



**GOVERNANCE REFERENCE MANUAL**  
**QUEBEC-LABRADOR FOUNDATION, INC.**  
**OCTOBER 2018**



**Table of Contents**

I. QLF: THE ORGANIZATION ..... 3

II. BY-LAWS, Quebec-Labrador Foundation, Inc. – U.S. .... 4

III. BY-LAWS, Quebec-Labrador Foundation (Canada), Inc. .... 14

IV. BOARD COMMITTEE CHARTERS ..... 38

V. POLICIES FOR COMPLIANCE ..... 40

    A. Conflict of Interest ..... 41

    B. Whistleblower Policy ..... 43

    C. Document Retention and Destruction Policy ..... 45

    D. Compensation Setting Policy ..... 47

    E. Joint Venture Policy ..... 49

*Cover photograph: Gros Morne National Park on the Great Northern Peninsula of Newfoundland is in the heart of QLF’s home region and the field site of QLF’s Conservation Internships.*

*PHOTOGRAPH BY NICHOLAS GATES*

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## QUEBEC-LABRADOR FOUNDATION: THE ORGANIZATION

The Quebec-Labrador Foundation/ Atlantic Center for the Environment (QLF) is a Registered Charity in Canada and Not-for-profit Organization in the U.S. with offices in Montréal, Québec, and Ipswich, Massachusetts. QLF's program mission is defined in two parts: a regional component (New England and eastern Canada), and an international component, which ties our regional model to a global network. *QLF exists to promote global leadership development, to support the rural communities and environment of eastern Canada and New England, and to create models for stewardship of natural resources and cultural heritage that can be shared worldwide.*

For nearly six decades, QLF has been distinguished through its unique approach of working across borders: politically, between two countries; geographically, within a bioregion; and locally, among the mixture of religious denominations and ethnic identities, which make up the rural population of eastern Canada and New England.

QLF began as an organization providing community service and leadership programs for young people living in isolated fishing communities along the Quebec-Labrador coast. In the mid-1970s, programs were expanded both geographically and programmatically when QLF offered residential conservation camps and experiential outdoor leadership opportunities for youths, adults, and families. In 1977, the Atlantic Center for the Environment was created to develop Community-based Conservation Programs and Conservation Internships across Eastern Canada and New England – now, our regional flagship programs.

In 1981 QLF recognized its regional programs could be an effective model as countries looked for ways to address environmental issues over an international border and established International Conservation Programs to foster an exchange of experience and conservation innovation among organizations and individuals in other regions that share challenges and opportunities. Today, our program model of cross-border, bioregional conservation is shared beyond our home region of Eastern Canada and New England – with conservation leaders and practitioners in Europe; Central and Southeast Europe; Latin America and the Caribbean; the Middle East, North Africa, the Gulf States; and East and Southeast Asia.

*Binding all programs together is QLF's commitment to leadership development through community-based conservation and the stewardship of natural resources and cultural heritage.*

# **BY-LAWS**

## **QUEBEC-LABRADOR FOUNDATION, INC. – U.S.**

*Adopted May 31, 1977*

*As Amended November 9, 1977*

*As Amended October 30, 1987*

*As Amended March 31, 2010*

*As Amended April 27, 2016*

**BYLAWS**  
**of**  
**QUEBEC-LABRADOR FOUNDATION, INC.**  
As Amended - 27 April 2016

**Table of Contents**

	<u>Page</u>
<b>Article I. General Provisions</b>	<b>7</b>
Section 1. Name	7
Section 2. Offices	7
Section 3. Fiscal Year	7
Section 4. Seal	7
Section 5. Language	7
Section 6. Members	7
<b>Article II. Corporate Purposes</b>	<b>7</b>
<b>Article III. Board of Directors</b>	<b>7</b>
Section 1. Duty of Care and Loyalty	7
Section 2. Number	7
Section 3. Honorary Directors	7
Section 4. Election and Term	7
Section 5. Newly Created Directorships and Vacancies	8
Section 6. Resignation	8
Section 7. Removal	8
Section 8. Compensation	8
<b>Article IV. Meetings</b>	<b>8</b>
Section 1. Annual Meeting	8
Section 2. Regular Meetings	8
Section 3. Special Meetings	8
Section 4. Notice	8
Section 5. Quorum and Voting	8
Section 6. Unanimous Consent in Lieu of a Meeting	9
Section 7. Meetings by Remote Communications	9
Section 8. Transmission of Notices and Actions	9
Section 9. Annual Report to Directors	9
<b>Article V. Committees</b>	<b>9</b>
Section 1. Committees of the Board	9
Section 2. Committees of the Corporation	9
<b>Article VI. Officers, Agents, and Employees</b>	<b>10</b>
Section 1. Enumeration	10
Section 2. Appointment, Terms, and Compensation	10
Section 3. Resignation and Removal	10
Section 4. Chairman of the Board	10
Section 5. Vice-Chairmen of the Board	10
Section 6. President	10
Section 7. Executive Vice President	10

	<u>Page</u>
Section 8. Vice Presidents	11
Section 9. Secretary	11
Section 10. Treasurer	11
Section 11. Assistant Secretaries	11
Section 12. Assistant Treasurers	11
Section 10. Other Officers	11
<b>Article VII. Indemnification</b>	<b>11</b>
<b>Article VIII. Personal Liability</b>	<b>12</b>
<b>Article IX. Corporate Transactions</b>	<b>12</b>
Section 1. Checks, Notes, and Drafts	12
Section 2. Loans to Directors or Officers	12
Section 3. Real Property	12
<b>Article X. The Council</b>	<b>12</b>
<b>Article XI. Dissolution</b>	<b>13</b>
<b>Article XII. Amendment to By-Laws</b>	<b>13</b>

## ARTICLE I. GENERAL PROVISIONS

**Section 1. Name.** The name of the Corporation is Quebec-Labrador Foundation, Inc. and shall herein be referred to as “the Corporation.”

**Section 2. Offices.** The location of the principal office of the Corporation shall be determined by the board of directors. The Corporation may also have offices at such other places as the Corporation may require.

**Section 3. Fiscal Year.** The fiscal year of the Corporation shall be as selected by the Board of Directors.

**Section 4. Seal.** The seal of the Corporation shall be circular in form and contain the name of the Corporation, the words “Corporate Seal” and “New York”, and the year the Corporation was formed in the center. The Corporation may use the seal by causing it or a facsimile to be affixed or impressed or reproduced in any manner.

**Section 5. Language.** In every case in these by-laws, masculine forms of pronouns shall be deemed to refer equally to feminine forms.

**Section 6. Members.** The Corporation shall have no members.

## ARTICLE II. CORPORATE PURPOSES

The Corporation’s purposes shall be as set forth in the Certificate of Incorporation as may be amended from time to time.

## ARTICLE III. BOARD OF DIRECTORS

**Section 1. Duty of Care and Loyalty.** Directors shall affirm, at all times, their commitment to a duty of care and loyalty to the Corporation in their deliberations, decisions, and actions, using their endeavors in every form for the realization of the Corporation’s charitable purposes.

**Section 2. Number of Directors.** The number of Directors constituting the entire Board shall be not less than three (3) nor more than thirty (30).

**Section 3. Honorary Directors.** The Directors may elect such persons as Honorary Directors who, in the discretion of the Directors, are deemed worthy of such designation by reason of their service or contribution to the Corporation. There shall be no limit on the number of Honorary Directors acting from time to time. An Honorary Director may serve for life, may participate in all meetings of the Directors without vote, and shall be carried on a roll of Honorary Directors.

**Section 4. Election and Term.** At each Annual Meeting of the Board, Directors shall be elected to serve a three-year term in accordance with this Section 4 and until their successors shall have been elected and qualified. Directors’ terms shall be staggered such that one-third of the Board shall come up for re-election at each annual meeting of the Board. The end of the term of any director shall coincide with the date on which the Annual Meeting of the Corporation is held. Normally, Directors will not serve more than three consecutive three-year terms; however, the

Committee on Directors and Governance may recommend exceptions to the Board. Directors who are Officers of the Corporation shall be exempt from the requirements of this Section of the By-Laws with respect to limitation of the number of consecutive terms as Directors, and they shall each be elected and reelected as members of appropriate classes from time to time during their tenure in office.

**Section 5. Newly Created Directorships and Vacancies.** Newly created Directorships and vacancies occurring in the Board for any reason, may be filled by vote of a majority of the Directors at any meeting at which a quorum is present.

**Section 6 . Resignation.** Any Director may resign from his office at any time by delivering his resignation to the Corporation and the acceptance of such resignation, unless required by the terms thereof, shall not be necessary to make such resignation effective.

**Section 7. Removal.** Any Director may be removed for cause, including incapacity to act, by the vote of a majority of the entire Board of Directors.

**Section 8. Compensation.** Directors as such shall not receive any salaries for their services on the Board, but Directors shall not be precluded from serving the Corporation in any other capacity and receiving reasonable compensation.

#### ARTICLE IV. MEETINGS

**Section 1. Annual Meeting.** The Annual Meeting of the Board for the election of Directors and the appointment of Officers shall be held in the fall of each year on a specific date to be designated by the Board and may be held at any place within or without the State of New York as the Board from time to time may fix or as shall be specified in the respective notice or waivers of notice thereof. Notice of the hour and place of the Annual Meeting shall be sent to each Director not less than ten (10) days before the meeting.

**Section 2. Regular Meetings.** The Board may fix times and places for regular meetings of the Board.

**Section 3. Special Meetings.** Special meetings of the Board shall be held whenever called by the Chairman, the President, or by at least one-third of the Directors then in office. Notice of each such meeting shall be delivered not less than two (2) days before the meeting.

**Section 4. Notice.** Any notice of a meeting required to be given by the provisions of this Article IV shall be given by the Secretary or by a person calling the meeting to each Director within the notice periods specified in Sections 1 and 3 immediately above; and in accordance with the options for transmission of notice specified in Section 8 below. Notice of a meeting need not be given to any Director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him.

