



Nova Scotia

CERTIFICATE OF INCORPORATION
Companies Act

Registry Number

3083407

Name of Company

DESTINATION CAPE BRETON ASSOCIATION INC.

I hereby certify that the above-mentioned company was incorporated this date under the Companies Act and that the liability of the members is limited to a guaranteed amount.

Registrar of Joint Stock Companies

November 5, 2003

Date of Incorporation

**AMENDED ARTICLES OF ASSOCIATION
OF
DESTINATION CAPE BRETON ASSOCIATION INC.**

ARTICLE 1: NAME, PURPOSE AND DEFINITION

- 1.01 The name of the Company is Destination Cape Breton Association Inc.
- 1.02 The purposes, objects and powers of the Company are as set out in the Memorandum of Association of the Company.
- 1.03 In these Articles of Association and all resolutions and policies of the Company, unless otherwise defined, the terms noted below shall have the following meaning:
- (a) “*Act*” means the *Companies Act*, R.S.N.S. 1989, c.81, as amended from time to time and all statutes that may be substituted therefore and, in the case of such substitution, any references in the these Articles of Association to provisions of the Act shall be read as references to the substituted provisions therefore in the new statute or statutes;
 - (b) “*Board*” or “*Board of Directors*” means the Board of Directors of the Company;
 - (c) “*CEO*” means the Chief Executive Officer of the Company;
 - (d) “*Chair*” or “*Chairperson*” means the Chair of the Board of Directors;
 - (e) “*Committee*” means a Committee established by the Board of Directors to assist the Board in fulfilling its responsibilities;
 - (f) “*Community*” means the Counties located on Cape Breton Island;
 - (g) “*Company*” means Destination Cape Breton Association Inc.;
 - (h) “*Conflict of Interest*” means any situation, real or perceived, in which:
 - (i) a Director or Officer’s Personal Interest is incompatible or may reasonably be perceived to influence the exercise of his or her duties and responsibilities as a Director or Officer; or
 - (ii) the involvement of a Director or Officer in another organization is incompatible with or may reasonably be perceived to influence the exercise of his or her duties as a Director or Officer;

- (i) “**Director**” means an individual Member that has been elected or appointed to the Board of Directors in accordance with Article 3 herein;
- (j) “**Management**” means the CEO and senior management staff of the Company;
- (k) “**Member**” means an individual or such other legal entity that has acquired membership in the Company in accordance with Article 3 herein;
- (l) “**Non-Voting Member**” means an individual or such other legal entity that may from time to time acquire membership in the Company in accordance with Article 3.02 herein;
- (m) “**Officer**” means an individual Member that has been elected or appointed to an office of the Company, including but not limited to the offices of Chairperson, Vice-Chairperson, Secretary and Treasurer; and
- (n) “**Personal Interest**” means a personal monetary or economic interest (gain or avoidance of loss) and includes non-economic interests or benefits that may serve political, corporate or institutional interest of an individual or another organization in which an individual has an interest.

1.04 In these Articles of Association and all resolutions and policies of the Company unless the context otherwise requires:

- (a) all terms herein and which are defined in the Act shall have the meanings given to such terms in the Act; and
- (b) words importing the singular number or the masculine gender shall include the plural number or the feminine gender, as the case may be, and vice versa, and references to persons shall include firms and corporations.

ARTICLE 2: POWERS

2.01 Subject to the Memorandum of Association of the Company, the powers of the Company are as set out in the Act.

2.02 In addition to the powers set out in Article 2.01, the Company shall have the power to:

- (a) fix and determine the basis and terms of Membership in the Company;
- (b) carry out financing and other agreements necessary to achieve its objects either alone or jointly with others; and

- (c) guarantee and act as an endorser on loans and obligations arranged by or on behalf of individuals or groups.

