

QUÉBEC GOLF FEDERATION

GENERAL BY-LAWS

(2016)

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QUÉBEC GOLF FEDERATION

BY-LAW ONE - GENERAL PROVISIONS

1.1 NAME

- 1.1.1 The corporate name of the legal person is QUÉBEC GOLF FEDERATION - FÉDÉRATION DE GOLF DU QUÉBEC (hereinafter referred to as the "Federation").

1.2 HEAD OFFICE

- 1.2.1 The head office of the Federation is located in the City of Montreal, Province of Québec, Canada, at such place therein as the Board of Directors of the Federation determines. The Federation may establish such other offices and agencies elsewhere within or outside Québec, as the Board of Directors determines.

1.3 CORPORATE SEAL

- 1.3.1 The corporate seal of the Federation is impressed in the margin hereof.

1.4 INTERPRETATION

- 1.4.1 In these By-laws, unless the context dictates otherwise, the singular number includes the plural and the masculine includes the feminine and the neuter, and, in each case, vice-versa.
- 1.4.2 The Board of Directors has the sole and exclusive authority to interpret the meaning of these By-laws.

1.5 PURPOSES

- 1.5.1 The purposes of the Federation are indicated in its Letters Patent.

BY-LAW TWO - THE FEDERATION

2.1 REGIONAL ASSOCIATIONS

- 2.1.1 The Board of Directors establishes such number of territorial sub-divisions of the overall territory served by the Federation as it determines from time to time to be required in order to effectively administer and operate the affairs of the Federation. Each such sub-division is called a "Regional Association". Regional Associations are responsible in and for the sub-divisions they respectively serve for those matters which are delegated to them from time to time by the Board of Directors.

- 2.1.2 The Regional Associations are subject to the requirements, rules and procedures established by the Board of Directors from time to time. Non-compliance with these requirements, rules and procedures may result in loss of Regional Association status. These requirements, rules and procedures may include those relating to legal and organizational structure, operating directions and use of funds and grants provided by the Federation.
- 2.1.3 Regional Associations submit complete financial statements or statements of income and expenditures, as well as cash flow statements, to the central office of the Federation, at the latest the 15th of November of each year. In addition, they furnish supporting documents, if requested to do so by the auditors (internal or external). Incorporated Regional Associations do so as soon as possible following their year end.
- 2.1.4 Each Regional Association holds an annual meeting of the representatives of the Club-Members situated within the sub-divisions it serves, at which an activity report and the financial statements or statements of income and expenditures, and cash flow statements, are presented. One (1) or more Directors and the Executive Director are invited to attend the meeting.
- 2.1.5 Regional Associations and Club-Members situated within them are authorized to use the official "Slope" ratings and to receive advisory services on matters including the Handicap System, the Rules of Golf, and the Rules of Amateur Status.
- 2.1.6 The existing approved Regional Associations of the Federation on the date that these By-laws come into force are Montréal, Ottawa, Eastern Townships, Mauricie, Québec City, Abitibi-Témiscamingue, Saguenay/Lac St-Jean/Chibougamau/Côte-Nord, and Lower St. Lawrence.
- 2.1.7 Subject to the prior approval of the Board of Directors, Regional Associations may subdivide themselves into sections, each having approximately the same number of Club-Members and a minimum of twenty (20) Club-Members. Subject to the terms and conditions established from time to time by the Board of Directors, each section will be responsible in and for the area of the sub-division it serves for those matters delegated to it from time to time by the board of directors of the Regional Association.

2.2 MEMBERS

2.2.1 The Federation has the following categories of membership:

- (a) Club-Member;
- (b) Adult Member;
- (c) Junior Member; and
- (d) Program Member.