**Section 5. Quorum and Voting.** A quorum for the transaction of any business shall consist of one-third of the entire number of serving members. Except as otherwise provided by law or by these By-Laws, the vote of a majority of the Directors present at a meeting at the time of the vote, if a quorum is present at such time, shall be the act of the Board, but a majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. No notice of any such adjournment need be given.



**Section 6. Unanimous Consent in Lieu of a Meeting.** Any action required or permitted to be taken by the Board or any committee thereof may be taken without a meeting if all members of the Board or such committee consent to the adoption of a resolution authorizing such action. Each resolution so adopted and the consents thereto by members of the Board or such committee shall be filed with the minutes of the proceedings of the Board or such committee.

**Section 7. Meetings by Remote Communications.** Any one or more members of the Board or any committee thereof may participate in a meeting of such Board or committee by means of a conference telephone or similar video or other communications equipment which allows all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

**Section 8. Transmission of Notices and Actions.** All notices, waivers, consents, votes, resignations, and actions of any kind as may be required by these by-laws may be submitted either by traditional written means, or by email, facsimile, or similar electronic methods where there is reasonable certainty that such electronic means are a valid representation of the originating party's wishes.

**Section 9. Annual Report to Directors.** The Audit Committee shall present at a meeting of the Board a report, verified by the President and Treasurer or by a majority of the Directors, or certified by an independent public or certified public accountant or a firm of such accountants selected by the Board, showing in appropriate detail the following: (1) the assets and liabilities, including the trust funds, of the Corporation as of the end of a twelve-month fiscal period terminating not more than six months prior to said meeting; (2) the principal changes in assets and liabilities, including trust funds, during said fiscal period; (3) the revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, during said fiscal period; and (4) the expenses and disbursements of the Corporation, for both general and restricted purposes during said fiscal period. The annual report of the Directors shall be filed with the records of the Corporation and either a copy or an abstract thereof entered in the minutes of the proceedings of such meeting of the Board.

## ARTICLE V. COMMITTEES

**Section 1. Committees of the Board.** The Board, by resolution adopted by a majority of the entire Board, may designate from among its members an Executive Committee and other committees, each consisting of three or more Directors, one of whom shall be designated as Chairman, and each of which, to the extent provided in the resolution, shall have all the authority of the Board, to the full extent permitted by law. Members of Committees of the Board shall be elected at the Annual Meeting of the Board to serve until the next Annual Meeting of the Board. Minutes of the proceedings of any such committee shall be kept and shall be submitted to the Board at its next meeting. The Board may designate one or more Directors as alternate members of any such committee, who may replace any absent member or members at any meeting of such committee. Each such committee shall serve at the pleasure of the Board.

**Section 2. Committees of the Corporation.** Committees of the Corporation may be appointed either by the Chairman of the Board with the consent of the Directors, or authorized by the Board of Directors, in either case with such authority as may be specifically delegated to such committee upon its authorization, but no such committee shall have the authority to bind the Board.

## ARTICLE VI. OFFICERS, AGENTS, AND EMPLOYEES

**Section 1. Enumeration.** The Officers of the Corporation shall be a Chairman, one or more Vice-Chairmen, President, Secretary, and Treasurer, and may include an Executive Vice President, one or more Vice Presidents, one or more Assistant Secretaries, and one or more Assistant Treasurers, all with such duties as the Board may prescribe. No employee of the Corporation may serve as Chairman.

**Section 2. Appointment, Terms, and Compensation.** The Officers shall be appointed by the Board of Directors at the Annual Meeting of the Board to have such authority and perform such duties as may be prescribed by the Board. All Officers shall hold office until the next Annual Meeting of the Board after their appointment and until their successors shall have been appointed and qualified. Any two or more offices may be held by the same person, except the offices of President and Secretary. The compensation of Officers, agents, and employees appointed by the Board shall be fixed by the Board, but this power may be delegated to any Officer, agent, or employee as to persons under his direction or control. The Board may require any Officer, agent, or employee to give security for the faithful performance of his duties.

**Section 3. Resignation and Removal.** Any Officer may resign from his office at any time by delivering his resignation to the Corporation, and the acceptance of such resignation, unless required by the terms thereof, shall not be necessary to make such resignation effective. Any Officer, agent, or employee of the Corporation may be removed by the Board with or without cause. Such removal without cause shall be without prejudice to such person's contract rights, if any, but the appointment of any person as an Officer, agent, or employee of the Corporation shall not of itself create contract rights.

**Section 4. Chairman of the Board.** The Chairman of the Board shall preside at all meetings of the Board at which he is present and shall perform such other duties as the Board may designate. In the absence or inability to act of the President, the Chairman shall perform the duties and may exercise the power of the President.

**Section 5. Vice-Chairmen of the Board.** A Vice-Chairman shall preside at meetings of the Board where the Chairman is unavailable and perform such other duties as may customarily pertain to the post of Vice-Chairman.

**Section 6. President.** The President shall be the Chief Executive Officer of the Corporation. In the absence of the Chairman and Vice-Chairmen of the Board, he shall preside at all meetings of the Board at which he is present. He shall have general charge of the business and affairs of the Corporation. He may employ and discharge employees and agents of the Corporation, except such as shall be appointed by the Board, and he may delegate these powers.

The President may vote the shares or other securities of any other domestic or foreign corporation of any type or kind which may at any time be owned by the Corporation, may execute any shareholders' or other consents in respect thereof and may in his discretion delegate such powers by executing proxies, or otherwise, on behalf of the Corporation. The Board, by resolution from time to time, may confer like powers upon any other person or persons.

**Section 7. Executive Vice President.** The Executive Vice President shall have responsibility for supervision of the day-to-day operations of the Corporation and its several employees, subject however, to the general supervision of the President and the control of the Board. In general, he shall perform all duties incident to the office of the Executive Vice President, and such other duties as from time to time may be assigned to him by the President, the Board or by

any committee authorized to do so. He shall be an *ex-officio* member of the Executive Committee if there be one.

**Section 8. Vice Presidents.** Each Vice President shall have such powers and perform such duties as the Board of Directors or the President may prescribe. In the absence or inability to act of the President, Chairman of the Board, and Vice Chairmen, unless the Board shall otherwise provide, the Executive Vice President (if there be one), otherwise the Vice President who has served in that capacity for the longest time, and who shall be present and able to act, shall perform all the duties and may exercise any of the powers of the President. The performance of any such duty shall be conclusive evidence of his power to act.

**Section 9. Secretary.** The Secretary shall have charge of the minutes of all proceedings of the Board of Directors. He shall attend to the giving of all notices to Directors. He shall have charge of the seal of the Corporation and shall attest the same by his signature whenever required. He shall have charge of the records of the Corporation and of such other books and papers as the Board may direct. He shall have all such powers and duties as generally are incident to the position of Secretary or as may be assigned to him by the President or the Board.

**Section 10. Treasurer.** The Treasurer shall have charge of all funds and securities of the Corporation, shall endorse the same for deposit or collection when necessary and deposit the same to the credit of the Corporation in such banks or depositories as the Board of Directors may authorize. He may endorse all commercial documents requiring endorsements for or on behalf of the Corporation and may sign all receipts and vouchers for payments made to the Corporation. He shall have all such powers and duties as generally are incident to the position of Treasurer or as may be assigned to him by the President or by the Board.

**Section 11. Assistant Secretaries.** In the absence or inability of the Secretary to act, any Assistant Secretary may perform all the duties and exercise all the powers of the Secretary. The performance of any such duty shall be conclusive evidence of his power to act. An Assistant Secretary shall also perform such other duties as the Secretary or the Board of Directors may assign to him.

**Section 12. Assistant Treasurers.** In the absence or inability of the Treasurer to act, an Assistant Treasurer may perform all the duties and exercise all the powers of the Treasurer. The performance of any such duty shall be conclusive evidence of his power to act. An Assistant Treasurer shall also perform such other duties as the Treasurer or the Board of Directors may assign to him. Any such Assistant Treasurer may be an individual, a bank or a trust company, as the Board of Directors may determine.

**Section 13. Other Officers.** The Board may appoint other Officers, agents, and employees, who shall have such authority and perform such duties as may be prescribed by the Board.

## ARTICLE VII. INDEMNIFICATION

Any person made, or threatened to be made, a party to any action or proceeding, whether civil or criminal, by reason of the fact the he, his testator or intestate, is or was a Director or Officer of the Corporation or serves or served any other corporation in any capacity at the request of the Corporation, shall be indemnified by the Corporation, and the Corporation may advance his related expenses, to the full extent permitted by law, if such Director or Officer acted, in good faith, for a purpose which he reasonably believed to be in, or, in the case of service for any other corporation, not opposed to, the best interests of the Corporation, except that no

indemnification under this paragraph shall be made in respect of (1) a threatened action, or a pending action which is settled or otherwise disposed of, or (2) any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation, unless and only to the extent that the court in which the action was brought, or, if no action was brought, any court of competent jurisdiction, determines upon application that, in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such portion of the settlement amount and expenses as the court deems proper. If a Director or Officer is not successful on the merits in an action or proceeding for which he is entitled to indemnification under this paragraph, such indemnification must be authorized by vote of a quorum of disinterested Directors upon a finding that the Director or Officer has met the standard of conduct described above. The Corporation shall have the power to purchase and maintain insurance to indemnify the Corporation and its Directors, and Officers to the full extent such indemnification is permitted by law.

## **ARTICLE VIII. PERSONAL LIABILITY**

Except as otherwise provided by law, no person serving as an Officer or Director of the Corporation without compensation shall be personally liable to any third party based solely on his or her conduct in the execution of such office unless the conduct of such Officer or Director with respect to the person asserting liability constituted gross negligence or was intended to cause the resulting harm to the person asserting such liability.

## **ARTICLE IX. CORPORATE TRANSACTIONS**

**Section 1. Checks, Notes, and Drafts.** Checks, notes, drafts, acceptances, bills of exchange, and other orders or obligations for the payment of money shall be signed by such Officer or Officers or person or persons as the Board of Directors shall from time to time determine.

