

BY-LAW NUMBER 1

Being the

GENERAL BY-LAWS RELATING TO THE CONDUCT OF THE AFFAIRS OF:

**LE FOND ENVIRONNEMENTAL OU LAC SAINT-FRAN<OIS-XAVIER INC./  
THE LAC SAINT-FRANCOIS-XAVIER ENVIRONMENTAL FUND INC.**

(the "Fund")

**BE IT ENACTED** as a by-law of the Fund as follows:

1. Definitions

In this by-law and all other by-laws of the Fund, unless the context otherwise requires:

"**Act**" means the *Canada Not-For-Profit Corporations Act* S.C. 2009, c. 23 including the Regulations made pursuant to the Act, and any statute or regulations that may be substituted, as amended from time to time;

"**articles**" means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Fund;

"**board**" means the board of directors of the Fund and "director" means a member of the board;

"**by-law**" means this by-law and any other by-law of the Fund as amended and which are, from time to time, in force and effect;

"**meeting of members**" includes an annual meeting of members or a special meeting of members; "special meeting of members" includes a meeting of any class or classes of members and a special meeting of all members entitled to vote at an annual meeting of members;

"**ordinary resolution**" means a resolution passed by a majority of not less than 50% plus 1 of the votes cast on that resolution;

"**proposal**" means a proposal submitted by a member of the Fund that meets the requirements of section 163 (Shareholder Proposals) of the Act;

"**Regulations**" means the regulations made under the Act, as amended, restated or in effect from time to time; and

"**special resolution**" means a resolution passed by a majority of not less than two-thirds (2/3) of the votes cast on that resolution.

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2. Interpretation

In the interpretation of this by-law, words in the singular include the plural and vice-versa, words in one gender include all genders, and "person" includes an individual, body corporate, partnership, trust and unincorporated organization.

Other than as specified above, words and expressions defined in the Act have the same meanings when used in these by-laws.

3. Corporate Seal

The Fund may have a corporate seal in the form approved from time to time by the board. If a corporate seal is approved by the board, the secretary of the Fund shall be the custodian of the corporate seal.

4. Execution of Documents

Deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring execution by the Fund may be signed by any two (2) of its officers or directors. In addition, the board may from time to time direct the manner in which and the person or persons by whom a particular document or type of document shall be executed. Any person authorized to sign any document may affix the corporate seal (if any) to the document. Any signing officer may certify a copy of any instrument, resolution, by-law or other document of the Fund to be a true copy thereof.

5. Financial Year

The financial year end of the Fund shall be determined by the board of directors.

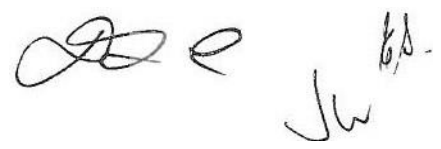
6. Banking Arrangements

The banking business of the Fund shall be transacted at such bank, trust company or other firm or corporation carrying on a banking business in Canada or elsewhere as the board of directors may designate, appoint or authorize from time to time by resolution. The banking business or any part of it shall be transacted by an officer or officers of the Fund and/or other persons as the board of directors may by resolution from time to time designate, direct or authorize.

7. Borrowing Powers

If authorized by a by-law which is duly adopted by the directors and confirmed by ordinary resolution of the members, the directors of the Fund may from time to time:

- i. borrow money on the credit of the Fund;
- ii. issue, reissue, sell, pledge or hypothecate debt obligations of the Fund; and
- iii. mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Fund, owned or subsequently acquired, to secure any debt obligation of the Fund.

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Any such by-law may provide for the delegation of such powers by the directors to such officers or directors of the Fund to such extent and in such manner as may be set out in the by-laws.

Nothing herein limits or restricts the borrowing of money by the Fund on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Fund.

## 8. Annual Financial Statements

The Fund may, instead of sending copies of the annual financial statements and other documents referred to in subsection 172(1) (Annual Financial Statements) of the Act to the members, publish a notice to its members stating that the annual financial statements and documents provided in subsection 172(1) are available at the registered office of the Fund and any member may, on request, obtain a copy free of charge at the registered office, by email, or by prepaid mail.

## 9. MEMBERSHIP

### 9.1 Membership Conditions

Pursuant to subsection 197(1) (Fundamental Change) of the Act, a special resolution of the members is required to make any amendments to this section of the by-laws if those amendments affect membership rights and/or conditions described in paragraphs 197(1)(e), (h), (l) or (m).

### 9.2 Membership Transferability

A membership may only be transferred to the Fund. Pursuant to Section 197(1) (Fundamental Change) of the Act, a special resolution of the members is required to make any amendment to add, change or delete this section of the by-laws.