ARTICLE 3: MEMBERSHIP

- 3.01 Subject to the right of the Company to extend its membership and to provide for the terms of such extension, the Members of the Company shall be as follows:
 - (a) the signatories to the Company's Memorandum of Association; and
 - (b) such additional Members of the Company who may be admitted to membership in the Company with the approval of the Board of Directors of the Company.
- 3.02 The Company shall have the right to establish, from time to time as the case may be, a non-voting membership class comprised on individuals or entities with an interest in the purposes and objects of the Company. The Company shall have the right to limit the membership in such a non-voting membership class to specific time periods and such membership may be transitory in nature.
- 3.03 Members of the Company (other than the signatories to the Memorandum of Association), shall, as a condition of membership, sign and file with the Company a copy of the Company's Memorandum of Association as confirmation of an undertaking to contribute to the assets of the Company, subject to any limitations expressed in said Memorandum of Association, as it exists from time to time.
- 3.04 Membership in the Company is limited to twenty (20) Members.
- 3.05 The acts and votes of the Members of the Company shall be deemed to be legal and valid notwithstanding any default in the appointment of Members of the Company at the time of such acts or votes, and the act and vote of a majority of those present and voting at any duly convened meeting of the Members shall be deemed to be the act and vote of the Company.
- 3.06 Subject to Articles 3.07 and 3.08, a Member shall continue to maintain membership in the Company unless otherwise removed by a vote of $\frac{3}{4}$ of the Members present in person or by proxy at a duly constituted meeting of the Members of the Company for which notice of the proposed removal of the Member has been provided.
- 3.07 A Member shall cease to be a Member of the Company upon:
 - (a) the death of the Member;
 - (b) the Member being adjudged by two certified medical Physicians as being incapable of managing his/her affairs;

- (c) the Member providing written notice of his/her resignation from the membership to the Secretary or the Secretary's designate;
- (d) in the case of a Member that is a corporate entity or such other organizational entity, upon the entity becoming insolvent or being assigned into bankruptcy or being wound up;
- (e) the member, without appropriate justification, ceases to attend board meetings for a period of six (6) months; and
- (f) with the approval of the Board of Directors, if the Member fails to pay any fee levied by the Company on the Member.

3.08 Any person who has ceased to be a Member of the company pursuant to Article 3.07 (b) or (c) herein may be readmitted as a Member in accordance with the provisions of Article 3.

ARTICLE 4: MEETINGS OF THE MEMBERS

- 4.01 There shall be an Annual Meeting of the Members held at such place and at such time as deemed expedient by the Members and which may be held simultaneously with a Directors' Meeting. Notice of the Annual Meeting of the Members shall be given by mail, telephone, fax, e-mail or in person at least two (2) weeks prior to such meeting.
- 4.02 General Meetings of the Members may be held at the discretion of the Board of Directors. Such Meetings shall be held at such time and place, and shall take such form as is deemed expedient by the Board of Directors and may be held simultaneously with Directors' Meetings. Notice of General Meetings of the Members shall be given by mail, telephone, fax, email or in person at least two (2) weeks prior to such meeting.
- 4.03 Emergency Meetings of the Members may be called at such time and place as is deemed in the best interests of the Company. Such meetings shall be held when requested by:
- (a) 1/3 (one-third) or more Members in writing, delivered to an Officer of the Company;
 - (b) the Board of Directors; or
 - (c) the Chairperson.

Notice of any Emergency Meetings of the Members will be deemed sufficient if notice is given by telephone, fax, e-mail or in person to the Members or by message left with some responsible person at the respective homes of the Members at least two (2) days prior to such meeting.

- 4.04 Voting at any meeting of the Members shall be voiced "Aye" or "Nay" or by show of hands or by standing vote, unless a secret vote by ballot is requested by motion, seconded and carried by a majority of the Members present. A motion of request for secret ballot may not be ruled out of order by reason of there being a prior motion on the floor.
- 4.05 Subject to Article 8.01 herein, each Member, shall be entitled to one (1) vote and no more on any motion, with the exception of a Member designated as ex-officio by the Board of Directors.
- 4.06 Subject to Article 8.01 herein, a quorum of any Meeting of the Members (whether Annual, General or Emergency) shall be fifty-one percent (51%) of the Members actually present or by proxy with no person entitled to be counted as more than one (1) vote. Any Member present at a Meeting by proxy shall have filed with the Secretary or his or her designate at any time prior to the Meeting a proxy form, substantially similar to the one set out in Appendix "A" hereto, bearing the signature (or certifies the consent to the Secretary's satisfaction) of the Member who wished to be present at the Meeting by way of proxy. The proxy form may not be given to anyone other than another Member of the Company. The proxy form may be presented to the Secretary or his or her designate either by mail, fax, e-mail or in person at any time prior to the Meeting for which the proxy applies. The Secretary or his or her designate shall duly note such fact in the Minutes of the Meeting and the proxy form or a copy of the proxy form shall be filed with the Minutes of such Meeting. In the event a Member is absent from a meeting and has not provided for a proxy, the Chairperson may appoint an alternate to act in his or her place.
- 4.07 At the Annual Meeting of the Members, the order of business shall be as follows:
- (a) Call to Order;
 - (b) Record of Attendance;
 - (c) Approval of Minutes of preceding Annual Meeting of the Members;
 - (d) Business Arising from the Minutes
 - (e) Adoption of Annual Report;
 - (f) Adoption of Treasurer's Report and appointment of Auditors;
 - (g) Receiving report of the Nominating Committee of the Board of Directors;
 - (h) Election of individuals to the Board of Directors;
 - (i) New Business; and
 - (j) Adjournment
- 4.08 Subject to such modification as may be required by law and/or pursuant to these Articles, Meetings of the Members shall be conducted in accordance with the