**Section 2. Loans to Directors or Officers.** A loan shall not be made by the Corporation to any Director or Officer.

**Section 3. Real Property.** Except for transactions involving all or substantially all of the Corporation's real estate, which shall require a two-thirds vote of the entire Board of Directors, other real property transactions may be approved by a majority of a quorum of the Board or of a duly authorized committee.

## **ARTICLE X. THE COUNCIL**

The President may appoint, in his sole discretion, any number of persons to serve as an advisory body to the Corporation to be called "The Council", such persons to be known as "Members of the Council." The Members of the Council shall serve in an honorary capacity and shall have no right to notice of or to vote at any meeting, shall not be considered for purposes of establishing a quorum, and shall have no legal rights or responsibilities. Members of the Council shall serve at the pleasure of the President. Members of the Council may not receive any compensation for services rendered to the Corporation in their capacities as Members of the Council except for reimbursement of reasonable expenses approved by the Board.

## **ARTICLE XI. DISSOLUTION**

Provisions for the Corporation's dissolution shall be as set forth in the Certificate of Incorporation as may be amended from time to time.

## **ARTICLE XII. AMENDMENT TO BY-LAWS**

These By-Laws may be amended or repealed, and new By-Laws may be adopted, by a majority of the entire Board of Directors.

**\*\*\*END OF BY-LAWS\*\*\***

# **BY-LAWS**

**FONDATION QUÉBEC-LABRADOR DU CANADA/  
QUEBEC-LABRADOR FOUNDATION (CANADA)**

*As Amended May 2010*

## **By-Law No. One**

### **A. INTERPRETATION**

1. Definitions

### **B. HEAD OFFICE, ESTABLISHMENT AND SEAL**

2. Head Office
3. Establishment
4. Seal

### **C. BOOK OF THE CORPORATION**

5. Contents of the Book

### **D. BOARD OF DIRECTORS**

6. Number
7. Qualifications
8. Vacancies
9. Replacement
10. Election and Term of Office
11. Resignation
12. Removal
13. Signature of Departing Director
14. Remuneration
15. General Powers
16. Use of Property or Information
17. Conflict of Interests
18. Contracts With the Corporation

### **E. MEETING OF THE BOARD OF DIRECTORS**

19. Notice of Meeting
20. Waiver of Notice
21. Location
22. Participation by Means as Permit Persons to Hear Each Other
23. Adjournment
24. Quorum
25. Chairman and Secretary of the Meeting
26. Procedure
27. Voting
28. Signed Resolution
29. Attendance at a Meeting
30. Recording of Deliberations

### **F. OFFICERS**

31. General Provisions
32. Qualifications
33. Election
34. Term of Office
35. Resignation and Removal
36. Vacancies
37. Remuneration
38. Powers and Duties of Officers
39. President and Chairman of the Board
40. Vice-President
41. Secretary
42. Treasurer
43. Managing Director or Manager
44. Honorary Directors

### **G. EXECUTIVE COMMITTEE**

45. Number
46. Election
47. Removal
48. Vacancies
49. Meetings
50. Chairman
51. Quorum
52. Procedure
53. Powers
54. Remuneration

### **H. OTHER COMMITTEES**

55. Special Committees

### **I. INDEMNIFICATION AND EXCULPATION**

56. Indemnification and Reimbursement of Expenses
57. Indemnification
58. Reimbursement of Expenses

### **J. MEMBERS**

59. Classes
60. Active Members
61. Honorary Members
62. Withdrawal
63. Suspension and Striking Off

## **K. MEETINGS OF THE MEMBERS**

64. Annual Meeting
65. Special General Meetings
66. Calling of a Special General Meeting at the Request of the Members
67. Notice of Meeting
68. Waiver
69. Failure to Send Notice
70. Incomplete Notice
71. Quorum
72. Adjournment
73. Chairman and Secretary of the Meeting
74. Procedure
75. Voting Rights
76. Majority Decisions
77. Casting Vote
78. Voting by a Show of Hands
79. Voting by Secret Ballot
80. Scrutineers

## **L. FISCAL YEAR, AUDITOR AND ACCOUNTANT**

81. Fiscal Year
82. Accountant
83. Auditor

## **M. NOTICES**

84. Signature of Notices
85. Calculation of Deadlines

## **N. CONTRACTS AND NEGOTIABLE INSTRUMENTS**

86. Contracts
87. Use of Corporate Name
88. Cheques and Bills of Exchange
89. Deposits

## **O. OTHER PROVISIONS**

90. Declaration in the Register
91. Employees
92. Seizures by Garnishment
93. Conflict with the Constituting Act
94. Amendments



*Adopted by written resolutions of the Board of Directors signed by all the Directors on May 12, 2010 and ratified at a special general meeting of members called for that purpose and held on May 12, 2010, in accordance with the Companies Act (Québec).*

## **By-Law No. One**

being a By-Law relating generally to the transaction of the business and affairs of **FONDATION QUEBEC-LABRADOR DU CANADA / QUEBEC-LABRADOR FOUNDATION (CANADA)** (the “Corporation”).

### **A. INTERPRETATION**

#### **1. Definitions**

In this By-Law and in all of the Corporation’s other By-Laws, the following words shall have the following meaning, unless the context requires otherwise:

- (a) “Act” shall mean the *Companies Act*, R.S.Q., c. C 38, as amended, and any replacement legislation; in the event of such amendment or replacement, any reference contained in the Corporation’s By-Laws shall be interpreted as a reference to the amended or replaced provisions of the said Act;
- (b) “By-Laws” shall mean all of the Corporation’s By-Laws which are in effect at a given time;
- (c) “Constituting Act” shall mean, as the case may be, the memorandum of agreement, letters patent, supplementary letters patent and By-Laws adopted under the Act;
- (d) “Contracts, Documents or Written Instruments” shall include deeds, pledges, hypothecs, encumbrances, transfers and assignments of property, whether real or personal and movable or immovable, agreements, receipts and releases given for cash payments or other bonds, debentures and securities, as well as all written instruments;
- (e) “Corporation” shall mean the legal person designated under Part III of the Act;
- (f) “Register” shall mean the register of sole proprietorships, partnerships and legal persons as instituted pursuant to the *Act respecting the legal publicity of sole proprietorships, partnerships and legal persons*, R.S.Q., c. P 45;
- (g) words used solely in the singular shall include words in the plural and vice versa; words used in the masculine gender shall include the feminine gender and vice versa; expressions designating natural persons shall also designate legal persons, corporations, companies, partnerships, syndicates, trusts and any other association of individuals; and
- (h) the titles used in the By-Laws have been inserted solely for ease of reference and shall not be considered in interpreting the expressions or provisions of such By-Laws.

## **B. HEAD OFFICE, ESTABLISHMENT AND SEAL**

### **2. Head Office**

The head office of the Corporation shall, at all times, be located in Quebec. The Corporation may transfer or change the address of its head office in accordance with the provisions of the Act. The head office shall constitute the Corporation's domicile.

### **3. Establishment**

In addition to its head office, the Corporation may establish other establishments, offices or agencies, inside or outside Quebec, as its Board of Directors may determine from time to time.

### **4. Seal**

The Corporation shall have one seal whose form shall be determined by the Board of Directors and which shall be used only with the consent of the President or the Secretary.

## **C. BOOK OF THE CORPORATION**

### **5. Contents of the Book**

The Corporation shall keep, at its head office, one or more books which shall contain the following:

- (a) its Constituting Act, By-Laws, as well as all declarations and applications presented to the Inspector General of Financial Institutions and filed in the Register;
- (b) the names, in alphabetical order, of all the persons who are or have been members;
- (c) the address and calling of each person while such person is a member;
- (d) the names, addresses and callings of those who are or have been Directors of the Corporation, with the various dates on which they became or ceased to be Directors;
- (e) a list of the members of the Corporation, which list shall be prepared annually;
- (f) a register of hypothecs in which the Corporation shall record all hypothecs and charges encumbering its property and in which it shall record, as regards each case, a succinct description of the hypothecated or charged property, the amount of the hypothec or charge and, except as regards bearer bonds or other securities or bonds or other securities drawn to someone's order, the names of the hypothecary creditors or assigns. As regards hypothecs and charges securing the payment of bearer bonds or other securities or bonds or other securities drawn to someone's order, it shall be sufficient to indicate the name of the Director in whose favour the hypothec has been established;
- (g) its receipts and disbursements and the matters to which each of them relates;
- (h) its financial transactions;

(i) its credits and liabilities; and

(j) the minutes of meetings of its members and Directors and of the votes cast at such meetings. Each of the minutes recorded in the said book or books shall be certified by the President of the Corporation or the Chairman of the meeting, or by the Secretary of the Corporation.

## **D. BOARD OF DIRECTORS**

### **6. Number**

The affairs of the Corporation shall be administered by a Board of Directors initially comprised of the provisional Directors designated in the Constituting Act and, thereafter, as of their election at the first meeting of the members. The fixed number of Directors shall be the number set forth in the Constituting Act and shall not be less than three (3). This number may be changed in accordance with the Act.

### **7. Qualifications**

In order to be elected to the office of Director and continue to hold such office, each Director shall have the following qualifications:

(a) be a natural person;

(b) subject to article 327 of the Civil Code of Québec, not be under eighteen (18) years of age;

(c) subject to article 327 of the Civil Code of Québec, not be a person of full age under tutorship or curatorship;

(d) not be a person declared incapable by a court in another province or in another country;

(e) not be an undischarged bankrupt; and

(f) not be the subject of a court order prohibiting him from holding such office.

Only active members of the Corporation shall be eligible to be Directors.

### **8. Vacancies**

A Director's office shall automatically become vacant:

(a) if he dies;

(b) if he resigns, at the time the resignation takes effect;

(c) if he is removed in accordance with the Act and if no one is appointed to replace him at the meeting of members at which he was so removed; or

(d) if he ceases to hold the qualifications necessary to be a Director.