- 2.2.2 Any club, corporation or association operating a golf course or other facility or an association of golfers in Québec or any border region thereof is eligible for membership as a Club-Member of the Federation and may be admitted as such by resolution adopted by the Board of Directors, on the condition that it agrees to accept and respect the Letters Patent and By-laws of the Federation, as well as all agreements and contracts in effect between the Club-Member and the Federation.
- 2.2.3 The Board of Directors may, by resolution, establish or cancel different classes of Club-Members and their rights and privileges. It may, by resolution, establish that certain categories of Club-Members are not entitled to vote at general meetings of the Federation and that their members are not eligible, as such, to serve as Directors.
- 2.2.4 An Adult Member is a natural person who is a member of a Club-Member which is not under suspension, who is in good standing with his or her Club-Member and has attained the age of nineteen (19) years.
- 2.2.5 A Junior Member is a natural person who is a member of a Club-Member which is not under suspension, who is in good standing with his or her Club-Member and has not attained the age of nineteen (19) years.
- 2.2.6 A Program Member is natural person who is neither an Adult Member nor a Junior Member, who has joined a Federation program for a fee and is entitled to receive goods and services from the Federation. A Program Member is not entitled to vote at general meetings of the Federation unless the terms and conditions applicable to his or her membership program so provide.
- 2.2.7 Only Adult Members and Junior Members who are not themselves under suspension by the Federation are eligible to play in Provincial tournaments organized by the Federation, subject to the rules applicable thereto. The same applies to Program Members to the extent that they are permitted to play in such tournaments under the terms and conditions applicable to their membership.

2.3 **ANNUAL DUES**

- 2.3.1 The Board of Directors fixes the annual dues payable by Club-Members and same are due and payable on or before the 1st day of May of each year.
- 2.3.2 The Federation is authorized to invoice and collect fees on behalf of Golf Canada, as part of the fees charged to its Club-Members.

2.4 **RESIGNATIONS**

- 2.4.1 A Club-Member may resign from the Federation at any time upon giving written notice to such effect to the Secretary-Treasurer. The resignation takes effect when accepted by resolution of the Board of Directors, but acceptance does not

discharge the resigned Club-Member from its obligation to pay to the Federation any annual dues or other amounts then due or which thereafter become due.

2.5 SUSPENSION OF CLUB-MEMBERS

- 2.5.1** Any Club-Member in default to pay its annual dues or any other amount due to the Federation, or which, in the opinion of the Board of Directors, has failed to comply with the Letters Patent or By-laws of the Federation or a ruling of the Board of Directors or which is in default to satisfy its obligations to the Federation (including, without limitation, those which arise from agreements or contracts between it and the Federation) or which has been guilty of actions which are unbecoming or prejudicial to the good name of golf or to the best interests of the Federation may, by resolution of the Board of Directors, be suspended from membership, in which case it is deemed not to be in good standing and loses all of its rights and privileges as a Club-Member of the Federation.
- 2.5.2** The Board of Directors reinstates a suspended Club-Member if the Club-Member corrects its behaviour and effects the necessary remedies to the satisfaction of the Board of Directors, unless, in the meantime, the Club-Member has been expelled by an annual general meeting of the Federation.
- 2.5.3** A suspended Club-Member is not released from its obligations to the Federation or from its obligation to pay its annual dues and any other amounts which become payable during the course of its suspension.

2.6 EXPULSION OF CLUB-MEMBERS

- 2.6.1** Any Club-Member which has been suspended by resolution of the Board of Directors and not been reinstated may be expelled from the Federation by resolution passed at an annual general meeting of the Federation. The Club-Member is given prior notice of the presentation of a resolution of expulsion and has the right to appear at such meeting to hear the complaint against it and to submit its remedies and defences.
- 2.6.2** Any Club-Member which becomes insolvent or bankrupt or is in liquidation is automatically expelled from the Federation.
- 2.6.3** An expelled Club-Member remains liable to the Federation for annual dues and any other amounts which are due to the Federation and which remain unpaid at the date of expulsion.

2.7 GENERAL MEETINGS OF THE FEDERATION

- 2.7.1** The President calls special general meetings of the Federation on such date and at such time and place as the Board of Directors determines. The President also calls such meetings if he receives a written request from ten (10) Club-Members, which have collectively at least ten per cent (10%) of the total votes eligible to vote at a general meeting of the Federation, as determined on the basis of the

records of the Federation on the fourteen (14) calendar day preceding the date of receipt of the request. The request must state the purpose of the meeting. The meeting is held on the date and at the time and place indicated in the request.

- 2.7.2** Each year, an annual general meeting of the Federation is held not later than April 30th, on such date and at such time and place as is determined by the Board of Directors. The management report, the balance sheet and statement of income and expenditures for the preceding financial year and the auditor's report are presented at the meeting; the number of members of the Board of Directors contemplated by paragraphs 3.2.1, 3.2.2, 3.2.3 and 3.2.4 are elected; and the Auditors are appointed for the ensuing year. The meeting also transacts such other business as may be properly brought before it.