most recent edition of “Robert’s Rules of Order”, as it may exist from time to time.

- 4.09 For greater certainty, any Meeting of the Members may be held simultaneously with a meeting of the Directors.

ARTICLE 5: BOARD OF DIRECTORS

- 5.01 The governance of the Company, the direction of its affairs and the control of its property shall be vested in the Board of Directors. The Directors shall be responsible to establish the policies and perspective of the Company, including but not limited to major policy issues, financial issues and the hiring of the CEO. While the Executive Committee is responsible for formulating strategic plans and policy recommendations for the Company, the Directors shall have final approval and oversight over said plans and all major business and policy decisions of the Company.
- 5.02 The Board of Directors shall be responsible for general oversight of the Company’s business, including but not limited to:
- (a) approving major business decisions;
 - (b) providing strategic leadership and stewardship;
 - (c) monitoring and measuring corporate performance and evaluating results;
 - (d) reviewing and approving financial objectives, financial statements and overseeing compliance with applicable audit, accounting and reporting requirements;
 - (e) monitoring the CEO’s implementation of the proposed strategic plan, policies and other Management decisions;
 - (f) ensuring adequate risk management systems and controls;
 - (g) ensuring compliance with applicable regulatory, corporate, securities or other legal requirements;
 - (h) overseeing the Company’s communications and public disclosure; and
 - (i) supervising the Company’s succession planning processes, including the selection, appointment, development, evaluation and compensation of the CEO.
- 5.03 The Board of Directors shall define the limits on the CEO’s power and authority. The Board may delegate to the CEO certain of its powers and responsibilities to manage the business of the Company.
- 5.04 The Board of Directors shall establish Committees in accordance with these Articles to assist the Board in fulfilling its responsibilities. The Board of Directors

may delegate powers to a Committee to assist the Board in fulfilling its responsibilities.

- 5.05 The Board of Directors may delegate powers to an Officer to assist the Board in fulfilling its responsibilities.
- 5.06 Any powers and responsibilities of the Board of Directors that are not expressly delegated to the CEO, an Officer, or a Committee shall remain the powers and responsibilities of the Board of Directors.
- 5.07
- (a) The Board of Directors shall consist of no less than six (6) and no more than twenty (20) Members. For greater certainty, Directors must be Members.
 - (b) Subject to Article 5.07(c) and Article 5.10 herein, Directors shall be elected by a majority vote of the Members at the Annual Meeting of the Members.
 - (c) A Director shall hold office for a term of three (3) years. Subject to Article 5.09 herein, a Director is eligible to serve three (3) consecutive terms.
- 5.08 Subject to such other requirements prescribed pursuant to these Articles, if a Director has held office for a period of nine (9) consecutive years, he or she will not be eligible to be a Director for a period of at least one (1) year from the date on which he or she attained nine (9) consecutive years as Director.
- 5.09 Notwithstanding a term appointment of a Director, the Members shall have the right to remove a Director by a majority vote of not less than three fourths (3/4) of those present in person or by proxy at any meeting of the Members duly convened and held and for which notice of the proposed removal has been provided.
- 5.10 Should a vacancy occur on the Board of Directors during the Company's business year, the then remaining Directors shall have the right to appoint an individual to fill such vacancy until the next Annual Meeting of the Members. The Directors shall consider the advice of the Nominating Committee in determining who to appoint to fill any vacancy on the Board of Directors.
- 5.11 Service on the Board of Directors is voluntary. No Director shall be paid any salary or remuneration for the execution of his or her duties other than remuneration for such out-of pocket expenses as are provided for in the Travel Expense Policy of the Board of Directors, as such policy may exist from time to time.
- 5.12 Immediately upon being elected or appointed, a Director shall make himself or herself aware of the Company's policies, including but not limited to policies as they may exist from time to time concerning:
- (a) Board Member Remuneration;

- (b) Conduct of Business between Board Meetings;
- (c) Conflicts of Interest;
- (d) Travel Expenses;
- (e) Procurement;
- (f) Communication;
- (g) Directors' Code of Conduct;
- (h) Directors' Code of Confidentiality;
- (i) Directors' Meetings;
- (j) Directors' Meeting Agendas;
- (k) Directors' Meeting Attendance; and
- (l) Directors' Nomination.