## **9. Replacement**

A Director whose office has become vacant may be replaced by means of a resolution of the Board of Directors, and the replacement shall remain in office for the unexpired term of office of his predecessor. Nonetheless, provided the Directors still holding office constitute a quorum, they may continue to act notwithstanding any vacancy.

## **10. Election and Term of Office**

The Directors shall be elected each year at the Annual Meeting of members and hold office until the next Annual Meeting or until their successors are duly elected or appointed. Incumbent Directors shall be eligible for re-election. Voting shall be by a show of hands, unless a vote by secret ballot is requested.

## **11. Resignation**

A Director may resign from office at any time by submitting his written resignation to the President or Secretary of the Corporation or at a meeting of the Board of Directors. A resignation need not set forth the reasons therefor. The resignation shall take effect on the date the notice thereof is delivered, unless a later date is set forth in the said notice.

## **12. Removal**

Only members entitled to elect a Director may remove him at a special general meeting called for that purpose. A Director who is to be removed must be informed of the place, date and time of the meeting within the same deadline as that provided for calling the meeting. The notice of meeting shall also state that this person shall be subject to removal and it shall state the principal fault reproached against him. The Director may attend the meeting and be heard or, in a written statement read out loud by the Chairman of the meeting, give the reasons why he opposes the resolution proposing his removal. A vacancy created by the removal of a Director may be filled at the meeting at which the removal took place or, failing same, in accordance with the Act. The notice of the said meeting must mention, if applicable, that such an election will be held if the resolution to remove is adopted.

The removal of a Director, just like his election, shall be at the discretion of the members. It may be effected at any time and need not be based upon any particular grounds, whether or not serious. Neither the Corporation nor the members having voted in favour of the removal shall incur any liability towards the Director merely due to his removal, even if there are no reasons for the removal.

## **13. Signature of Departing Director**

Fifteen (15) days after the date on which a Director ceases to hold office due to his resignation, removal or otherwise, such Director shall be authorized to sign, on behalf of the Corporation, and to file in accordance with the *Act respecting the legal publicity of sole proprietorships, partnerships and legal persons*, an amending declaration to the effect that he has ceased to be a Director, unless he receives evidence that the Corporation has filed such an amending declaration.

#### **14. Remuneration**

The Directors shall not be remunerated for the fulfillment of their mandate as Directors. However, they may be remunerated in their capacity as employees or Officers of the Corporation. The Directors shall also be entitled to reimbursement of their travelling costs and all other costs reasonably incurred by them in relation to the affairs of the Corporation.

#### **15. General Powers**

The affairs of the Corporation shall be administered by a Board of Directors. The Directors of the Corporation shall administer the affairs of the Corporation and shall make or cause to be made for it, in its name, all contracts which the Corporation is validly entitled to enter into; generally, they shall exercise all the other powers and take all the other steps which the Corporation is authorized to exercise and take pursuant to its Constituting Act or otherwise.

Without derogating from the foregoing, the Directors shall, at all times, expressly be authorized to purchase, rent, sell, exchange, acquire or alienate movable and immovable, real, personal or mixed property, as well as any right or interest relating thereto, for such price and upon such terms and conditions as they deem to be fair.

Measures taken by one or more persons acting as Directors or by a Board of Directors shall not be invalid merely because it is subsequently discovered that there was a defect in the election of these persons, the entire Board of Directors, or one or more of the members thereof, or that these persons or one or more or all of the members of the Board of Directors were not qualified to be Directors; however, this provision shall apply only to measures taken prior to the election or appointment of the respective successor or successors of the persons in question.

#### **16. Use of Property or Information**

No Director may mingle the property of the Corporation with his own property nor may he use for his own profit or that of a third person any of the property of the Corporation or any information he obtains by reason of his duties, unless he is expressly and specifically authorized to do so by the members of the Corporation.

#### **17. Conflict of Interests**

Every Director shall avoid placing himself in any situation where his personal interest would be in conflict with his obligations as a Director of the Corporation.

A Director shall declare to the Corporation, forthwith, any interest he has in an enterprise or association that may place him in a situation of conflict of interests and of any right he may set up against it, indicating their nature and value, where applicable. The declaration of interest shall be recorded in the minutes of the meetings of the Board of Directors or in a signed resolution in lieu of such meeting.

A general notice that a Director holds an interest in a given enterprise or association, together with a description of the nature and value of such interest, shall constitute a sufficient declaration of interest pursuant to this By-law; after the Director has given such a general notice, he shall not be required to give a special notice with respect to a specific transaction with such enterprise or association.

## **18. Contracts With the Corporation**

Even in carrying on his duties, a Director may acquire, directly or indirectly, rights in the Corporation's property or enter into contracts with it, provided he immediately informs the Corporation of this fact, indicating the nature and value of the rights he is acquiring, and provided he requests that the fact be recorded in the minutes of the meetings of the Board of Directors or the equivalent.

A Director who has such an interest in the acquisition of property or the entering into of a contract shall, unless otherwise required, refrain from deliberating and voting on the matter and, if he does vote, his vote shall not be counted. However, this rule shall not apply to matters regarding his conditions of employment. At the request of the President or any Director, the Director who has an interest shall leave the meeting while the Board of Directors deliberates and votes on the acquisition or contract in question.

Neither the Corporation nor any of its members may contest the validity of an acquisition of property or a contract that has been entered into between the Corporation, on the one part, and a Director, whether directly or indirectly, on the other part, solely on the ground that the Director is a party thereto or has an interest therein, provided that the Director has immediately and properly effected the disclosure mentioned hereinabove.

## **E. MEETING OF THE BOARD OF DIRECTORS**

### **19. Notice of Meeting**

Meetings of the Board of Directors shall take place as often as the President or two Directors, acting jointly, deem it to be necessary. They shall be called by the President or two Directors, or by the Secretary at the request of the President or two Directors. A notice of each meeting, setting forth the place, date and time of the meeting, shall be sent to each Director by messenger, registered mail or fax or by any other means of communication which includes an acknowledgement of receipt, and it shall be sent to the last known address of the Directors, or it may be given verbally. The deadline for calling a meeting shall be two clear days.

Nonetheless, a meeting may be held without a prior notice if all the Directors are present or if the absent Directors have given their consent to the holding of such meeting. The meeting of the Board of Directors which follows immediately after the Annual Meeting of the members may take place without a notice of meeting. A notice of meeting of the Board of Directors need not mention the purpose of the meeting or the business to be transacted thereat.

### **20. Waiver of Notice**

A Director may, by written notice or other means of communication addressed to the Corporation or otherwise, waive any notice of meeting of the Board of Directors or any irregularity in the notice or the holding of the meeting; such waiver may be validly given before or after the meeting in question. Attendance by a Director at a meeting of the Board of Directors shall constitute a waiver of the notice of meeting, unless the Director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not called regularly.

## **21. Location**

Meetings of the Board of Directors shall be held at the head office of the Corporation or in any other place inside or outside Quebec chosen by the President or the Board of Directors.

## **22. Participation by Means as Permit Persons to Hear Each Other**

The Directors may, if instructed in the notice of meeting, participate in a meeting of the Board of Directors by such means, particularly by telephone, as permit all persons participating in the meeting to hear each other. A Director participating in a meeting by such means is deemed to be present at the meeting.

In such a case, the only form of vote permitted shall be a vote from the floor.

## **23. Adjournment**

From time to time, the Chairman of the meeting may, with the consent of a majority of the Directors present, adjourn a meeting of the Board of Directors to a later date, in a specified location, without it being necessary to give a notice of such adjourned meeting to the Directors. An adjourned meeting may validly be held in accordance with the terms and conditions provided for in the adjournment and if there is a quorum. The Directors constituting the quorum at the initial meeting shall not be required to constitute the quorum at the adjourned meeting. If there is no quorum at the adjourned meeting, the initial meeting shall be deemed to have terminated immediately after its adjournment.

## **24. Quorum**

Quorum for meetings of the Board of Directors shall be constituted by a simple majority of the Directors in office. A quorum must be maintained throughout the entire duration of a meeting.

## **25. Chairman and Secretary of the Meeting**

The President of the Corporation or, in his absence, the Vice President of the Corporation, shall preside over meetings of the Board of Directors. The Secretary of the Corporation shall act as Secretary of the meetings. Nonetheless, the Directors present at a meeting may appoint any other person to act as Chairman and/or Secretary of the meeting.

## **26. Procedure**

The Chairman of the meeting shall see to the orderly conduct of the meeting, shall submit to the Board of Directors the proposals to be voted on and, in general, shall handle all procedures. If the Chairman of the meeting fails to submit a proposal, any Director may do so himself prior to the end or adjournment of the meeting and, if such proposal falls within the jurisdiction of the Board of Directors, the Board shall be seized thereof without any seconder being required for the proposal. In this regard, the agenda for any meeting of the Board of Directors shall be considered to provide for a period during which the Directors may submit their proposals. If the Chairman of the meeting does not perform his duties faithfully, the Directors may remove him at any time and replace him with another person.

## **27. Voting**

Each Director shall be entitled to one vote, and all questions shall be decided by a majority of the votes. Voting shall be by a show of hands, unless the Chairman of the meeting or a Director requests a vote by secret ballot, in which event the vote shall be taken by secret ballot. If the vote is taken by secret ballot, the Secretary of the meeting shall act as the scrutineer and shall count the votes. Voting by proxy shall not be permitted, and the Chairman of the meeting shall not have a casting vote in the event for a tie. If all the Directors consent to participate in a meeting by such means as permit all persons participating in the meeting to hear each other, the vote shall be a vote from the floor.

## **28. Signed Resolution**

A resolution in writing, signed by all the Directors qualified to vote at meetings of the Board of Directors, shall be valid and have the same effect as if it had been adopted at a duly called and held meeting of the Board of Directors. A copy of such written resolution shall be inserted in the book of the Corporation, chronologically, in the same manner as minutes of meetings.

