Council must call the meeting within ten (10) full days of receiving the request. In the event that the Administrative Council fails to do so, the members who signed the request can call the meeting themselves.
9. **Notice of Meetings:** All general meetings will be convened via both radio and newspaper announcements and press. Notice of a Special General Meeting must not only specify the date, time, and location of the meeting but also the issues to be addressed at the meeting (and only such issues will in fact be considered at the meeting). It should be noted, however, that a meeting can take place without prior notice if all active members are present or if those absent have given their consent for such a "no-notice" meeting. The presence of a member at a meeting overrides the lack of notice provided to that member. Not notifying - by accident - one or more members of the meeting or not having all the members receive the notice of the meeting does not render null the resolutions adopted at the meeting. The notification period of a meeting is at least ten (10) full days.
10. **Quorum:** The active members present constitutes the quorum of all general meetings.
11. **Vote:** At a general meeting, all paid-up active members present have the right to one vote. Voting by proxy is not allowed. In the case of a tie, the President has the deciding vote. All votes are taken by a show of hand unless three members present demand a secret ballot. In that case, the President will appoint two people to oversee the vote (they need not necessarily be active members); these two will be responsible for distributing and collecting the ballots, compiling the result, and notifying the President of same. Unless it is stipulated otherwise in law or in these General Regulations, all questions submitted for decision at a general meeting will be determined by a simple majority (ie, 50% plus one (1)) of the votes validly cast.
12. **President and Secretary of General Meetings:** All general meetings will be presided over by the President of the corporation. The Secretary of the corporation will act as the secretary of all such meetings. In their absence, the members will chose a president and/or a secretary of the meeting from amongst themselves.

13. **Procedure:** The President is responsible for ensuring the orderly conduct of the meeting.

THE ADMINISTRATIVE COUNCIL

14. **Number:** The Corporation is administered by an administrative council composed of the number of administrators designated in the corporation's official charter, that is, nine (9) members. This number can be modified in conformance with article 87 of the Companies' Act.
15. **Length of Term:** The administrators are elected for a term of two (2) years by the members attending the Annual General Meeting. The positions numbered 1,3,5,7, and 9 will be elected during odd years; those numbered 2,4,6, and 8 will be elected during even years.
16. **Eligibility:** Only paid-up active members are eligible to serve as administrators. Administrators who have completed their terms are eligible for reelection.
17. **Election:** Administrators will be elected each year by active members during the Annual General Meeting. In the case where there are not more candidates than the number of positions to be filled, the candidates will be appointed by acclamation. In the case where, there are more candidates than positions to be filled, the election will be conducted by secret ballot and determined by a simple majority. Members can use a single ballot sheet to indicate all five (5) of their choices in odd years and all four (4) of their choices during even years. Anyone interested in exercising the function of an administrator can nominate his/herself. Anyone interested in exercising the function of an administrator but is not at the Annual General Meeting can present him/herself as a candidate by providing his/her written consent.
18. **Vacancies:** Any administrator whose position has been declared vacant can be replaced through a resolution by the Administrative Council; however, the replacement will fill the position only until the next Annual General Meeting. When there is a vacancy in the Administrative Council, it is at the discretion of the council as to whether the vacant position will be filled. While there is still a quorum, the council can continue to validly exercise its functions.
19. **Withdrawal of an Administrator:** An administrator ceases to be part of the council and to exercise his/her functions if:
- a. he/she absents him/herself from two (2) consecutive or three (3) non-consecutive duly convened council meetings, except for reasons of illness or of overriding circumstances unless otherwise decided by the Administrative Council;
 - b. presents his/her resignation in writing to the Administrative Council;
 - c. dies, becomes insolvent or unfit;

- d. ceases to possess the required qualifications;
- e. as indicated in the corporation's charter, members can dismiss an administrator at a general meeting. The notice of the meeting must indicate which administrator will be considered for dismissal and the major reason for such dismissal.

20. **Remuneration:** The administrators will not be remunerated for their services.
21. **Indemnification:** All administrators, and their lawful heirs, will be indemnified by the corporation against any legal action or claims submitted against them for any action or decisions they have taken in the exercise or the execution of their functions as administrators except in the case of their own willful negligence.