Directors shall, as confirmation they have read and understood the Directors' Code of Conduct Policy and the Directors' Code of Confidentiality Policy and as confirmation that they are agreeing to abide thereby in their service to the Company, sign a copy of the Directors' Code of Conduct Policy and the Directors' Code of Confidentiality Policy, as such policies may exist from time to time.

ARTICLE 6: MEETINGS OF THE BOARD OF DIRECTORS

- 6.01 The Board of Directors shall meet no less than four (4) times during the Company's business year at such times and places as the Board deems expedient. Directors' Meetings shall be held in accordance with the Directors' Meeting Policy, as such policy may exist from time to time and may be held simultaneously with Meetings of the Members. Directors' Meetings may be held by telephone conference call and Directors may be present at any Directors' Meeting by telephone speaker or such similar device, so long as the Director attending said Meeting by way of speaker phone or such similar device is able to hear and participate in the meeting. Directors may also be present at meetings by proxy.
- 6.02 Notice of Directors' Meetings shall be given by mail, telephone, fax, email or in person at least two (2) weeks prior to a meeting, with the exception of an emergency Directors' Meeting for which two (2) days notice be given. Each Director shall receive a board package with respect to the items to be discussed at the next upcoming Directors' Meeting at least one (1) week prior to such meeting, with the exception of emergency meetings.
- 6.03 Quorum of the Board of Directors shall consist of no less than fifty-one (51%) of

the then existing total number of Directors (actually present or by proxy) at any Directors' meeting duly convened and held. Any Director present at a Directors' Meeting by proxy shall have filed with the Secretary or his or her designate at any time prior to the Directors' Meeting a proxy form, substantially similar to the one set out in Appendix "B" hereto, bearing the signature (or certifies the consent to the Secretary's satisfaction) of the Director who wishes to be present at the Directors' Meeting by way of proxy. The proxy shall not be given to anyone other than another Director. The proxy form may be presented to the Secretary or his or her designate by mail, fax, e-mail or in person at any time prior to the Directors' Meeting for which the proxy applies. The Secretary or his or her designate shall duly note such fact in the Minutes of the Directors' Meeting and the proxy form or a copy of the proxy form shall be filed with the Minutes of such Directors' Meeting. In the event a Director is absent from a Directors' meeting and has not provided for a proxy, the Chairperson may appoint an alternate to act in his or her place.

- 6.05 Subject to such modification as may be required by law and/or pursuant to these Articles, Directors' meetings shall be conducted in accordance with the most recent edition of "Robert's Rules of Order", as it may exist from time to time.

ARTICLE 7: OFFICERS

- 7.01 The Officers of the Company shall include a Chairperson, Vice-Chairperson, Secretary, Treasurer and such other Officers as the Directors may from time to time appoint.
- 7.02 Officers shall be elected from amongst and by the Board of Directors.
- 7.03 Where a vacancy exists in any office during the Company's business year, such vacancy shall be filled at the next Directors' meeting. The Director elected to fill the vacancy shall hold office on an interim basis for the remainder of the vacating Officer's term.
- 7.04 Subject to Article 7.03, an Officer shall hold office for three (3) years from the date of his or her election, provided such person continues to be a Director. Officers are eligible to serve three (3) consecutive 3-year terms.
- 7.05 No Officer shall be paid any salary or remuneration for the execution of his or her duties other than remuneration for such out-of-pocket expenses as are provided for in the Travel Expense Policy of the Board of Directors, as such policy may exist from time to time.
- 7.06 Notwithstanding anything to the contrary contained herein, with the consent of the Board of Directors, the offices of Secretary and Treasurer may be combined into the one office of Secretary-Treasurer.