## **29. Attendance at a Meeting**

Only the Directors may attend meetings of the Board of Directors. Upon the consent of the Chairman of the meeting or a majority of the Directors present at a meeting, the Officers, agents and mandataries of the Corporation may also attend the meeting, as may persons whose presence is justified by the Corporation's interests rather than the individual interests of one or more of the Directors. No other person shall be admitted unless that person's presence is unanimously authorized by the Directors present.

## **30. Recording of Deliberations**

No Director may record deliberations of the Board of Directors, failing which he shall be expelled from the meeting and the magnetic tapes or other recording media used shall be confiscated. Only the Secretary of the meeting may record same for purposes of preparing the minutes of the meeting.

## **F. OFFICERS**

### **31. General Provisions**

The Officers of the Corporation shall be comprised of the President, one or more Vice Presidents, the Secretary and the Treasurer, as well as such other Officers as the Board of Directors may appoint and whose duties it shall determine by resolution.

### **32. Qualifications**

The Officers appointed by the Board of Directors are not required to be Directors or members of the Corporation. The same person may hold several offices.

### **33. Election**

The Officers shall be elected or appointed by the Board of Directors at their first meeting following the annual meeting of members or at any other meeting held to fill a vacancy.



#### **34. Term of Office**

Unless the Board of Directors provides otherwise at the time an Officer is duly elected or appointed, each Officer shall hold office as of his date of election or appointment until the first meeting of the Board of Directors following the next election of the Directors, or until his successor is duly elected or appointed.

#### **35. Resignation and Removal**

An Officer may resign at any time by submitting his written resignation to the President or Secretary or at a meeting of the Board of Directors. An Officer may be removed, with or without cause, by means of a resolution of the Board of Directors, unless there is a written agreement to the contrary.

#### **36. Vacancies**

Any vacancy in the office of an Officer may be filled at any time by the Board of Directors.

#### **37. Remuneration**

The Board of Directors may, from time to time, adopt a resolution to establish the remuneration to be paid to the Officers. An Officer shall be entitled to such remuneration notwithstanding the fact that he is receiving other professional fees in respect of other services.

#### **38. Powers and Duties of Officers**

The Officers shall have all the powers and duties which are ordinarily inherent to their office, as well as all the powers and duties delegated to them or imposed upon them by the Board of Directors. If an Officer is unable to act, the Board of Directors may authorize any other person specifically appointed by it to exercise the powers of the Officer.

#### **39. President and Chairman of the Board**

The President, as of right, shall preside over all meetings of the Board of Directors, the Executive Committee and all meetings of the members, unless, in the latter case, a Chairman of the meeting has been appointed and is performing such duties. He shall sign all documents on which his signature is required. He shall be responsible for the general supervision and monitoring of the affairs of the Corporation, unless a Managing Director has been appointed. However, if the Board of Directors appoints a Chairman of the Board, the Chairman of the Board, rather than the President, shall preside over all meetings of the Board of Directors.

#### **40. Vice-President**

If the President is absent or is unable to act, the Vice President or, if there is more than one Vice President, then the first Vice President or, in his absence, the second Vice President and so forth, shall have the powers and assume the obligations of the President.

#### **41. Secretary**

The Secretary shall have custody of the Corporation's books, seal and documents. He shall act as Secretary at meetings of the Board of Directors and the Executive Committee and at meetings

of the members. He shall prepare and countersign minutes of meetings and send out notices of meetings, as well as any other notices to be sent to the Directors or members. He shall carry out the mandates entrusted to him by the President or the Board of Directors.

#### **42. Treasurer**

The Treasurer shall have custody of the Corporation's treasury and shall deposit monies in the financial institution chosen by the Board of Directors. He shall permit the Directors to examine the Corporation's books and accounts. He shall provide security for the faithful performance of his duties if such security is required by the Board of Directors who shall establish the amount of the security and the manner in which it is to be given. He shall sign or countersign documents on which his signature is required.

The Treasurer shall render a detailed audit report of the condition of the finances of the Corporation at the regular meeting of the Board of Directors preceding the Annual Meeting of members, and render such other reports audited or otherwise as the Board of Directors may require from time to time.

#### **43. Managing Director or Manager**

The Board of Directors may appoint a Managing Director or manager, who need not be a Director of the Corporation. The Managing Director shall have the necessary authority to administer the affairs of the Corporation and to hire and fire agents and employees of the Corporation, but the Board of Directors may delegate lesser powers to him. He shall comply with all instructions received from the Board of Directors and he shall provide to the Board of Directors or the Directors such information as they may require regarding the affairs of the Corporation.

The Corporation may entrust another legal person with management powers by means of a management agreement.

#### **44. Honorary Directors**

The Board of Directors may, by way of a resolution, appoint as a Honorary Director of the Corporation any person having served the Corporation through his work as a Director.

Honorary Directors shall be entitled to participate in the Corporation's activities and attend meetings of members, but they shall not be entitled to vote thereof. They shall not be eligible to be Directors of the Corporation.

### **G. EXECUTIVE COMMITTEE**

#### **45. Number**

When the Board of Directors consists of more than six Directors, it may elect an Executive Committee composed of at least three members, which members shall continue to be part of the Executive Committee as long as they are Directors, until they are removed or their successors are duly appointed.

#### **46. Election**

The members of the Executive Committee shall be elected annually at the meeting of the Board of Directors which follows immediately after the Annual Meeting of the members of the Corporation. At that time, previously elected members of the Executive Committee shall resign, but they shall be eligible for re-election.

#### **47. Removal**

The Board of Directors shall, at all times, be entitled to remove any of the members of the Executive Committee, with or without reasons therefor.

#### **48. Vacancies**

The Board of Directors may fill vacancies on the Executive Committee.

#### **49. Meetings**

Meetings of the Executive Committee may be held without notice, at such time and place as determined by the President or Vice President who shall have the authority to call meetings of the Executive Committee.

#### **50. Chairman**

Meetings of the Executive Committee shall be presided over by the President of the Corporation or, in his absence, by the Chairman of the meeting chosen by the members present from among themselves.

#### **51. Quorum**

Quorum for meetings of the Executive Committee shall be a majority of its members.

#### **52. Procedure**

The procedure at meetings of the Executive Committee shall be the same as that at meetings of the Board of Directors.

#### **53. Powers**

The Executive Committee shall have the authority and exercise all the powers of the Board of Directors as regards the administration of the affairs of the Corporation, except for the powers which, according to the Act, must be exercised by the Board of Directors and except for the powers which the Board of Directors has expressly reserved for itself. The Executive Committee shall report on its activities at each meeting of the Board of Directors, and the Board may reverse or modify the decisions made by the committee, provided the rights of third parties are not affected thereby.

## **54. Remuneration**

In return for the services rendered by members of the Executive Committee, they shall receive the remuneration determined by resolution of the Board of Directors.

## **H. OTHER COMMITTEES**

### **55. Special Committees**

Special committees are committees created by the Board of Directors, as needed, for specific time periods and specific purposes. These committees, which are Advisory committees having no decision-making powers, shall deal with the objects for which they were created; they shall be subject to supervision by the Board of Directors and shall report thereto upon request. They shall be automatically dissolved upon completion of their mandate.

## **I. INDEMNIFICATION AND EXCULPATION**

### **56. Indemnification and Reimbursement of Expenses**

The Corporation hereby agrees that each Director, Officer or other mandatary has assumed his functions subject to the express condition and in consideration for the Corporation's undertaking to indemnify him for all damages suffered by him and to reimburse to him all reasonable expenses incurred by him as a result of, or with respect to the performance of his duties, the whole in accordance with the following provisions.

### **57. Indemnification**

Every Director, Officer and other mandatary, as well as their heirs and assigns, shall, as needed and at all times, be indemnified and held harmless, using the Corporation's funds, from and against the following:

- (a) all costs, charges and expenses of any kind whatsoever assumed or incurred by such Director, Officer or other mandatary in or with respect to any action, suit or proceeding which is instituted against him or in respect of any act or deed made, done or permitted by him in or for the performance of his duties; and
- (b) all other costs, charges and expenses assumed or incurred by him in or with respect to the affairs of the Corporation, except those resulting from his own negligence or intentional omission.

### **58. Reimbursement of Expenses**

Subject to a contractual agreement further defining or restricting the present undertaking, the Corporation shall reimburse to a Director, Officer or other mandatary the expenses incurred by him which are reasonable and necessary for the performance of his duties, together with interest as of the day on which such expenses were disbursed. Such reimbursement shall be made upon presentation of supporting vouchers, if applicable.

## **J. MEMBERS**

### **59. Classes**

The Corporation shall have two classes of members, namely: active members and Honorary members.

### **60. Active Members**

An active member of the Corporation shall be any natural person who has an interest in the goals and activities of the Corporation and complies with the admission standards established from time to time by resolution of the Board of Directors, and upon whom the Board of Directors has, upon request, conferred the status of active member. Active members shall be entitled to participate in all the Corporation's activities, and receive notices of meetings of the members, attend such meetings and vote thereat. They shall be eligible to be Directors of the Corporation.

### **61. Honorary Members**

The Board of Directors may, by way of resolution, appoint as a Honorary member of the Corporation any person having served the Corporation through his work or donations or having manifested his support of the Corporation's goals.

Honorary members shall be entitled to participate in the Corporation's activities and attend meetings of members, but they shall not be entitled to vote thereat. They shall not be eligible to be Directors of the Corporation.

### **62. Withdrawal**

Any member may withdraw as a member, at any time, by giving notice of such withdrawal to the Secretary of the Corporation.

### **63. Suspension and Striking Off**

The Board of Directors may, by resolution, suspend a member for a period determined by it or strike the member off definitively if the member refuses or fails to comply with the provisions of this By-Law, if the member loses any of the characteristics required to have the status of member, if the member carries out any activity which is prohibited by his By-Law or if the member takes steps or makes statements which are contrary to, or incompatible with the Corporation's goals or are adversely prejudicial to the activities or reputation of the Corporation or its members. The Board of Directors' decision in this regard shall be final and binding.