### 9.3 Membership Classes

Membership in the Fund shall consist of those persons who support the goals and objectives of the Fund as enunciated from time to time and whose applications for admission have been approved by the Board of Directors.

Membership in the Fund is limited to one (1) per person.

**Membership Classes.** Subject to the Articles, there shall be three (3) classes of members in the Fund, namely, Class A members, Class B members and Class C members. The rights, conditions and restrictions attaching to each of the membership classes shall be determined in the constituting act of the Fund or, failing any provision in this respect, in the by-laws of the Fund. The board of directors of the Fund may, by resolution, approve the admission of the members of the Fund. Members may also be admitted in such other manner as may be prescribed.

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Class A Members

- i. Class A voting membership shall be available only to individuals who have applied and have been accepted for Class A voting membership in the Fund.
- ii. The term of membership of a Class A voting member shall be annual, subject to renewal in accordance with the policies of the Fund.
- iii. As set out in the articles, each Class A voting member is entitled to receive notice of, attend and vote at all meetings of members and each such Class A voting member shall be entitled to two (2) votes at such meetings.
- iv. Class A membership shall be open to:

*All physical persons residing in a permanent or temporary fashion, as an owner, within 300 meters from the shores of Lac Saint-François-Xavier, in the Municipality of Wentworth-Nord, district of Terrebonne, province of Quebec.*

Class B Members

- i. Class B voting membership shall be available only to individuals who have applied and have been accepted for Class B voting membership in the Fund.
- ii. The term of membership of a Class B on-voting member shall be annual, subject to renewal in accordance with the policies of the Fund.
- iii. As set out in the articles, each Class voting member is entitled to receive notice of, attend and vote at all meetings of members and each such Class B voting member shall be entitled to one (1) vote at such meetings.
- iv. Class B membership shall be open to:

*-All physical persons residing in a permanent or temporary fashion, as a tenant, within 300 meters from the shores of Lac Saint-François-Xavier, in the Municipality of Wentworth-Nord, district of Terrebonne, province of Quebec.*

Class C Members

- i. Class C on-voting membership shall be available only to individuals who have applied and have been accepted for Class C non-voting membership in the Fund.
- ii. The term of membership of a Class C non-voting member shall be annual, subject to renewal in accordance with the policies of the Fund.
- iii. Subject to the Act and the articles, a Class C non-voting member shall not be entitled to receive notice of, attend or vote at meetings of the members of the Fund.
- iv. Class C membership shall be open to:

*All physical persons residing, in a permanent or temporary fashion as an owner or a tenant, within the watershed of the Lac Saint-François-Xavier, as defined in the watershed map attached to these present By-laws as Annexe "A".*

and

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*All physical persons having an interest in the Objectives of the Fund, as stated in the Articles of Incorporation.*

#### 9.4 Application for membership.

Each application for membership shall be forwarded electronically or in writing to the Secretary of the Fund. Membership is always conditional upon payment of the fee which has been set by resolution of the directors of the Fund. The directors may require any additional documents or information to be provided with the application for membership. The director shall examine each application separately and make their recommendations. In the event of a negative recommendation by the directors, such recommendation shall be communicated to the applicant in a timely fashion so as to enable the latter to withdraw his application before it is circulated to the members. Membership in the Fund shall be non-transferable. Membership shall become effective upon acceptance by the Board of Directors and payment of the applicable fees.

#### 9.5 Decision with respect to application.

The board of directors, by way of a resolution passed by a simple majority of its members, shall decide on applications for membership. The decisions shall be made during meetings called for this or other purposes, subject to the directors making any recommendation known to the members before the meeting.

Pursuant to subsection 197(1) (Fundamental Change) of the Act, a special resolution of the members is required to make any amendments to this section of the By-laws if those amendments affect membership rights and/or conditions described in paragraphs 197(1)(e), (h), (l) or (m).

#### 9.6 Notice of Members Meeting

Notice of the time and place of a meeting of members shall be given to each member entitled to vote at the meeting by the following means:

- a. by mail, courier or personal delivery to each member entitled to vote at the meeting, during a period of 21 to 60 days before the day on which the meeting is to be held; or
- b. by telephonic, electronic or other communication facility to each member entitled to vote at the meeting, during a period of 21 to 35 days before the day on which the meeting is to be held.

Pursuant to subsection 197(1) (Fundamental Change) of the Act, a special resolution of the members is required to make any amendment to the by-laws of the Fund to change the manner of giving notice to members entitled to vote at a meeting of members.

#### 9.7 Members Calling a Members' Meeting

The board of directors shall call a special meeting of members in accordance with Section 167 of the Act, on written requisition of members carrying not less than five percent (5%) of the voting rights. If the directors do not

(21) days of receiving the requisition, any member who signed the requisition may call the meeting.