ARTICLE 8: DUTIES OF THE CHAIRPERSON AND VICE-CHAIRPERSON

- 8.01 The Chairperson shall preside at meetings of the Members, Directors and the Executive Committee and shall have an extra or deciding vote when votes are evenly divided at any such meeting.
- 8.02 The Chairperson is responsible to ensure the effective functioning of the Board of Directors. Without limiting the generality of the foregoing and unless otherwise stated therein, the Chairperson shall oversee the implementation of policies dealing with the conduct of the Board of Directors, including but not limited to policies existing from time to time concerning:
- (a) Board Member Remuneration;
 - (b) Conduct of Business between Board Meetings;
 - (c) Conflicts of Interest;
 - (d) Travel Expenses;
 - (e) Procurement;
 - (f) Communication;
 - (g) Directors' Code of Conduct;
 - (h) Directors' Code of Confidentiality;
 - (i) Directors' Meetings;
 - (j) Directors' Meeting Agendas;
 - (k) Directors' Meeting Attendance; and
 - (l) Directors' Nomination.
- 8.03 The Chairperson and/or the CEO shall act as spokesperson(s) of the Company.
- 8.04 The Chairperson shall work closely with the CEO to plan and organize the activities of the Board of Directors, including setting the agenda for Directors' Meetings, the formation of Committees and the integration of Committee activities with the work of the Board. Where powers and responsibilities of the Board of Directors have been delegated to a Committee, the Chairperson shall ensure the results are reported to the Board. The Chairperson shall work with the CEO to ensure Management's strategic plans, strategies and performance are appropriately represented to the Board. The Chairperson shall facilitate communication between the Board and Management both inside and outside Directors' Meetings.

- 8.05 As a member of the Executive Committee, the Chairperson shall work with Committee members to oversee the ordinary business of the Company between meetings of the Board of Directors, such powers and duties more particularly described in Article 11.
- 8.06 Unless otherwise determined by the Board of Directors, the Chairperson, together with the Secretary, shall be required to sign all documents requiring the seal of the company and perform such other duties as are usual for such an Officer.
- 8.07 The Directors may, by resolution, alter or further define the powers, duties and responsibilities of the Chairperson.
- 8.08 In the event of absence, illness, or incapacity of the Chairperson, the Vice-Chairperson shall act in his or her place and stead for all purposes.
- 8.09 The Chairperson, with the assistance of the Vice-Chairperson, shall annually evaluate the performance of the CEO on behalf of the Executive Committee in accordance with any performance standard and benchmarks as may be prescribed by the Board of Directors.

ARTICLE 9: DUTIES OF THE SECRETARY

- 9.01 The Secretary shall be responsible to ensure:
- (a) notice has been given for all meetings in accordance with these Articles;
 - (b) minutes of meetings of the Members, Directors and the Executive Committee are kept;
 - (c) all correspondence has been read and answered as directed by the Officers and the Board of Directors; and
 - (d) such other duties as may be delegated from time to time by the Board of Directors are carried out.

ARTICLE 10: DUTIES OF THE TREASURER

- 10.01 The Treasurer shall be responsible to ensure:
- (a) the financial affairs of the Company are monitored;

- (b) a review statement of the affairs of the Company is prepared by a Chartered Accountant or Certified General Accountant and is submitted to the Annual Meeting of the Members;
- (c) such other duties as may be delegated from time to time by the Board of Directors are carried out.

ARTICLE 11: COMMITTEES

- 11.01 The Board of Directors may, from time to time, by resolution, establish from its membership such *ad hoc* and standing Committees as may be in the best interest of the Company as determined by the Board of Directors. Committee members will hold their offices at the will of the Board of Directors. The Directors shall, by resolution, determine the composition, terms of reference and duties of such Committees and may delegate to such Committees such authority as is deemed by the Board of Directors to be in the best interest of the Company. The Directors may, by resolution, dissolve any Committee created herein or pursuant to such resolution.
- 11.02 The Board of Directors shall, by resolution, designate a chairperson for each Committee established. Committee members may designate one among them to preside if the Committee chairperson is absent for a meeting.
- 11.03 Subject to Article 11.04 and unless otherwise established by the Board of Directors, a Committee member shall hold office until his or her successor is appointed by the Board of Directors, providing such Committee member is and remains a Director.
- 11.04 Committee members may resign by delivering a written resignation to the Chairperson and the Secretary. Committee members are also subject to removal by the Board of Directors. If the office of any Committee member of the Corporation shall be or become vacant, the Directors may, by resolution, appoint a person to fill such a vacancy.
- 11.05 Committee members, as such, shall act without remuneration in accordance with the Travel Expense Policy of the Company.
- 11.06 Each Committee shall report orally and in writing to the Board of Directors the actions taken and the decisions made at each of its meeting at the Directors' Meeting immediately following each Committee meeting.
- 11.07 At any Committee meeting, the majority of Committee members present who are entitled to vote constitutes quorum.