ADMINISTRATIVE COUNCIL MEETINGS

22. **Date:** The administrators will meet as often as necessary but not less than four (4) times a year.
23. **Convening and Place of Meetings:** Administrative council meetings will be convened by the Secretary or the President. They will take place at the corporation's headquarters or at any other location designated by the President or the Administrative Council.
24. **Notice of Meetings:** The notice of an administrative council meeting will be promulgated by email, fax, or by telephone (excluding voicemail). The date of the meeting will be decided by the council. Seven (7) full days notice of the meeting will be provided except in the case of a special meeting which requires only three (3) full days notice. If all administrators are present or if their absences have been agreed to, a meeting can take place without prior notification. The administrative council meeting that takes place immediately after the Annual General Meeting does not require prior notification. The presence of an administrator at a meeting takes precedence over the lack of prior notification of that administrator.
25. **Quorum and Vote:** The quorum for a meeting of the administrative council is five (5) administrators. All issues will be decided by a majority of votes. The administrators have one vote each. The President has the deciding vote in the event of a tie.
26. **President and Secretary of the Meeting:** Administrative council meetings will be presided by the President of the corporation. The Secretary of the corporation will act as the secretary of these meetings. In their absence, the administrators will select a president and/or secretary of the meeting from amongst themselves.
27. **Proceedings:** The president of the meeting is responsible for the orderly and effective conduct of the meeting.

28. **Written Resolution:** A written resolution signed by all the administrators or approved by email by all the administrators is valid and has the same effect as if it had been adopted at an administrative council meeting. Such a resolution must be included, by date, in the register of the corporation's minutes.
29. **Participation by Telephone:** If everyone agrees, administrators can participate in a council meeting by speaker phone or a similar device. If they do so, they are considered to have attended the meeting.
30. **Minutes:** The members and the administrators of the corporation can consult the minutes and resolutions of the administrative council.
31. **Designation:** The officers of the corporation are: the President, the Vice-President, the Secretary, and the Treasurer as well as another officer whose title and functions are determined by a resolution of the Administrative Council. The same person cannot hold more than one officer position. The mandate of an officer is for a maximum of one year and expires as of the date of the Annual General Meeting. An officer can be reelected or reappointed.
32. **Election:** At its first meeting following the Annual General Meeting or thereafter when circumstances so require, the Administrative Council must elect or appoint the officers of the corporation.
33. **Remuneration:** The officers of the corporation will not be remunerated as such for their services.
34. **Delegation of Powers:** In the event of the absence or incapacity of an officer of the corporation, or for any reason judged sufficient by the Administrative Council, the latter can delegate the powers of that officer to another officer or to a member of the council.
35. **President:** The President is the chief executive officer of the corporation. He presides over the General and the Administrative Council Meetings. He oversees the decisions of the Administrative Council, signs all documents requiring his signature, and fulfills all duties that, from time to time, are assigned to him by the Administrative Council.
36. **Secretary:** The Secretary attends the General and Administrative Council Meetings and drafts the minutes thereof. He fulfills all duties assigned to him by these regulations or by the Administrative Council. He/she signs all documents that require his/her signature. He/she maintains a register of the minutes and all corporate files.
37. **Treasurer:** The Treasurer is responsible for the care and custody of the corporation's finances and financial records. He/she shall maintain a precise record of the corporation's assets and liabilities and its revenue and disbursements

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in one or more registers purchased for this purpose. He/she will deposit the corporation's money in a financial institution determined by the Administrative Council.

38. **Resignation and Dismissal:** Any officer can at any time resign his/her position by submitting a written note to this effect to the President or the Secretary or during a meeting of the Administrative Council. Officers are subject to removal for or without cause by a resolution of the Administrative Council, unless otherwise agreed to in writing.
39. **Vacancies:** If an officer position becomes vacant as a result of death, resignation, or any other cause, the Administrative Council can, by resolution, elect or appoint another qualified person to fill this vacancy. This officer will retain his position for the duration of the mandate of the officer he/she has replaced.

FINANCIAL MEASURES

40. **Fiscal Year:** Unless otherwise indicated by the Administrative Council, the corporation's financial year will end on 31 December.
41. **Chartered Accountant:** Subject to legal requirements, the council can - until the next Annual General Meeting - appoint a chartered accountant to examine the corporation's books and prepare a financial statement.

BANKING INSTRUMENTS AND CONTRACTS

42. **Banking Instruments:** All cheques, bills, and other banking instruments of the corporation must be signed by those persons designated (a minimum of two) for this purpose by the Administrative Council.
43. **Contracts:** Contracts and other documents requiring the signature of the corporation must be approved in advance by the Administrative Council and, upon such approval, will be signed by the President and by the Secretary or the Treasurer or by another officer or person designated by the Administrative Council depending on the nature of a contract or a particular document.

MODIFICATIONS TO THE REGULATIONS

44. **Modifications:** The Administrative Council has the power to repeal or to modify any aspect of these regulations, however, such abrogation or modification will not take effect unless it is ratified at a Special General Meeting; this interim ratification will only be in effect until the next Annual General Meeting at which it must again be ratified. If this abrogation or modification is not ratified by a simple majority of votes at the Annual General Meeting it will immediately cease to be in effect.