## 9.8. Absentee Voting at Members' Meetings

Pursuant to Section 171(1) of the Act, a member entitled to vote at a meeting of members may vote by proxy by appointing in writing a proxy-holder, and one or more alternate proxy-holders, who are required to be members, to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by it subject to the following requirements:

- a. a proxy is valid only at the meeting in respect of which it is given or at a continuation of that meeting after an adjournment;
- b. a member may revoke a proxy by depositing an instrument or act in writing executed or, in Quebec, signed by the member or by their agent or mandatary
  - i. at the registered office of the Fund no later than the last business day preceding the day of the meeting, or the day of the continuation of that meeting after an adjournment of that meeting, at which the proxy is to be used, or
  - ii. with the chairperson of the meeting on the day of the meeting or the day of the continuation of that meeting after an adjournment of that meeting;
- c. a proxy-holder or an alternate proxy-holder has the same rights as the member by whom they were appointed, including the right to speak at a meeting of members in respect of any matter, to vote by way of ballot at the meeting, to demand a ballot at the meeting and, except where a proxy-holder or an alternate proxy-holder has conflicting instructions from more than one member, to vote at the meeting by way of a show of hands;
- d. if a form of proxy is created by a person other than the member, the form of proxy shall
  - i. indicate, in bold-face type,
    - A. the meeting at which it is to be used,
    - B. that the member may appoint a proxy-holder, other than a person designated in the form of proxy, to attend and act on their behalf at the meeting, and
    - C. instructions on the manner in which the member may appoint the proxy-holder,
  - ii. contain a designated blank space for the date of the signature of the member,
  - iii. provide a means for the member to designate some other person as proxy-holder, if the form of proxy designates a person as proxy-holder,
  - iv. provide a means for the member to specify that the membership registered in their name is to be voted for or against each matter. or group of related matters, identified in the notice of meeting, other than the appointment of a public accountant and the electio

- v. provide a means for the member to specify that the membership registered in their name is to be voted or withheld from voting in respect of the appointment of a public accountant or the election of directors, and
- vi. state that the membership represented by the proxy is to be voted or withheld from voting, in accordance with the instructions of the member, on any ballot that may be called for and that, if the member specifies a choice under subparagraph (iv) or (v) with respect to any matter to be acted on, the membership is to be voted accordingly;
- e. a form of proxy may include a statement that, when the proxy is signed, the member confers authority with respect to matters for which a choice is not provided in accordance with subparagraph (d)(iv) only if the form of proxy states, in **bold-face** type, how the proxy-holder is to vote the membership in respect of each matter or group of related matters;
- f. if a form of proxy is sent in electronic form, the requirements that certain information be set out in bold-face type are satisfied if the information in question is set out in some other manner so as to draw the addressee's attention to the information; and
- g. a form of proxy that, if signed, has the effect of conferring a discretionary authority in respect of amendments to matters identified in the notice of meeting or other matters that may properly come before the meeting must contain a specific statement to that effect.

Pursuant to Section 197(1) of the Act, a special resolution of the members (and if Section 199 applies, a special resolution of each class of members) is required to make any amendment to the articles or by-laws of the Fund to change this method of voting by members not in attendance at a meeting of members.

#### 9.9 Membership Dues

Members shall be notified in writing of the membership dues at any time payable by them and, if any are not paid within one (1) calendar month of the membership renewal date the members in default shall automatically cease to be members of the Fund.

#### 9.10 Termination of Membership

A membership in the Fund is terminated when:

- a. the member dies;
- b. a member fails to maintain any qualifications for membership described in the section on membership conditions of these by-laws;
- c. the member resigns by delivering a written resignation to the chair of the board of the Fund in which case such resignation shall be effective on the date specified in the resignation;
- d. the member is expelled in accordance with any discipline of members section 10.1

is otherwise terminated in accordance with the articles of

- e. the member's term of membership expires; or
- f. the Fund is liquidated or dissolved under the Act.

#### 9.11 Effect of Termination of Membership

Subject to the articles, upon any termination of membership, the rights of the member, including any rights in the property of the Fund, automatically cease to exist.

#### 9.12 Discipline of Members

The board shall have authority to suspend or expel any member from the Fund for any one or more of the following grounds:

- a. violating any provision of the articles, by-laws, or written policies of the Fund;
- b. carrying out any conduct which may be detrimental to the Fund as determined by the board in its sole discretion;
- c. for any other reason that the board in its sole and absolute discretion considers to be reasonable, having regard to the purpose of the Fund.