## **K. MEETINGS OF THE MEMBERS**

### **64. Annual Meeting**

The Annual Meeting of members of the Corporation shall take place each year at the head office of the Corporation or at any other place within the province of Quebec, on the date and at the time that the Board of Director determines, and such meeting shall be held for the following purposes:

- (a) to receive and consider the financial statements made up to a date not more than four months prior to the meeting, and the auditor's report, if any;
- (b) to elect the Directors;
- (c) to appoint an auditor, if applicable;
- (d) to ratify the By-Laws, the resolutions and acts set out by the Board of Directors or Officers since the last Annual Meeting of the members;
- (e) to consider and transact such other business as is duly brought before the meeting.

The Corporation may hold its Annual Meeting of members outside Quebec if its Constituting Act provides therefor or, failing such provision, if all the members entitled to attend the meeting consent thereto.

Any Annual Meeting may also constitute a special general meeting in order to consider and transact such business as may be brought before a special general meeting.

#### **65. Special General Meetings**

A special general meeting of the members may be called at any time by the President or by resolution of the Board of Directors.

Special general meetings of the members shall take place at the head office of the Corporation or at any other place within the province of Quebec determined by the President or by a resolution of the Board of Directors.

The Corporation may hold a special general meeting of members outside Quebec if its Constituting Act provides therefor or, failing such provision, if all the members entitled to attend the meeting consent thereto.

#### **66. Calling of a Special General Meeting at the Request of the Members**

The Board of Directors shall call a special general meeting of the members when it is presented with a written request to do so. The request shall be addressed to the Secretary of the Corporation and shall indicate the nature of the business to be transacted at the meeting; it shall be signed, on the date of the filing of the request, by not less than one-tenth (1/10) of the active members of the Corporation.

It shall be necessary for the matters to be transacted at the meeting to fall within the jurisdiction of the meeting of members. If the meeting is not called and held within twenty-one (21) days following the date upon which the requisition was left at the head office of the Corporation, any active members representing not less than one-tenth (1/10) of the active members of the Corporation, whether they signed the requisition or not, may themselves convene such special general meeting.

#### **67. Notice of Meeting**

The notice of meeting for each Annual Meeting and each special general meeting of the members shall be sent in writing to members entitled thereto, and it shall be sent by messenger,

registered mail or by any other means of communication which includes an acknowledgement of receipt, to the respective address of the members as set forth in the Corporation's books, the notice shall be sent at least five (5) days prior to the date of the meeting.

If the address of a member is not recorded in the Corporation's books, the notice of meeting may be sent to such address as, in the opinion of the sender of the notice, is most likely to result in the notice quickly reaching the said member.

Irregularities in the notice of meeting or in the sending thereof shall not, in any manner whatsoever, affect the proceedings at the meeting.

The notice of meeting shall mention the time and place of the meeting. The notice of meeting for an Annual Meeting may, but need not, specify the purpose of such meeting. However, such notice shall mention, in general terms, any By-Law and any repeal, amendment or reinstatement of any By-Law which is to be ratified at the meeting, as well as any other business which would otherwise be considered and transacted at a special general meeting. The notice of meeting for a special general meeting shall mention, in general terms, all business to be considered and transacted at the meeting.

A notice of meeting shall not be required for an adjourned meeting.

The signature on a notice of meeting may be a manual signature, a stamped, typed or printed signature or a signature which is otherwise mechanically reproduced.

A certificate from the Secretary or other duly authorized Officer of the Corporation shall constitute conclusive evidence that a notice of meeting has been sent and shall be binding upon each member.

#### **68. Waiver**

A meeting of members may be held without prior notice having been given if all the members of the Corporation are present or if they have given their consent, by written notice or other means of communication, to the meeting being held. Attendance by a member at a meeting of the members shall constitute a waiver of the notice of meeting, unless the member attends the meeting for the express purpose of objecting to the transaction of any business at the meeting on the grounds that the meeting was not called regularly.

#### **69. Failure to Send Notice**

The accidental failure to send a notice of meeting to one or more members or the fact that the notice was not received by any given person shall not invalidate any resolution adopted at the said meeting.

#### **70. Incomplete Notice**

The accidental failure to set forth in the notice of meeting any business which is to be considered at the meeting shall not prevent the meeting from considering such business, unless to do so would or might affect the interests of a member.

## **71. Quorum**

The presence of at least two active members of the Corporation shall constitute a quorum for any meeting of the members required to decide upon the choice of a Chairman of the meeting or the adjournment of the meeting; for all other purposes, a quorum at a meeting of the members shall be constituted by the active members in attendance. If quorum is attained at the beginning of the meeting of members, the members present may transact the business of such meeting, notwithstanding the fact that a quorum has not been maintained throughout the duration of the meeting.

## **72. Adjournment**

The Chairman of the meeting may, with the consent of the meeting and when he deems it appropriate, adjourn any meeting of members to a specified date and time. If a meeting of the members is adjourned for less than thirty (30) days, it shall not be necessary to give a notice of the adjournment other than by means of an announcement made at the initial meeting which has been adjourned. If a meeting of members is adjourned one or more times for a total of thirty (30) days or more, a notice of the adjourned meeting shall be given in the same manner as for an initial meeting.

An adjourned meeting may validly be held in accordance with the terms and conditions provided for in the adjournment and if a quorum is maintained. The persons constituting the quorum at the initial meeting shall not be required to constitute the quorum at the adjourned meeting. If there is no quorum at the adjourned meeting, the initial meeting shall be deemed to have terminated immediately after its adjournment. Any business that could have been considered and transacted at the initial meeting may be submitted or transacted at the adjourned meeting.

## **73. Chairman and Secretary of the Meeting**

The President of the Corporation or, in his absence, the vice-President of the Corporation, shall act as Chairman and preside over meetings of members. The Secretary of the Corporation shall act as Secretary of the meetings. If none of the above-mentioned Officers is present within fifteen (15) minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be Chairman of such meeting.

## **74. Procedure**

The Chairman of the meeting of members shall see to the orderly conduct of the meeting and shall handle all procedural issues, and his discretionary powers regarding all matters shall be final and binding upon all members. His powers shall include the right to declare that certain proposals are inadmissible, to stipulate the procedure to be followed, subject to this By-Law, and to remove from the meeting any person not entitled to attend same, as well as any member who causes a disturbance or does not comply with the Chairman's orders.

A declaration made by the Chairman of a meeting stating that a resolution has been adopted, adopted unanimously, adopted by a specific majority, rejected or not adopted by a specific majority shall constitute conclusive evidence thereof.

If the Chairman of the meeting fails to perform his duties faithfully, the members may remove him at any time and replace him with another person chosen from among the members.



## **75. Voting Rights**

Each active member in good standing shall be entitled to one vote at any meeting of the members.

## **76. Majority Decisions**

Subject to a contrary provision in the Act, all matters submitted to a meeting of members shall be decided by a simple majority of the votes validly cast.

## **77. Casting Vote**

In the case of an equality of votes, the Chairman of the meeting shall not have a casting vote.

## **78. Voting by a Show of Hands**

Unless a vote by secret ballot is requested, voting shall be by a show of hands. In such a case, members shall vote by raising their hands, and the number of votes shall be calculated on the basis of the number of raised hands. When the Chairman of the meeting declares that a resolution has been adopted, and an entry to that effect is made in the minutes of the meeting, this shall constitute prima facie evidence of such fact, without the need to prove the number or proportion of votes recorded for or against the said resolution.

## **79. Voting by Secret Ballot**

Upon the request of the Chairman of the meeting or not less than ten percent (10%) of the active members present, the vote shall be taken by secret ballot. A vote by secret ballot may be requested either before or after a vote by a show of hands. Each member shall provide a ballot paper to the scrutineers, on which ballot paper the member shall indicate the manner in which he is exercising his vote.

## **80. Scrutineers**

The Chairman of a meeting of members may appoint one or more persons (who need not be Directors, Officers, employees or members of the Corporation) to act as scrutineers at the meeting. Their functions consist in distributing and gathering ballot papers, compiling the results and communicating them to the Chairman of the meeting.

## **L. FISCAL YEAR, AUDITOR AND ACCOUNTANT**

### **81. Fiscal Year**

The Corporation's fiscal year shall end on the date established by resolution of the Board of Directors.

### **82. Accountant**

Subject to the law, the Board of Directors may decide to appoint one or more accountants, until the next Annual Meeting of members, which accountants shall handle the Corporation's

accounts and prepare its Financial Statements. The Board of Directors shall fix the remuneration of the accountants.

If the accountant dies, resigns or is removed by the Board of Directors prior to the expiry of his mandate, the Board of Directors may fill the vacancy and appoint a replacement accountant who shall remain in office until the expiry of his mandate.

### **83. Auditor**

The members may decide, by way of resolution adopted by a majority of them, to appoint one or more auditors. The auditor shall be appointed at their Annual Meeting. The auditor's remuneration shall be fixed by the members or by the Board of Directors, if such power is delegated to it by the members.

No Director or Officer of the Corporation and no person who is a partner of a Director or Officer of the Corporation may be appointed auditor of the Corporation.

If the auditor dies, resigns, ceases to be qualified or becomes unable to fulfil his duties prior to the expiry of his mandate, the Board of Directors may fill the vacancy and appoint a replacement auditor who shall remain in office until the expiry of his mandate.

## **M. NOTICES**

### **84. Signature of Notices**

The signature of any of the Corporation's Directors or Officers on any notice may be handwritten, stamped, typed or printed in whole or in part.

### **85. Calculation of Deadlines**

When a notice that provides for a fixed number of days or a given period must be given pursuant to a provision of the Constituting Act or By-Laws of the Corporation, the day on which the notice is served or mailed shall, unless otherwise indicated, be counted as part of the number of days or in the period.

## **N. CONTRACTS AND NEGOTIABLE INSTRUMENTS**

### **86. Contracts**

All deeds, contracts or other documents which require the signature of the Corporation shall be signed by any Officer of the Corporation and every contract, document or written deed so signed shall bind the Corporation without further formality or authorization. The Board of Directors may, by resolution passed at any time, authorize other persons to sign on behalf of the Corporation. This authorization may be general or may be restricted to a particular situation.