2.8 NOTICE OF GENERAL MEETINGS

- 2.8.1** A notice specifying the place, date and hour of each annual general meeting or special general meeting of the Federation is mailed, postage prepaid, to the Club-Members at their respective addresses as they appear in the records of the Federation, at least fourteen (14) calendar days prior to the date fixed for the meeting.
- 2.8.2** Decisions taken at a general meeting of Club-Members are not invalidated by irregularities in or in the giving of, or by inadvertent omission to give, any notice of any general meeting, or by the failure of any Club-Member to receive such notice.
- 2.8.3** The business of an annual or special general meeting is restricted to the subject or subjects specified in the notice calling the meeting. At an annual general meeting, the last point on the agenda may be "Other Business", so that miscellaneous subjects may be raised and discussed. No vote may be taken upon such further subjects. At a special general meeting, the agenda is closed and no other subject may be raised by the participants.

2.9 CLUB-MEMBER DELEGATES

- 2.9.1** Each voting Club-Member is represented and acts at all general meetings of the Federation by and through one (1) delegate. The delegate of a voting Club-Member is of right (i) an Adult Member in good standing of the Club-Member who is present at the meeting and who is a member of the Board of Directors in good standing or, in default of a qualifying Adult Member of category (i), (ii) any other Adult Member in good standing of the Club-Member who is present at the meeting and certified as such by written certificate issued by the board of directors of the Club-Member and delivered to the Secretary-Treasurer before the commencement of the meeting. If there is more than one (1) qualifying Adult Member in category (i), the delegate will be the Adult Member who has seniority over the others on the Board of Directors (adding thereto his or her seniority on one or more of the Board of Directors of the Association de golf du Québec – Québec Golf Association / the Quebec Section of the Canadian

Ladies Golf Association, the Association des terrains de golf du Québec and the Quebec Professional Golf Association).

2.10 QUORUM

2.10.1 The presence of fifteen (15) delegates of Club-Members is required to constitute a quorum at any annual or special general meeting.

2.10.2 If no quorum is present at any general meeting of the Federation, the President or a member of the Board of Directors may adjourn the meeting to a future date falling within the next ten (10) days and the meeting may be held on such date, without further notice.

2.11 VOTING

2.11.1 At all general meetings of the Federation, the delegate of each voting Club-Member has that number of votes which is equal to the number of its declared Adult Members in good standing for whom the annual dues have been paid to the Federation, as determined on the basis of the records of the Federation on the fourteenth (14th) calendar day prior to the date of the meeting. However, if a voting Club-Member has less than sixty (60) such Adult Members, its delegate has sixty (60) votes provided that the annual dues of the Club-Member have been paid. Each Program Member who is present at a meeting and who is entitled to vote at general meetings of the Federation under the terms and conditions applicable to his or her membership has one (1) vote. There is no voting by proxy.

2.11.2 At all general meetings of the Federation, voting is conducted by a show of hands, unless any five (5) delegates who are present at the meeting demand a secret vote. On a vote by a show of hands or secret vote, the President of the meeting is entitled to vote, but does not have a casting or additional vote in case of a tie. At all general meetings of the Federation, a person acting both as a Director and as a delegate of a voting Club-Member has only the number of votes determined according to paragraph 2.11.1. As a general rule, at all meetings of the Federation, decisions are taken by simple majority unless a different voting ratio is specified in the By-laws or the Letters Patent or is required by law.

BY-LAW THREE - BOARD OF DIRECTORS

3.1 BOARD OF DIRECTORS

3.1.1 The affairs of the Federation are administered by a Board of Directors comprising twelve (12) Directors nominated in compliance with By-law Seven and elected by the general voting membership of the Federation at the annual general meeting of the Federation.

3.1.2 The qualifications applicable to the Directors are as follows:

- (a) Six (6) Directors are Adult Members in good standing of a Club-Member or Program Members in good standing under a membership program which entitles them to vote at general meetings of the Federation;
- (b) Two (2) Directors are directors of a Regional Association and Adult Members in good standing of a Club-Member or Program Members in good standing under a membership program which entitles them to vote at general meetings of the Federation;
- (c) Two (2) Directors are directors of the Association des clubs de golf du Québec and Adult Members in good standing of a Club-Member or Program Members in good standing under a membership program which entitles them to vote at general meetings of the Federation; and
- (d) Two (2) Directors are members of the PGA of Canada.