In the event that the board determines that a member should be expelled or suspended from membership in the Fund, the president, or such other officer as may be designated by the board, shall provide twenty (20) days notice of suspension or expulsion to the member and shall provide reasons for the proposed suspension or expulsion. The member may make written submissions to the president, or such other officer as may be designated by the board, in response to the notice received within such twenty (20) day period. In the event that no written submissions are received by the president, the president, or such other officer as may be designated by the board, may proceed to notify the member that the member is suspended or expelled from membership in the Fund. If written submissions are received in accordance with this section, the board will consider such submissions in arriving at a final decision and shall notify the member concerning such final decision within a further twenty (20) days from the date of receipt of the submissions. The board's decision shall be final and binding on the member, without any further right of appeal.

#### 9.13 Proposals Nominating Directors at Annual Members' Meetings

Subject to the Regulations under the Act, any proposal may include nominations for the election of directors if the proposal is signed by at least two (2) members in good standing with the Fund entitled to vote at the meeting at which the proposal is to be presented.

#### 9.14 Cost of Publishing Proposals for Annual Members' Meetings

The member who submitted the proposal shall pay the cost of including the proposal and any statement in the notice of meeting at which the proposal is to be presented unless otherwise provided by ordinary resolution of the members present at the meeting.



### 9.15 Place of Members' Meeting

Subject to compliance with section 159 (Place of Members' Meetings) of the Act, meetings of the members may be held at any place within Canada determined by the board or, if all of the members entitled to vote at such meeting so agree, outside Canada.

### 9.16 Persons Entitled to be Present at Members' Meetings

The only persons entitled to be present at a meeting of members are registered members of Class A, B and C, the directors, the officers, the legal counsel and the public accountant of the Fund and such other persons who are entitled or required under any provision of the Act, articles or by-laws of the Fund to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or by resolution of the members.

### 9.17 Chair of Members' Meetings

In the event that the chair of the board and the vice-chair of the board are absent, the members who are present and entitled to vote at the meeting shall choose one of their number to chair the meeting.

### 9.18 Quorum at Members' Meetings

Subject to the Act, to the Articles of Incorporation and to the by-laws of the Fund, the attendance of a member entitled to vote shall constitute a quorum at the meeting for the purpose of choosing a chairman of the meeting, as the case may be, and of pronouncing the adjournment of the meeting. For any other purpose, a quorum for the transaction of business at any meeting of members shall be composed of those persons who are members entitled to vote thereat or a duly appointed proxy holder for an absent member so entitled, and together holding or representing by proxy more than fifty percent (50%) of the voting membership of the Fund entitled to vote at the meeting. If a quorum is present at the opening of a meeting of members, the members present may proceed with the business of the meeting even if a quorum is not present throughout the meeting.

### 9.19 Votes to Govern at Members' Meetings

At any meeting of members every question shall, unless otherwise provided by the articles or by-laws or by the Act, be determined by a majority of the votes cast on the questions. In case of an equality of votes either on a show of hands or on a ballot or on the results of electronic voting, the chair of the meeting in addition to an original vote shall have a second or casting vote.

### 9.20 Participation by Electronic Means at Members' Meetings

If the Fund chooses to make available a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during a meeting of members, any person entitled to attend such meeting may participate in the meeting by means of such telephonic, electronic or other communication facility in the manner provided by the Act. A person participating in means i

deemed to be present at the meeting. Notwithstanding any other provision of this by-law, any person participating in a meeting of members pursuant to this section who is entitled to vote at that meeting may vote, in accordance with the Act, by means of any telephonic, electronic or other communication facility that the Fund has made available for that purpose.

### 9.21 Members' Meeting Held Entirely by Electronic Means

Meetings of members may not be held entirely by telephonic, an electronic or other communication facility.

### 9.22 Untraceable Member

The Fund shall not be obliged to send the notices or the documents required by the Act, by its Regulations, by the constituting act or by the by-laws of the Fund to be sent to the members where previous notices or documents have been returned to it on more than three (3) consecutive occasions, unless the untraceable member has notified the Coalition in writing of his new address.

## 10. DIRECTORS

### 10.1 Number of Directors

The board shall consist of the number of directors specified in the articles. If the articles provide for a minimum and maximum number of directors, the board shall be comprised of the fixed number of directors as determined from time to time by the members by ordinary resolution or, if the ordinary resolution empowers the directors to determine the number, by resolution of the board.

### 10.2 Qualification and Application for Directorship

Except for the initial directors of the Fund, and subject to the Act, Articles of Incorporation, and the by-laws, in order to become a director of the Fund, a person must be a member in good standing of the Fund and forward an application for directorship to the Fund.

Except for the initial directors of the Fund, each application for directorship shall be forwarded electronically or in writing to the Secretary of the Fund and shall be supported by at least five (5) members in good standing with the Fund. The then current directors may require any additional documents or information to be provided with the application for directorship.

### 10.3 Election

The directors shall be elected by the members at the first meeting of the members and at each annual general meeting or, as the case may be, at a special general meeting. In the event of a change in the composition of the Board of Directors, the Fund shall give notice of this change by filing a declaration with the Registrar in accordance with the Act respecting the legal publicity of sole proprietorships.