### **87. Use of Corporate Name**

The Corporation's corporate name shall be set out in legible characters in all negotiable instruments, contracts, invoices and orders for goods or services.

The Board of Directors may, by resolution, decide to identify the Corporation under a name other than its corporate name. In such a case, the Board of Directors shall file a declaration with the Inspector General of Financial Institutions.

#### **88. Cheques and Bills of Exchange**

All cheques, bills of exchange and other instruments, promissory notes or debt instruments issued, accepted or endorsed in the name of the Corporation shall be signed by such Directors, Officers or representatives of the Corporation as the Board of Directors may designate by resolution and in the manner determined by the Board of Directors.

#### **89. Deposits**

The Corporation's monies shall be deposited to the credit of the Corporation in such financial institution or institutions as the Board of Directors may designate by resolution.

### **O. OTHER PROVISIONS**

#### **90. Declaration in the Register**

The declarations which are to be filed with the Enterprise Registrar of Quebec pursuant to an *Act respecting the legal publicity of sole proprietorships, partnerships and legal persons* shall be signed by the President, any Director of the Corporation or any other person authorized for such purpose.

#### **91. Employees**

The Board of Directors may appoint such mandataries and employees as it deems necessary and determine their duties and fix their remuneration. These persons shall be subject to the control of the Board of Directors, but such control may be delegated to a Director, Officer, Managing Director or manager.

#### **92. Seizures by Garnishment**

The President, a Vice President, the Secretary or the Treasurer, shall be authorized to answer on behalf of the Corporation to all writs of seizure before or after judgment and to all interrogatories upon articulated facts which may be served upon the Corporation, and they shall be authorized to sign affidavits which are necessary with respect to proceedings instituted against the Corporation, to pursue or file petitions in bankruptcy by and against any debtor of the Corporation and to attend and vote at meetings of creditors and to grant powers of attorney relating thereto.

#### **93. Conflict with the Constituting Act**

In case of conflict between the provisions of the By-Laws and those of the Constituting Act, the latter shall prevail.

#### **94. Amendments**

The Board of Directors shall have the power to repeal or amend any By-Law of the Corporation, but such repeal or amendment shall be in effect only until the next Annual Meeting of members

unless, in the interim, it is ratified at a special general meeting of members called for that purpose. If the repeal or amendment is not ratified by a simple majority of the votes cast by members at the Annual Meeting, it shall cease to have effect, but only as of that day.

*Adopted by written resolutions of the Board of Directors signed by all the Directors on May 12, 2010 and ratified at a special general meeting of members called for that purpose and held on May 12, 2010, in accordance with the Companies Act (Québec).*

## **By-Law No. Two**

being a By-Law relating generally to the transaction of the business and affairs of **FONDATION QUEBEC- LABRADOR DU CANADA/QUEBEC-LABRADOR FOUNDATION (CANADA)** (the “**Corporation**”).

1. In addition to the powers conferred by the Constituting Act and without limiting the scope of the powers conferred upon the Directors pursuant to sections 224 and 77 of the Companies Act (Quebec) R.S.Q., c. C 38, the Directors may effect the following when they deem it expedient and without being required to obtain the authorization of the members:
  - (a) [Borrowing] Borrow money upon the credit of the Corporation;
  - (b) [Securities] Issue debentures or other securities of the Corporation, and pledge or sell the same for such sums and at such prices as may be deemed expedient;
  - (c) [Hypothecation] Hypothecate the property or otherwise encumber the movable property of the Corporation; and
  - (d) [Delegation of powers] Delegate one or more of the aforementioned powers to one or more Directors or Officers of the Corporation, to an Executive Committee or to a committee of the Board of Directors of the Corporation. The powers so delegated may be amended by means of a By-Law.
2. None of the provisions of this By-Law shall limit or restrict the borrowing powers of the Corporation by means of any bill of exchange or promissory note made, drawn, accepted or endorsed by or in favour of the Corporation.

# **BOARD COMMITTEE CHARTERS**

## **QUEBEC-LABRADOR FOUNDATION, INC.**

**Title: Directors of the Quebec-Labrador Foundation, Inc., (U.S.)**

**Directors of the Quebec-Labrador Foundation, Inc., Canada**

The Quebec-Labrador Foundation, Inc. (QLF) is a New York State Not-for-Profit Corporation and a Registered Charity in Canada.

The fundamental role of a Director is to use his or her talents and resources to further the interests of QLF in a substantial way. We seek a diverse Board who, individually, play widely different roles, yet collectively have major impact on QLF's programs, administration, operations, management systems, policies, public image, and fundraising. Each Director is expected to seek out roles through which he or she, with the help of the QLF staff, can best make a contribution to the organization's success.

Specific Board responsibilities are carried out through the committee structure and through individual initiative in order to effectively promote the Mission of QLF and oversee the principals for good governance and ethical practice. The Board has organized itself into the following committees:

**Executive Committee (U.S.)**

Responsible for coordinating the efforts of committees and reports to the Board of Directors, (U.S.) and the Board of Directors, (Canada).

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**Audit Committee**

Responsible for overseeing the organization's submission of complete, current, and accurate financial records.

**Committee on Directors and Governance**

Responsible for the recruitment, education, and evaluation of Board members; and reviewing and proposing appropriate good governance and ethical practices.

**Committee on Finance and Administration**

Responsible for overseeing and submitting for Board approval, annual financial budgets and monitoring the organization's progress in meeting those budgets.

### **Committee on Mission and Programs**

Responsible for reviewing and evaluating QLF program groupings no less frequently than every five years to ensure they advance QLF's Mission and make prudent use of its resources.

### **Development Committee**

Responsible for assisting and guiding Development staff on fundraising efforts to include gifts representing individual donors, foundation grants, corporate philanthropy, endowed funds, and Planned Giving. Such gifts may be restricted or non-restricted, and are to be allocated for programs, operations, and the endowment.

### **Executive Compensation Committee**

Responsible for the annual CEO evaluation and setting of the CEO's compensation.

### **Investment Committee**

Responsible for overseeing the management of QLF's endowment.

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**Ad Hoc Committees** as deemed appropriate by the Board of Directors.

**POLICIES FOR COMPLIANCE**  
**QUEBEC-LABRADOR FOUNDATION, INC.**

**Conflict of Interest Policy**

**Whistleblower Policy**

**Document Retention and Destruction Policy**

**Compensation Setting Policy**

**Joint Venture Policy**



**QUEBEC-LABRADOR FOUNDATION, INC.**  
**CONFLICT OF INTEREST POLICY**  
As Amended 27 April 2016

I. Definitions

The terms below shall be defined as follows for purposes of this policy:

**Concern:** Any corporation, association, trust, partnership, limited liability group, firm, person or entity other than Quebec-Labrador Foundation, Inc. (the "Organization").

**Conflict of Interest:** A transaction that would result in an undue or unfair advantage to a director, officer or Key Employee of the Organization at the expense of the Organization.

**Interest:** Any personal connection or connection as a director, officer, member, stockholder, shareholder, partner, manager, trustee, beneficiary, employee or consultant of any Concern on the part of a director, officer or Key Employee of the Organization or his/her Relative.

**Key Employee:** Those who exercise "substantial influence" over the affairs of the Organization, regardless of title.

**Related Party:** Any director, officer or Key Employee of the Organization; Relatives of such individuals; any corporation in which a director, officer, Key Employee or their Relative has a 35% or greater ownership interest; or any partnership or professional corporation in which a director, officer, Key Employee or their Relative has a 5% or greater interest.

**Related Party Transaction:** Any transaction, agreement or other arrangement in which a Related Party has an Interest or financial interest, and in which the Organization or any affiliate (an entity controlled by, in control of, or under common control with the Organization) is a participant.

**Relative:** Spouses, domestic partners, ancestors, siblings, children, grandchildren, great grandchildren, and spouses of siblings, children, grandchildren and great grandchildren.

II. Policy

The Organization shall not enter into any Related Party Transaction unless it is determined by the Board of Directors to be fair, reasonable, and in the Organization's best interest.

No Related Party shall be automatically disqualified from holding any office or post in the Organization by reason of any Interest in any Concern.

A Related Party shall not be disqualified from engaging, either as vendor, purchaser or otherwise, or contracting or entering into any Related Party Transaction with the Organization, provided that the following precautions are undertaken to avoid a Conflict of Interest:

1. The director, officer or Key Employee shall disclose in good faith to the Board of Directors the material facts concerning his/her Interest in the proposed Related Party Transaction.
2. No Related Party may vote on any transaction in which he/she has an Interest, attempt to improperly influence the Board vote on the transaction, or be counted in determining the existence of a quorum at the meeting of the Board of Directors at which

such transaction is voted upon, provided however, that the Board may request that a the Related Party present information concerning the transaction prior to commencement of deliberations or voting.

3. The disinterested directors shall seek and examine comparison data, showing the availability and price of alternative transactions, in determining whether the proposed transaction is in the best interest of the Organization.
4. Any transaction in which a Related Party has an Interest shall be duly approved as being in the best interest of the Organization, by not less than a majority vote of the disinterested directors present at the meeting.
5. The cost to the Organization of the Related Party Transaction shall be reasonable and shall not exceed fair market value.
6. The Board shall contemporaneously document in writing the basis for approval of the Related Party Transaction.
7. The minutes of the meeting at which the disinterested directors vote on the Related Party Transaction shall reflect that disclosure of the potential conflict was made, that the interested director(s) abstained from voting, the rationale for approval, and how each disinterested director voted. The minutes shall be finalized within 30 days of such meeting.

Directors, officers and Key Employees are required to disclose interests that could give rise to conflicts at least annually. Annual Disclosure forms will be distributed and collected by the Board for this purpose at the start of each tax year.