3.1.3 A maximum of two (2) Adult Members of a Club-Member may be Directors simultaneously.

3.1.4 Directors of the Federation are required to comply with and respect the Letters Patent, the By-Laws and directives of the Federation in all actions taken by them in the name of the Federation.

3.2 ELECTION AND TERM OF OFFICE

3.2.1 Three (3) of the six (6) Directors contemplated by sub-paragraph 3.1.2(a) are elected each year, on a staggered basis, and hold office for a term of two (2) years.

3.2.2 Two (2) Directors contemplated by sub-paragraph 3.1.2(b) are elected each year and hold office for a term of one (1) year.

3.2.3 Two (2) Directors contemplated by sub-paragraph 3.1.2(c) are elected each year and hold office for a term of one (1) year.

3.2.4 Two (2) Directors contemplated by sub-paragraph 3.1.2(d) are elected each year and hold office for a term of one (1) year.

3.2.5 Retiring Directors are eligible for re-election to subsequent terms but no Director may continue to so serve once he or she has served an aggregate of ten (10) years on the Board of Directors of the Federation and on the Board of Directors of the Association de golf du Québec – Québec Golf Association or the Quebec Section of the Canadian Ladies Golf Association, as the case may be. However, a Director elected to the position of President or Vice-President of the Federation may serve as a Director for up to a maximum of twelve (12) years, rather than ten (10) years.

3.2.6 The Immediate Past-President remains, as of right, a member of the Board of Directors but in an advisory capacity only. After they have served their regular

term of office and been succeeded as members of the Board of Directors, Directors are entitled to wear the dress of the Federation when attending tournaments or other functions of the Federation. A log specifying the names and addresses (where available) of all such former Directors is kept by the Secretary, indicating the dates on which they became Directors and the dates on which their functions ceased.

3.3 HONORARY GOVERNORS

3.3.1 All Past Presidents of the Federation, the Association de golf du Québec – Québec Golf Association or the Quebec Section of the Canadian Ladies Golf Association, as the case may be, automatically become honorary Governors. All current members of the Player Development Committee, the Tournament Committee, the Handicap and Course Rating Committee and the Rules Committee as well as the members of such other committees as may be determined by the Board of Directors by resolution from time to time are automatically Honorary Governors during the period of their incumbency as such. On the recommendation of the Board of Directors, past Directors who have performed exceptional service for the Federation may be proposed by the Board of Directors as honorary Governors. Such proposals must be approved at an annual general meeting of the Federation. Honorary Governors are invited to meetings of the Board of Directors, but have no right to vote, and may only give advisory opinions regarding the affairs of the Federation.

3.4 VACANCIES

3.4.1 If there is a vacancy on the Board of Directors, the remaining Directors may, by resolution, appoint a successor, provided that paragraph 3.1.2 is complied with. The successor holds office for the unexpired term of the former Director and until the election of his or her successor.

3.5 POWERS

3.5.1 Except as otherwise expressly provided by the *Loi sur les compagnies*, the Letters Patents or the By-laws, the Board of Directors has the entire control and management of the affairs, property and policy of the Federation and has the power to receive and disburse the funds of the Federation, to execute contracts and legal instruments in the name of the Federation and to establish the terms and conditions of and accept or reject applications for membership. More particularly, and without limiting the generality of the foregoing, the Board of Directors selects the sites and fixes the conditions and entrance fees and purchases the prizes for all tournaments; it interprets the Rules of Golf and settles any disputes in connection with tournaments and makes the required rules and regulations dealing with all such matters.

3.5.2 The Board of Directors may appoint such number of committees which it considers useful, composed of such persons as it considers appropriate. These

committees carry out such responsibilities and tasks as the Board of Directors assigns to them from time to time by resolution.

3.5.3 The Board of Directors has the power to permanently bar, for a definite or indefinite period of time, any member of a Club-Member from any tournament sponsored or controlled by the Federation, and may censor or reprimand any such member who, in its opinion, is guilty of unbecoming conduct or conduct prejudicial to the good name of golf or to the best interests of the Federation.

3.5.4 Other than in the case of a temporary suspension arising in relation to a specific tournament, before barring any member of a Club-Member, the Federation first notifies him or her by registered letter addressed to such member's address as it appears in the records of the Club-Member of which he or she is a member, to appear at a meeting of the Board of Directors to hear the complaint against him or her and present his or her defenses. The member is entitled to at least five (5) calendar days prior notice of such meeting. If the member so notified does not appear at the meeting, the Board of Directors proceeds in his or her absence and the member is notified in writing of the decision of the Board of Directors.