Executive Committee

- 11.08 The Executive Committee shall consist of the following individuals:
- (a) Chairperson;
 - (b) Vice-Chairperson;
 - (c) Secretary;
 - (d) Treasurer; and
 - (e) CEO, who shall be a non-voting member of the Executive Committee.
- 11.09 The Executive Committee shall serve as a standing Committee of the Board of Directors and shall meet as required to oversee extra-ordinary business of the Company. During the interval between Directors' Meetings, the Executive Committee may exercise all the power and authority of the Board of Directors and make urgent decision on behalf of the Board if necessary except for the following:
- (a) approving a corporate plan, budget, annual report or financial statement of the Company; and
 - (b) making, amending or repealing any of these Articles of Association.
- The Executive Committee is responsible for bringing strategic and policy recommendations to the Board of Directors for approval, including a long term strategic plan and budget for the Company as well as annual budgets and strategic plans. The Executive Committee shall ensure appropriate reviews of the Company's business, including but not limited to ensuring there is an evaluation of staff performance (excluding the CEO as per Article 8.07) on an annual basis in accordance with such standards and performance benchmarks as may be prescribed by the Board of Directors. The Executive Committee shall have the authority to transact such business as may be properly required of the Company between meetings of the Board of Directors and will carry out its activities in accordance with such directions and limitations as the Directors may from time to time prescribe.
- 11.10 The Executive Committee shall periodically review and, where appropriate, make recommendations to the Board of Directors regarding policies and procedures in place to enable the Board to satisfy itself that the Company is achieving its objectives. Unless otherwise stated within a specific Board policy, the Executive Committee shall be responsible for reviewing Board policies within 3 years of the date each policy is authorized by the Board of Directors
- 11.11 The Chairperson shall be the Executive Committee chairperson.

Nominating Committee

- 11.12 Annually, no later than two (2) months prior to the Annual Meeting of the Members, the Board of Directors shall appoint a Nominating Committee whose duty it shall be to propose individuals to be selected to fill any vacancy in the Board of Directors for the ensuing year, which names shall be presented at the Annual Meeting of the Members for consideration. The Nominating Committee shall serve as a standing Committee of the Board of Directors.
- 11.13 In compiling a list of individuals to nominate to the Board of Directors pursuant to Article 11.12, the Nominating Committee may consult with the Members and the potential nominees. Nominees for Directors shall be chosen having regard to:
- (a) their knowledge and skill in any area which will assist the Board, including, among other things, with finance, legal, research, management, regulatory, technology, human resources, skills development and board governance;
 - (b) any Board policy that sets out the criteria a Director should or must meet to serve on the Board.
- 11.14 The Nominating Committee shall consist of no less than three (3) Directors.

Finance Committee

- 11.15 The Board of Directors shall appoint a Finance Committee whose duty it shall be to review and make appropriate recommendations to the Board of Directors regarding the adequacy of the Company's processes for identifying and managing risk, its internal control system and its processes for conforming with applicable regulatory, corporate, securities or other legal requirements. For greater certainty, while it is Management's responsibility to design and implement an effective system of internal control, it is the responsibility of the Finance Committee to ensure that Management has done so.
- 11.16 The Finance Committee shall be responsible for assisting the Board in fulfilling any of its responsibilities related to financial reporting, including conducting or authorizing investigations into the financial status of the Company and meeting regularly with auditors.
- 11.17 The Finance Committee shall be a standing Committee of the Board comprised of no less than three (3) Directors.