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## 10.4 Acceptance of office

A director may accept his office expressly by signing an Acceptance of Office form to this end. Furthermore, his acceptance may be made tacitly and, in such a case, it may be inferred from the actions, from the acts, from the deeds and even from the silence of the director.

## 10.5 Term of Office of Directors

At the first election of Directors following the approval of this by-law, one-third (1/3) directors shall be elected for a three-year term, one-third (1/3) directors shall be elected for a two-year term and one-third (1/3) directors shall be elected for a one-year term. Thereafter, except where an election is held to fill the unexpired portion of a term, newly elected directors shall be elected for three-year (3) terms.

As stated in Section 8.4 of the Article of Incorporation of the Fund, in the event of a vacancy during the term of office, the directors may appoint one or more replacement directors, who shall hold office for a term expiring not later than the close of the next annual general meeting of members, but the total number of directors so appointed may not exceed one-third (1/3) of the number of directors elected at the previous annual general meeting of members.

### ***POWERS OF THE DIRECTORS***

**10.6 General rule.** The directors shall supervise the management and carry on the business and the affairs of the Fund and they may execute, in the name of the latter, contracts of any kind which are allowed by law. Generally speaking, they shall exercise all the powers and duties of the Fund and perform all the actions, the acts or the deeds within the limits of the powers of the latter, except those which the Act expressly reserves for the members. In particular, the directors shall be expressly authorized to lease, to purchase or otherwise to acquire or to sell, to exchange, to hypothecate or to mortgage, to pledge or otherwise to dispose of the movable or immovable property, presently held or after-acquired, of the Fund. The directors may pass resolutions with respect to powers which the directors must necessarily exercise themselves and a copy of these resolutions shall be kept in the Book of the Fund. Finally, they may perform any other action, act or deed which is useful or necessary in the interests of the Fund.

**10.7 Duties.** Every director of the Fund, in the exercise of his powers and in the discharge of his duties, shall act prudently, diligently, honestly and faithfully in the best interests of the Fund and avoid placing himself in a position of conflict of interest between his personal interest and that of the Fund. Moreover, every director of the Fund shall comply with the Act, with its Regulations, with the constituting act and with the by-laws of the Fund. In arriving at a decision, he may rely in good faith on the opinion or on the report of an expert and, in such a case, shall be deemed to have acted prudently, diligently, honestly and faithfully in the best interests of the Fund.

## 10.8 Expenses.

The directors may authorize expenses with a view to promoting the objects or the purposes of the Fund. Further, by way of resolution, they may permit one (1) or more officers to hire employees and to remunerate them.

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10.9 Solicitations.

The directors may take all appropriate action in order to enable the Fund to solicit, to accept or to receive donations or legacies of any kind with a view to promoting the objects or the purposes of the Fund.

10.10 By-laws.

Unless otherwise provided in the constituting act and in the by-laws of the Fund, the directors, by way of resolution, may pass, amend or repeal any by-law governing the business and the affairs of the Fund. By-laws passed, amended or repealed by the directors according to the above shall be submitted to the members at the following annual general meeting. By-laws passed, amended or repealed by the directors shall take effect on the date of their passage, of their amendment or of their repeal by the directors. After confirmation or amendment by the members, they shall continue in force in their original or amended state, as the case may be. However, they shall cease to have effect following their rejection by the members or in the event of failure by the directors to submit them to the members at the annual general meeting following their passage. Nevertheless, it shall be possible, in the meantime, to obtain confirmation of these by-laws by a special general meeting of the members of the Fund duly called for this purpose. By-laws relating to the appointment, to the office, to the duties, to the remuneration and to the removal from office of the officers or to the hiring, to the duties, to the remuneration and to the dismissal of the employees of the Fund as well as those pertaining to the bond which the officers or the employees shall provide need not be approved by the members in order to continue in force. Furthermore, in the event of a rejection by the members of a by-law or of a failure by the directors to submit such by-law to the annual general meeting of the members, any subsequent resolution by the directors to the same general effect, within the two (2) years immediately following, cannot come into force until after confirmation by the members.

10.11 Calling of Meetings of Board of Directors

Meetings of the board may be called by the chair of the board, the vice-chair of the board or any two (2) directors at any time; provided that for the first organization meeting following incorporation, such meeting may be called by any director or incorporator. If the Fund has only one director, that director may call and constitute a meeting.