3.6 MEETINGS AND NOTICE

3.6.1 Meetings of the Board of Directors are called by the President on such date and at such time and place as he or she may determine or upon the written demand of any three (3) members of the Board of Directors. Notices of meeting must be delivered, mailed or notified to each Director at least seven (7) calendar days before the meeting is to take place. The accidental omission to give notice of any such meeting or the non-receipt of such notice by a Director does not invalidate any resolution passed or any decision taken at the meeting. At least six (6) regular meetings of the Board of Directors must be held during each fiscal year, of which at least one (1) must be held in each quarter thereof.

3.6.2 The President or, in his or her absence, the Vice-President presides at all meetings of the Board of Directors.

3.7 VOTING

3.7.1 At all meetings of the Board of Directors, each Director present has one (1) vote and the majority of votes cast governs.

3.7.2 The Chairman of the meeting does not have a casting or additional vote in case of a tie.

3.8 QUORUM

3.8.1 The presence of at least six (6) Directors in person or through the use of technical means permitting all the participants to communicate orally amongst themselves is required to constitute a quorum at meetings of the Board of

Directors. Of these six (6) Directors at least four (4) must be Directors contemplated by sub-paragraph 3.1.2(a).

3.9 SUSPENSION OF A DIRECTOR

3.9.1 Any Director who, in the opinion of the other members of the Board of Directors, has not fulfilled his or her obligations to the Federation or who is guilty of conduct which is unbecoming or prejudicial to the good name of golf or to the best interests of the Federation may, by resolution of such other members of the Board of Directors, be suspended, in which case he or she loses his or her privileges as a Director of the Federation during the period of the suspension.

3.10 EXPULSION OF A DIRECTOR

3.10.1 The Federation may, with or without cause, by resolution passed at a special general meeting called for the purpose, remove any Director of the Board of Directors before the expiration of his or her term and may, by resolution passed at such special general meeting of Directors, appoint another qualified person to replace him or her.

BY-LAW FOUR – REGIONAL ASSOCIATION COUNCIL

4.1.1 The Regional Association Council is composed of one (1) delegate from each Regional Association. Each delegate is the sitting President of his or her Regional Association unless, for any particular year, the Regional Association decides to appoint another Adult Member of a Club-Member situated within the territory served by it, to act as its delegate.

4.1.2 The Regional Association Council assists the Board of Directors in managing the affairs of the Federation and carries out such responsibilities and tasks as may be assigned to it from time to time by the Board of Directors or the By-laws of the Federation. It may only give advisory opinions regarding such affairs and has no legislative or regulatory authority. The President and the Executive Director of the Federation shall be *ex officio* members of the Regional Association Council.

4.1.3 The Regional Association Council establishes its own by-laws, rules and protocols regarding the operations and functions falling within its authority, subject to the By-laws and the approval of the Board of Directors.

BY-LAW FIVE – EXECUTIVE DIRECTOR

5.1.1 The Board of Directors may hire an Executive Director and such other employees as are required to administer the affairs of the Federation. The Executive Director reports directly to the Board of Directors and is invited to but has no right to vote at meetings of the Board of Directors and acts in an advisory capacity only.

BY-LAW SIX – OFFICERS

6.1 APPOINTMENT OF OFFICERS

6.1.1 Each year, at the first meeting held after the annual general meeting of the Federation, the Directors appoint from amongst the members of the Board of Directors, a President, a Vice-President and a Secretary-Treasurer. The Board of Directors may also, in its discretion, appoint additional officers having such functions and such terms of office as it determines.

6.2 PRESIDENT

6.2.1 The President is the chief executive officer of the Federation and presides at all meetings of the Federation and the Board of Directors. He or she has general supervisory powers over the affairs of the Federation and is ex-officio a member of all committees.

6.3 VICE-PRESIDENT

6.3.1 The powers and duties of the President are vested in and performed by the Vice-President in the event of the absence or disability of the President.