**QUEBEC-LABRADOR FOUNDATION, INC.**  
**WHISTLEBLOWER POLICY**  
As Amended 27 April 2016

I. Expectation and Commitment

Quebec-Labrador Foundation, Inc. (the “Organization”) expects directors, officers, employees and volunteers to observe high ethical standards in carrying out their responsibilities and to comply with all applicable laws and regulations. No director, officer, employee or volunteer who in good faith reports any action or suspected action taken by or within the Organization that is illegal, fraudulent or in violation of any adopted policy of the Organization shall suffer intimidation, harassment, discrimination or other retaliation or, in the case of an employee, adverse employment consequences.

II. Open Door Policy

If any director, officer, employee or volunteer has complaints, concerns, or questions as to the ethics or legality of a particular action taken by another director, officer or employee, he/she is encouraged to raise such complaints, concerns or questions with the relevant individual. With respect to directors, the relevant individual is the Chair of the board of directors, the Chair of the Committee on Directors and Governance, or any other director. With respect to officers, employees and volunteers, the relevant individual is the President, if there is one in office, and if not, the Chair of the Committee on Directors and Governance, or any member of the board. In the event the director, officer, employee or volunteer believes there may have been a legal transgression, and that it is not reasonable to raise the issue with a board member or the President, he/she should contact an outside attorney.

Anyone filing a complaint concerning a violation or suspected violation of a law, regulation or ethical requirement must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Individuals making baseless or malicious accusations will be disciplined up to and including termination.

III. Requirement of Investigation

Within a reasonable time of receiving a complaint, concern or question regarding compliance with a law, regulation or ethics requirement, the President and/or board member shall open an investigation into the matter and pursue it to resolution. Should the President or board member find that a law, regulation or ethics requirement has been violated, appropriate action should be taken.

IV. Confidentiality

To the degree possible, the names of the individuals reporting under this Whistleblower Policy shall be kept confidential.

V. Protection from Retaliatory Action

Neither the Organization nor its managers may take any negative employment or other retaliatory action against any director, officer, employee or volunteer who in good faith reports a violation of a law or regulatory requirement. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline including, but not limited to, termination of employment.

## VI. General Policy

This shall be distributed annually to all directors, officers, employees and volunteers of the Organization. It is not a contract and it may be rescinded or amended at any time by the Organization. It is not intended to and does not create any legally enforceable rights whatsoever for any employee.

## DOCUMENT RETENTION AND DESTRUCTION POLICY

Quebec-Labrador Foundation, Inc. (the “Organization”) takes seriously its obligations to preserve information relating to litigation, audits, and investigations. The information listed in the retention schedule below is intended as a guideline and may not contain all the records the Organization may be required to keep in the future. Questions regarding the retention of documents not listed in this chart should be directed to the President.

From time to time, the President may issue a notice suspending the destruction of records due to pending, threatened, or otherwise reasonably foreseeable litigation, audits, government investigations, or similar proceedings. No records specified in such notice may be destroyed, even if the scheduled destruction date has passed, until further instruction is provided in writing by the President.

FILE CATEGORY	ITEM	RETENTION PERIOD
<b>Corporate Records</b>	By-Laws and Articles of Incorporation	Permanent
	Corporate Resolutions	Permanent
<b>Minutes</b>	Board and committee meeting agendas and minutes	Permanent
	Conflict-of-Interest disclosure forms	4 years
<b>Finance and Administration</b>	Financial Statements (audited)	7 years
	Auditor management letters	7 years
	Payroll records	7 years
	Check register and checks	7 years
	Bank deposits and statements	7 years
	Chart of accounts	7 years
	General ledgers and journals (includes bank reconciliations)	7 years
	Investment performance reports	7 years
	Equipment files and maintenance records	7 years after disposition
	Contracts and agreements	7 years after all obligations end
	Correspondence — general	3 years
<b>Insurance Records</b>	Policies — occurrence type	Permanent
	Policies — claims-made type	Permanent
	Accident reports	7 years
	Safety (OSHA) reports	7 years
	Claims (after settlement)	7 years
	Group disability records	7 years after end of benefits
<b>Real Estate</b>	Deeds	Permanent
	Leases (expired)	7 years after all obligations end
	Mortgages, security agreements	7 years after all obligations end
<b>Tax</b>	IRS Exemption Determination and related correspondence	Permanent
	IRS Form 990s	7 years
	Charitable Organizations Registration Statements (filed with State Attorney General)	7 years
	Other fundraising related documents	7 years

FILE CATEGORY	ITEM	RETENTION PERIOD
Human Resources	Employee personnel files	Permanent
	Retirement plan benefits (plan descriptions, plan documents)	Permanent
	Employee handbooks	Permanent
	Workers comp claims (after settlement)	7 years
	Employee orientation and training materials	7 years after use ends
	Employment applications	3 years
	IRS Form I-9 (store separate from personnel file)	Greater of 1 year after end of service, or three years
	Withholding tax statements	7 years
	Timecards	3 years
Technology	Software licenses and support agreements	7 years after all obligations end

## Electronic Documents and Records

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files that fall into one of the document types on the above schedule will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an e-mail message, the message should be printed in hard copy and kept in the appropriate file or moved to an “archive” computer file folder. Backup and recovery methods should be tested on a regular basis.

## Emergency Planning

The Organization’s records should be stored in a safe, secure, and accessible manner. Documents and financial files that are essential to keeping the Organization operating in an emergency should be duplicated or backed up at least weekly and maintained off-site.

## Document Destruction

Documents should be eliminated at the end of the relevant retention period. Destruction of financial and personnel-related documents should be accomplished by shredding.

Document destruction with respect to relevant documents will be suspended immediately, upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation.

## Compliance

Failure on the part of employees to follow this policy can result in possible sanctions against the Organization and its employees, and possible disciplinary action against responsible individuals. The President will periodically review these procedures with legal counsel or the Organization’s certified public accountant to ensure that they are in compliance with new or revised regulations.

**QUEBEC-LABRADOR FOUNDATION, INC.**  
**EXECUTIVE COMPENSATION SETTING POLICY**  
As Amended 27 April 2016

I. Introduction

This policy codifies the procedures by which the board of directors of Quebec-Labrador Foundation, Inc. (the “Organization”) sets the compensation of the corporation’s president (“executive compensation”). These procedures are designed to comply with the requirements of the New York Not-For-Profit-Corporation Law, and the “safe harbor” guidelines set forth in the federal tax regulations on intermediate sanctions to create a rebuttable presumption of reasonableness in compensation levels.

II. Policy

The board of directors shall oversee and vote upon the setting of reasonable executive compensation for the corporation’s president. For this purpose, it has delegated to the Executive Committee the detailed review and assessment of such compensation on a regular basis, on the basis of which the Executive Committee will provide a recommendation to the board.

In order to be approved as reasonable, compensation must be an amount that would ordinarily be paid for comparable work by similarly situated organizations under like circumstances. In general, a similarly situated organization is one that (1) is established as a 501(c)(3) nonprofit corporation, (2) is headquartered in a similar locale or area, (3) has an annual budget of a similar size, and (4) has a staff of a similar size. Other factors may be taken into account, such as the particular education, experience and skill of the compensated individual, and the demands of binational governance and multi-national operations.

III. Guidelines

Executive compensation determinations made by the directors will be made in accordance with the following guidelines:

In setting and determining the reasonableness of executive compensation, the board shall obtain and rely upon compensation information for comparable work by similarly situated organizations under like circumstances, as defined in Section II above.

No person who may benefit from a compensation arrangement may be present at or otherwise participate in any Board deliberation or vote concerning that person’s compensation, except that the Board may request that the person present information as background or answer questions at a Board meeting prior to the commencement of deliberations or voting.

Board members involved in setting and approving executive compensation, as well as any third parties providing professional advice to the board members in connection with setting and approving executive compensation shall have no conflicts of interest as to the executive whose compensation is being reviewed.

Board members shall have no conflict of interest for these purposes if they (i) will not economically benefit from the compensation arrangement, (ii) are not family members of a person who will economically benefit, (iii) have no material financial interest affected by the

compensation arrangement, and (iv) are not family members of a person who has a material financial interest affected by the compensation arrangement.

Timely and accurate minutes of all final actions by the board regarding the setting and approval of executive compensation will be recorded and held with board records. Such minutes will include (1) the terms of the approved compensation arrangement and the date approved, (2) a list of the board members present during discussion, showing those who approved the arrangement, those who rejected it and those who recused themselves due to conflicts of interest, (3) the comparability data relied upon and how such data was obtained, and (4) the rationale for determining that the arrangement was reasonable if it exceeded the range of the comparability data.



## JOINT VENTURE POLICY

Quebec-Labrador Foundation, Inc. (the “Organization”) may, from time to time, wish to invest in, contribute assets to, or otherwise participate in a joint venture or similar arrangement with one or more taxable entities. No such action shall be taken except in accordance with the procedures in this Joint Venture Policy. The procedures in this Joint Venture Policy need not be followed with respect to any venture entered into by the Organization solely for the production of income or appreciation of property, and from which 95% or more of the income will be passive income under Section 512(b)(1-5) of the Internal Revenue Code.

### PROCEDURES

Before entering a joint venture or similar arrangement with one or more taxable entities, the Board of Directors of the Organization will take the following steps:

1. The Board will empower a Board member, group of Board members or an outside professional to negotiate on its behalf with other participants in the venture to ensure that all contracts entered into are arm’s length or more favorable to the Organization, and that the Organization’s exempt status is protected.
2. The Organization will only enter joint venture or similar arrangement with one or more taxable entities designed to further the tax-exempt mission of the Organization.
3. The Organization will not enter any joint venture or similar arrangement with one or more taxable entities unless it retains at least 51% of the voting power or control over decisions regarding the direction and operation of the venture or arrangement.
4. The Organization will not enter any joint venture or similar arrangement with one or more taxable entities that would result in improper political intervention or a substantial amount of lobbying by the Organization.
5. The Board will review any and all agreements or legal documents establishing and outlining the terms of the venture or arrangement for compliance with the foregoing requirements.