ARTICLE 12: CEO

- 12.01 The Board of Directors shall appoint a CEO who shall hold such office at the will of the Board of Directors. The Directors may, by resolution, alter the powers, duties and responsibilities of the CEO.
- 12.02 Subject to the supervision and oversight of the Board of Directors, the CEO shall be responsible for:
- (a) day-to-day management of the business and affairs of the Company;
 - (b) making purchases according to Board policy and maintaining an audit trail;
 - (c) all matters arising from or relating to staff and staffing of the Company;
 - (d) implementing all orders and resolutions of the Board of Directors and report of the same to the Directors at Directors' Meetings;
 - (e) strategic plan development, whether as a member of the Executive Committee or otherwise;
 - (f) implementing the strategic plans of the Company within a budget as approved by the Board of Directors;
 - (g) evaluating staff; and
 - (h) such other duties as the Board of Directors may prescribe.
- 12.03 The CEO and/or the Chairperson shall act as spokesperson(s) for the Company.
- 12.04 The CEO shall work closely with the Chairperson to plan and organize the activities of the Board of Directors, including setting the agenda for Directors' Meetings, and to ensure Management's strategic plans, strategies and performance are appropriately represented to the Board.
- 12.05 As a member of the Executive Committee, the CEO shall work closely with Committee members to oversee the ordinary business of the Company between meetings of the Board of Directors as well as exercise such powers and duties as are more particularly described in Article 11.
- 12.06 The CEO shall be a non-voting ex-officio officer of the Board of Directors.
- 12.07 The Directors may, by resolution, alter or further define the powers, duties and responsibilities of the CEO.

ARTICLE 13: ARTICLES OF ASSOCIATION

- 13.01 The Articles of Association of the Company shall be amended or repealed only in accordance with the provisions of the Act.

ARTICLE 14: CONFLICTS OF INTEREST

- 14.01 Each Director, Officer and the CEO shall disclose to the Company, in writing or, if applicable, by requesting to have it entered into the minutes of a Directors' Meeting or a Committee meeting, the nature and extent of any Conflict of Interest that he or she has with respect to a contract or transaction, whether made or proposed, involving the Company, if the Director, Officer or CEO:

- (a) is a party to the contract or transaction;
- (b) is a Director, Officer or an individual acting in a similar capacity of a party to the contract or transaction; or
- (c) has a material interest in a party to the contract or transaction.

- 14.02 Subject to Article 14.03, the disclosure required in Article 14.01 herein:

- (a) at the meeting at which a proposed contract or transaction is first considered;
- (b) if the Director, Officer or CEO was not, at the time of the meeting referred to in (a), interested in a proposed contract or transaction, at the first meeting after he or she becomes so interested;
- (c) if the Director, Officer or CEO becomes interested after a contract or transaction is made, at the first meeting after he or she becomes so interested;
- (d) if an individual who is interested in a contract or transaction later becomes a Director, Officer or CEO at the first meeting after he or she becomes a Director, Officer or CEO.

- 14.03 If a contract or transaction, whether intended or proposed, is one that, in the ordinary course of the Company's business would not require approval by the Directors or Members, each Director, Officer and the CEO shall disclose, in writing to the Company or, if applicable, request to have it entered in the minutes of a Directors' Meeting or a Committee meeting, the nature and extent of his or her interest immediately after he or she becomes aware of the contract or transaction.

- 14.04 For the purpose of this Article; a general notice given to the Directors to the effect that a Director, Officer or the CEO is a shareholder of or is otherwise interested in any other company or is a member of a specified firm and is to be regarded as interested in any contract made with such other company or firm shall be deemed to be a sufficient declaration of a Conflict of Interest as required under Article 14.01.
- 14.05 If a Director, Officer or the CEO is required to make a disclosure under Article 14.01, he or she shall not vote on any resolution to approve the contract or transaction unless the contract or transaction is for indemnity or insurance under Article 15 herein.
- 14.06 A contract or transaction for which disclosure is required under Article 14.01 is not invalid, and the Director, Officer or CEO is not accountable to the Company for profit realized from the contract or transaction if:
- (a) disclosure of the interest was made in accordance with Articles 14.01 to 14.04 herein; and
 - (b) the Director, Officer or CEO did not vote in respect of such contract or transaction in a manner contrary to Article 14.05.
- 14.07 A Director, Officer or the CEO is not accountable to the Company for any profit realized from a contract or transaction for which disclosure is required under Article 14.01, and the contract or transaction is not invalid by reason only of the interest of the Director, Officer or the CEO in the contract or transaction, if the contract or transaction is approved or confirmed by a resolution of no less than $\frac{3}{4}$ of the voting Member at a meeting of the Members called for that purpose.