6.4 SECRETARY-TREASURER

6.4.1 The Secretary-Treasurer is the custodian of the seal of the Federation and of all books, records and papers belonging to the Federation. He or she conducts the correspondence of the Federation, issues notices of all meetings and keeps the minutes of all meetings of the Federation and the Board of Directors. He or she advises the clubs, corporations, associations and associations of golfers of their acceptance as Club-Members and keeps a list of all Club-Members, alphabetically arranged, as well as their addresses. He or she keeps full and accurate accounts of all receipts and disbursements of the Federation in proper books of account and deposits all moneys in the name and to the credit of the Federation in such bank or banks as may from time to time be designated by the Board of Directors.

BY-LAW SEVEN - BOARD OF DIRECTORS NOMINATIONS

7.1 NOMINATING COMMITTEE

7.1.1 The Nominating Committee for the Directors of the Federation to be elected at an annual general meeting of the Federation is appointed by the general voting membership of the Federation at a general meeting of the Federation held at least four (4) months before such annual general meeting. The committee consists of five (5), of whom at least one (1) must be of the male gender and at least one (1) of the female gender, and comprises three (3) Adult Members in good standing of a Club-Member or Program Members in good standing under a membership program which entitles them to vote at general meetings of the Federation, one (1) person who is a director of the Association des terrains de

golf du Québec and one (1) person who is a director of the Quebec Professional Golf Association.

- 7.1.2 The committee consults with the respective directors and officers of the Federation, the Regional Association, the Association des terrains de golf du Québec and the Quebec Professional Golf Association regarding the qualifications and attributes of the candidates for the positions of Directors respectively contemplated by sub-paragraphs 3.1.2(a), 3.1.2(b), 3.1.2(c) and 3.1.2(d). The committee elects a president from amongst its members and, subject to the By-laws of the Federation, establishes its own requirements, rules and procedures in respect of the activities and functions which relate to its responsibilities.
- 7.1.3 The committee submits to the Secretary-Treasurer of the Federation, not later than sixty (60) days before the Annual General Meeting, the names of the three (3) persons qualified to hold the position of Director contemplated by sub-paragraph 3.1.2(a), the two (2) persons qualified to hold the position of Director contemplated by sub-paragraph 3.1.2(b), the two (2) persons qualified to hold the position of Director contemplated by sub-paragraph 3.1.2(c) and the two (2) persons qualified to hold the position of Director contemplated by sub-paragraph 3.1.2(d) whom it nominates for election to the Board of Directors for the following year. For this purpose, the President of the Federation must advise the Chairman of the Nominating Committee of the date of the next Annual General Meeting, in writing, not later than November 30th of the previous year. Copies of such nominations are mailed by the Secretary-Treasurer to each Club-Member at least fourteen (14) calendar days before the date of the annual general meeting. Other persons eligible to serve as Director of the Federation may be put in nomination to be elected as Directors provided notice in writing thereof identifying the person nominated and the category of Director for which he or she is nominated, signed by at least five (5) members, has been given to the Secretary-Treasurer at least seven (7) calendar days before the date of the meeting. No names except those submitted in accordance with the procedure prescribed above may be put into nomination for such purpose.

BY-LAW EIGHT - FINANCIAL YEAR, ACCOUNTS AND AUDIT

8.1 FINANCIAL YEAR

- 8.1.1 Unless otherwise determined by resolution of the Board of Directors, the financial year of the Federation ends on the 30th day of November of each year.

8.2 ACCOUNTS

- 8.2.1 The Board of Directors sees to it that books of account are maintained regarding all sums of money received and disbursed by the Federation as well as the matters in respect of which such receipts and disbursements occur, the assets and liabilities of the Federation and all other financial transactions affecting the financial position of the Federation. These books of account are kept at the Head

Office of the Federation or at such other place in the Province of Québec as the Board of Directors thinks fit, and are at all times open to inspection by the members of the Board of Directors.

8.3 INVESTMENTS

8.3.1 The Board of Directors may invest any moneys of the Federation not required for immediate expenditures in securities approved under the *Canada Insurance Companies Act*.

8.4 AUDITORS

8.4.1 At each annual general meeting, the Club-Members appoint one (1) or more auditors for the ensuing year.

8.4.2 It is the duty of such auditor or auditors to examine whatever books, vouchers and accounts of the Federation and non-incorporated Regional Associations of the Federation that they deem necessary, such audit to be made at least yearly.