10.12 Notice of Meeting of Board of Directors

Notice of the time and place for the holding of a meeting of the board shall be given in the manner provided in the section on giving notice of meeting of directors of this by-law to every director of the Fund not less than ten (10) days before the time when the meeting is to be held. Notice of a meeting shall not be necessary if all of the directors are present, and none objects to the holding of the meeting, or if those absent have waived notice of or have otherwise signified their consent to the holding of such meeting. Notice of an adjourned meeting is not required if the time and place of the adjourned meeting is announced at the original meeting. Unless the by-law otherwise provides, no notice of meeting need specify the purpose or the business to be transacted at the meeting except that a notice of meeting of directors shall specify any matter referred to

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in subsection 138(2) (Limits on Authority) of the Act that is to be dealt with at the meeting.

#### 10.13 Regular Meetings of the Board of Directors

The board may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings of the board shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except if subsection 136(3) (Notice of Meeting) of the Act requires the purpose thereof or the business to be transacted to be specified in the notice.

#### 10.14 Votes to Govern at Meetings of the Board of Directors

At all meetings of the board, every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the chair of the meeting in addition to an original vote shall have a second or casting vote.

#### 10.15 Committees of the Board of Directors

The board may from time to time appoint any committee or other advisory body, as it deems necessary or appropriate for such purposes and, subject to the Act, with such powers as the board shall see fit. Any such committee may formulate its own rules of procedure, subject to such regulations or directions as the board may from time to time make. Any committee member may be removed by resolution of the board of directors.

#### 10.16 Appointment of Officers

The board may designate the offices of the Fund, appoint officers on an annual or more frequent basis, specify their duties and, subject to the Act, delegate to such officers the power to manage the affairs of the Fund. A director may be appointed to any office of the Fund. An officer may, but need not be, a director unless these by laws otherwise provide. Two or more offices may be held by the same person.

#### 10.17 Description of Offices

Unless otherwise specified by the board (which may, subject to the Act modify, restrict or supplement such duties and powers), the offices of the Fund, if designated and if officers are appointed, shall have the following duties and powers associated with their positions:

- a. **Chair of the Board** - The chair of the board, if one is to be appointed, shall be a director. The chair of the board, if any, shall, when present, preside at all meetings of the board of directors and of the members. The chair shall have such other duties and powers as the board may specify.
- b. **Vice-Chair of the Board** - The vice-chair of the board, if one is to be appointed, shall be a director. If the chair of the board is absent or is unable or refuses to act, the vice-chair of the board, if any, shall, when present, preside at all meetings of the board of directors and of the members. The vice-chair shall have such other duties and powers as the board may specify.

In the event that the chair of the board and the vice-chair of the board are absent, the directors who are present at the meeting shall choose one of their number to chair the meeting.

- c. **President** - If appointed, the president shall be the chief executive officer of the Fund and shall be responsible for implementing the strategic plans and policies of the Fund. The president shall, subject to the authority of the board, have general supervision of the affairs of the Fund.
- d. **Secretary** - If appointed, the secretary shall attend and be the secretary of all meetings of the board, members and committees of the board. The secretary shall enter or cause to be entered in the Fund's minute book, minutes of all proceedings at such meetings; the secretary shall give, or cause to be given, as and when instructed, notices to members, directors, the public accountant and members of committees; the secretary shall be the custodian of all books, papers, records, documents and other instruments belonging to the Fund.
- e. **Treasurer** - If appointed, the treasurer shall have such powers and duties as the board may specify.

The powers and duties of all other officers of the Fund shall be such as the terms of their engagement call for or the board or president requires of them. The board may from time to time and subject to the Act. vary, add to or limit the powers and duties of any officer.

#### 10.18 Vacancy in Office

In the absence of a written agreement to the contrary, the board may remove, whether for cause or without cause, any officer of the Fund. Unless so removed, an officer shall hold office until the earlier of:

- a. the officer's successor being appointed,
- b. the officer's resignation,
- c. such officer ceasing to be a director (if a necessary qualification of appointment)  
or
- ct. such officer's death.

If the office of any officer of the Fund shall be or become vacant, the directors may, by resolution, appoint a person to fill such vacancy.

#### 10.19 Exclusion of liability vis-a-vis the Fund and third parties.

Except as otherwise provided in the Act or in the by-laws of the Fund, no director or officer acting or having acted for or in the name of the Fund shall be held liable, in this capacity or in his capacity as mandatary of the latter, whether it be vis-a-vis the Fund or third parties, for the actions, the acts or the deeds, the things done or allowed to be done, the omissions, the decisions made or not made, the liabilities, the undertakings, the payments made, the receipts given or the discharges granted, the negligence or the faults of any other director, officer, employee, servant or representative of the Fund. Among other things, no director or officer shall be held liable vis-a-vis the Fund for any direct or indirect loss suffered by the tatter for any reason whatsoever; more specifically, he shall not be held liable either for the insufficiency or the deficiency of title to any<sub>1</sub>