BY-LAW NINE - BANKING ARRANGEMENTS

9.1 BANKING

9.1.1 The banking business of the Federation is transacted with such chartered banks, trust companies and other firms or corporations carrying on the business of banking as the Board of Directors designates, appoints or authorizes, from time to time, by resolution, and all such banking business, or any part thereof, is transacted on the Federation's behalf by the President or Vice-President or any other persons the Board of Directors may designate, direct and authorize to do so, from time to time, by resolution and to the extent therein provided. Without limiting the generality of the foregoing, these persons have responsibility for the operation of the Federation's accounts, the making, signing, drawing, accepting, endorsing, negotiating, lodging, depositing or transferring any cheques and promissory notes, drafts, acceptance, bills of exchange, and orders for the payment of money, the giving of receipts for and orders relating to any property of the Federation, the execution of any agreement relating to any such banking business and defining and prescribing the rights and powers of the parties thereto, and the authorization of any officer of such banker to do any act or thing on the Federation's behalf to facilitate such banking business.

9.2 CONTRACTS

9.2.1 All agreements, deeds, transfers, contracts and obligations of the Federation are signed by the President or the Vice-President and by the Secretary-Treasurer, the Executive Director or any other member of the Board of Directors as the Board of Directors specially authorizes from time to time by resolution, and the corporate seal is affixed to such instruments as required.

BY-LAW TEN - BORROWING

10.1 BORROWING

10.1.1 The Board of Directors is authorized from time to time as it sees fit:

- (a) to borrow money and obtain advances upon the credit of the Federation from any chartered bank or trust company, upon such terms, covenants, conditions and security, at such time, in such sums, to such an extent and in such manner as the Board in its discretion, deems expedient; and
- (b) to limit or increase the amount to be borrowed provided, however, that the Board of Directors may not borrow money from any person, firm or corporation which is not a banking institution, without first obtaining the approval of the Federation evidenced by a resolution passed by at least two-thirds (2/3) of the votes cast at a special general meeting duly called and held for such purpose.

BY-LAW ELEVEN - PROTECTION AND INDEMNIFICATION OF DIRECTORS AND OFFICERS

11.1 INDEMNITY

11.1.1 Every member of the Board of Directors and every officer of the Federation, and his heirs, executors, administrators, successors and assigns, must be indemnified and saved harmless out of the funds of the Federation, at all relevant times, from and against all actions, proceedings, costs, charges, losses, damages and expenses, incurred or sustained by him or any of them by reason of any act done or omitted to be done in the execution of his duties for the Federation; no member of the Board of Directors of the Federation is liable for the acts, receipts or acts of commission or omission of any other member of the Board of Directors or of an officer or employee of the Federation or for any loss or expense resulting from the fact that the funds of the Federation have been invested in equities of no or reduced value, or for any loss occasioned by any error of judgment or oversight on his part for any other loss, damage or misfortune whatever in the execution of his duties, unless same happens through his own dishonesty.

BY-LAW TWELVE - CERTAIN AUTHORIZATIONS OF DIRECTORS AND OFFICERS

12.1 AUTHORIZATION AND EMPOWERMENT

12.1.1 The President, the Vice-President, the Secretary-Treasurer, the Executive Director or any other person designated for such purpose by the President, the Vice-President, the Secretary-Treasurer or the Executive Director are, and each of them is, authorized and empowered to appear and make answer for the Federation to all writs, orders and interrogatories upon articulated facts issued out of any Court and to make for, on behalf and in the name of the Federation, any answer to writs of attachment by way of garnishment in which the Federation

is garnishee and to make all affidavits and sworn declarations in connection therewith or in connection with any and all judicial proceedings to which the Federation is a party and to make demands of abandonment or petitions for winding up or bankruptcy orders upon any debtor of the Federation and to attend and vote at all meetings or creditors of the Federation's debtors and grant proxies in connection therewith.

BY-LAW THIRTEEN - ENACTMENT, REPEAL AND AMENDMENT OF BY-LAWS

13.1 ENACTMENT, REPEAL AND AMENDMENT OF BY-LAWS

13.1.1 The Board of Directors may, from time to time, enact or pass By-laws not contrary to law or to the Letters Patent of the Federation for the purposes indicated in the laws governing the Federation, and may repeal, amend or re-enact By-laws of the Federation, but such By-laws and every repeal, amendment or re-enactment thereof, unless in the meantime confirmed at a special general meeting of the Federation duly called for that purpose, only have force until the next annual general meeting of the Federation and, in default of confirmation at that meeting by seventy-five percent (75%) of the votes cast thereat, cease to have force at that time.