property acquired by the Fund, or for or on its behalf, or for the insufficiency or the deficiency of any security or debt instrument in or by which any of the funds or of the assets of the Fund shall be or have been placed or invested or yet for any loss or damage resulting from the bankruptcy, from the insolvency or from the delictual action, act or deed of any person, including any person with whom or with which funds, shares, assets or negotiable instruments shall be or have been placed or deposited. Furthermore, the directors or the officers shall not be held liable vis-a-vis the Fund for any loss, conversion of property, misappropriation, embezzlement or any other damage resulting from any dealings with respect to any funds, assets or shares or for any other loss, damage or misfortune whatsoever which may occur in the discharge of, or in relation to the discharge of, their duties **unless the same shall occur owing to their failure to discharge the duties of their office prudently, diligently, honestly and faithfully in the best interests of the Fund or owing to the fact that the directors or the officers shall have placed themselves in a position of conflict of interest between their personal interest and that of the Fund.** None of the above shall be interpreted in such a way as to relieve a director or an officer of his duty to act in accordance with the Act and with its Regulations or of his joint or several liability for any breach thereof, in particular in the event of a breach of the specific provisions of the Act or of its Regulations. Moreover, the directors or the officers shall not be held individually or personally liable vis-a-vis third parties for the duration of their term of office in respect of a contract, a decision made, an undertaking or a transaction, whether or not concluded, or with respect to bills of exchange, to promissory notes or to cheques drawn, accepted or endorsed, to the extent that they are acting or they acted in the name, or on behalf, of the Fund, in the ordinary course of the performance of the powers which they have received, unless they acted prior to the constitution of the Fund and unless their actions, their acts or their deeds have not been ratified by the Fund within the time limit prescribed by the Act after its constitution.

#### 10.20 Right to compensation.

The Fund shall compensate its directors, its officers or its representatives in respect of all costs or expenses reasonably incurred by them in connection with the defence of an action, of a suit, of an application, of a proceeding of a civil, of a criminal or of an administrative nature or of any other legal proceeding to which one (1) or more of them were parties by reason of their duties or of their office, whether this action, this suit, this application or this legal proceeding was commenced by or on behalf of the Fund or by a third party. Reasonable costs or expenses shall include, in particular, all damages or fines arising from the actions, from the acts or from the deeds done by the directors, by the officers or by the representatives in the discharge of their duties as well as all amounts paid to settle an action or to satisfy a judgment. The right to compensation shall exist only to the extent that the directors, the officers or the representatives were substantially successful on the merits in their defence of the action, of the suit, of the application or of the legal proceeding, that they acted prudently, diligently, honestly and faithfully in the best interests of the Fund, that they did not place themselves in a position of conflict of interest between their personal interest and that of the Fund, and, in the case of an action, of a suit, of an application or of a proceeding of a criminal or of an administrative nature leading to the imposition of a fine, to the extent that they had reasonable grounds for believing that their conduct was lawful or to the extent that they were acquitted or freed. The Fund shall assume these liabilities in respect of any person who acts or acted at its request as a director, as an officer or as a representative of a Fund of which the Fund is or was a member or a creditor. As the case may be, his

compensation shall be paid to the heirs, legatees, liquidators, transferees, mandataries, legal representatives, successors, assigns or rightful claimants of the directors, of the officers or of the representatives.

10.21 Legal action by third party.

Where an action, a suit, an application, a proceeding of a civil, of a criminal or of an administrative nature or any other legal proceeding is commenced by a third party against one (1) or more of the directors, of the officers or of the representatives of the Fund for one (1) or more actions, acts or deeds done in the dutiful and good faith discharge of their duties, the Fund shall assume the defence of its mandatary.

10.22 Legal action by the Fund.

Where an action, a suit, an application, a proceeding of a civil, of a criminal or of an administrative nature or any other legal proceeding is commenced by the Fund against one (1) or more of its directors, of its officers or of its representatives for one (1) or more actions, acts or deeds done in the discharge of their duties, the Fund may pay compensation to the directors, to the officers or to the representatives if it loses its case and if a court of law or a tribunal so orders. If the Fund wins its case only in part, the court of law or the tribunal may determine the amount of the costs or of the expenses which the Fund shall assume.

10.23 Liability insurance.

The Fund may purchase and maintain insurance for the benefit of its directors, of its officers, of its representatives, of their predecessors as well as of their heirs, legatees, liquidators, transferees, mandataries, legal representatives, successors, assigns or rightful claimants covering any liability incurred by them by reason of their acting or having acted as a director, as an officer or as a representative of the Fund or, at the request of the latter, of a corporation of which the Fund is or was a member or a creditor. However, this insurance may cover neither the liability arising from the failure of the insured to act prudently, diligently, honestly and faithfully in the best interests of the Fund, nor the liability arising from a fault or from a personal offence severable from the discharge of their duties or the liability arising from the fact that the insured shall have placed themselves in a position of conflict of interest between their personal interest and that of the Fund.

11. Method of Giving Any Notice

Any notice (which term includes any communication or document), other than notice of a meeting of members or a meeting of the board of directors, to be given (which term includes sent, delivered or served) pursuant to the Act, the articles, the by-laws or otherwise to a member, director, officer or member of a committee of the board or to the public accountant shall be sufficiently given:

- a. if delivered personally to the person to whom it is to be given or if delivered to such person's address as shown in the records of the Fund or in the case of notice to a director to the latest address as shown in the last notice that was sent by the Fund in accordance with section 128 (Notice of directors) or 134 (Notice of change of directors); or



- b. if mailed to such person at such person's recorded address by prepaid ordinary, priority or registered mail; or
- c. if sent to such person by telephonic, electronic or other communication facility at such person's recorded address for that purpose; or
- d. if provided in the form of an electronic document in accordance with Part 17 of the Act ("*Documents in Electronic or Other Form*")\_

A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The secretary may change or cause to be changed the recorded address of any member, director, officer, public accountant or member of a committee of the board in accordance with any information believed by the secretary to be reliable. The declaration by the secretary that notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of the giving of such notice. The signature of any director or officer of the Fund to any notice or other document to be given by the Fund may be written, stamped, type-written or printed or partly written, stamped, type-written or printed.

12. Invalidity of any Provisions of this By-law

The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.

13. Omissions and Errors

The accidental omission to give any notice to any member, director, officer, member of a committee of the board or public accountant, or the non-receipt of any notice by any such person where the Fund has provided notice in accordance with the by-laws or any error in any notice not affecting its substance shall not invalidate any action taken at any meeting to which the notice pertained or otherwise founded on such notice.

14. Mediation and Arbitration

Disputes or controversies among members, directors, officers, committee members, or volunteers of the Fund are as much as possible to be resolved in accordance with mediation and/or arbitration as provided in the section on dispute resolution mechanism of this by-law.

15. Dispute Resolution Mechanism

In the event that a dispute or controversy among members, directors, officers, committee members or volunteers of the Fund arising out of or related to the articles or by-laws, or out of any aspect of the operations of the Fund is not resolved in private meetings between the parties then without prejudice to or in any other way derogating from the rights of the members, directors, officers, committee members,

of the Fund as set out in the articles, by-laws or the Act, and as an alternative to such person instituting a law suit or legal action, such dispute or controversy shall be settled by a process of dispute resolution as follows:

- a. The dispute or controversy shall first be submitted to a panel of mediators whereby the one party appoints one mediator, the other party (or if applicable the board of the Fund) appoints one mediator, and the two mediators so appointed jointly appoint a third mediator. The three mediators will then meet with the parties in question in an attempt to mediate a resolution between the parties.
- b. The number of mediators may be reduced from three to one or two upon agreement of the parties.
- c. If the parties are not successful in resolving the dispute through mediation, then the parties agree that the dispute shall be settled by arbitration before a single arbitrator, who shall not be any one of the mediators referred to above, in accordance with the provincial or territorial legislation governing domestic arbitrations in force in the province or territory where the registered office of the Fund is situated or as otherwise agreed upon by the parties to the dispute. The parties agree that all proceedings relating to arbitration shall be kept confidential and there shall be no disclosure of any kind. The decision of the arbitrator shall be final and binding and shall not be subject to appeal on a question of fact, law or mixed fact and law.

All costs of the mediators appointed in accordance with this section shall be borne equally by the parties to the dispute or the controversy. All costs of the arbitrators appointed in accordance with this section shall be borne by such parties as may be determined by the arbitrators

16. By-laws and Effective Date

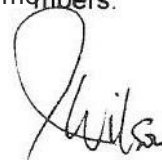
Subject to the articles, the board of directors may, by resolution, make, amend or repeal any by-laws that regulate the activities or affairs of the Fund. Any such by-law, amendment or repeal shall be effective from the date of the resolution of directors until the next meeting of members where it may be confirmed, rejected or amended by the members by ordinary resolution. If the by-law, amendment or repeal is confirmed or confirmed as amended by the members it remains effective in the form in which it was confirmed. The by-law, amendment or repeal ceases to have effect if it is not submitted to the members at the next meeting of members or if it is rejected by the members at the meeting.

This section does not apply to a by-law that requires a special resolution of the members according to subsection 197(1) (fundamental change) of the Act because such by-law amendments or repeals are only effective when confirmed by members.

By-Law Number 1 passed this 17<sup>th</sup> day of August, 2013.

\_\_\_\_\_  
President

\_\_\_\_\_  
Secret



Bassin versant du lac Saint-François-Xavier



Carte de la Commission de la capitale nationale