ARTICLE 15: LIABILITY and INDEMNITY OF DIRECTORS/OFFICERS

- 15.01 Except as otherwise provided in the Act, no Director or Officer shall be liable for the acts, receipts, neglects or defaults of any other Director, Officer or employee, or for any loss, damage or expense happening to the Company where the insufficiency or deficiency of title to any property acquired by the Company or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Company shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person including any person with whom or which any monies, securities or affects shall be lodged or deposited, or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any monies securities or other assets belonging to the Company or for any loss, damage, or misfortune whatever which may happen in the execution of the duties of the Director's or Officer's respective office or trust or in relation thereto unless the same happened by or through the Director's or Officer's own wilful neglect or default.

15.02 Every Director, Officer or other person who has undertaken or is about to undertake any liability on behalf of the Company and their heirs, executors and administrators, and estate and effects, respectively, shall from time to time and at all times, be indemnified and saved harmless out of the funds of the Company, from and against:

(a) all costs, charges and expenses which such Director, Officer or other person sustains or incurs in or about any action, suit or proceedings which is brought, commenced or prosecuted against him or her, or in respect of any act, deed, matter of thing whatsoever, made, done or permitted by him or her, in or about the execution of the duties of his or her office or in respect of any such liability; and

(b) all other costs, charges and expenses which he or she sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his or her own wilful neglect or default.

15.03 The Company shall purchase and maintain, or cause to be purchased and maintained, Directors' errors and omissions insurance on commercially reasonable terms. The Board of Directors shall make confirmation on an annual basis that such insurance is in place.

ARTICLE 16: WIND-UP and DISSOLUTION

16.01 In the event of the dissolution or winding-up of the Company, all its remaining assets after the payment of its liabilities shall be, at the discretion of the Board of Directors, paid to an organization having objectives similar to that of the Company. None of the Company's assets shall be distributed to the Members.

16.02 Every Member shall contribute to the assets of the Company in the event the same is dissolved or wound-up during the time that he/she is a Member or within one (1) year afterwards, for payment of the debts and liabilities of the Company contracted before the time at which he/she ceased to be a Member, and the costs charges and expenses of winding-up the same, and for the adjustment of the rights of the contributories amongst themselves, such amount as is required, not exceeding Ten (\$10.00) Dollars.

ARTICLE 17: FINANCES

17.01 The borrowing powers of the Company shall be exercised in accordance with the provisions of the Act.

- 17.02 The Members shall, at each Annual Meetings of the Members, appoint an auditor who is a certified Chartered Accountant to audit the accounts and annual financial statements of the Company for report to the Members at the next Annual Meeting and to the Board of Directors for approval. The auditor shall hold office until the next Annual Meeting of the Members provided the Directors may fill any casual vacancy in the office of the auditor. The remuneration of the auditor shall be fixed by the Board of Directors. The auditor may not be a Director, Officer, CEO or other employee of the Company.
- 17.03 The Fiscal year of the Company shall be April 1 to March 31.
- 17.04 Any Member of the Company may inspect the books of account or records of the Company at the registered office of the Company upon giving reasonable notice thereof to the Secretary.

ARTICLE 18: GENERAL PROVISIONS

- 18.01 The Company shall maintain a registered office on Cape Breton Island, Nova Scotia, at a place determined by resolution of the Members from time to time, and shall give notice of same to the Registrar of Joint Stock Companies.
- 18.02 Unless otherwise directed by the Board of Directors, the Company shall keep at its registered office:
- (a) the corporate seal;
 - (b) an official list of Members;
 - (3) the minutes of all meetings of the Members;
 - (4) the minutes of all meetings of the Board of Directors; and
 - (5) records and books of account of the Company.
- 18.03 The Company shall adopt a seal which may be affixed to any documents signed for or on behalf of the Company. The Seal is to be given into the custody of the Secretary or as designated by the Board of Directors.
- 18.04 The articles and all provisions herein, shall be formally adopted in 2011 by the Board of Directors at their Annual Meeting.



Appendix "A"

INSTRUMENT OF PROXY

**FOR MEMBERS OF THE BOARD OF DIRECTORS OF THE COMPANY,
DESTINATION CAPE BRETON ASSOCIATION INC.**

I, _____, of _____, in the County of _____, being a Member of the Board of Directors of Destination Cape Breton Association hereby appoint _____ of _____ (or failing him/her, _____ of _____) as my proxy to vote for me and on my behalf at the Meeting of the Board of Directors of the Association to be held on the _____ day of _____ and at any adjournment thereof or at any Meeting of the Board of Directors of the Company which may be held within _____ months from the date thereof.

As witness my hand this _____ day of _____, 20____.

Witness:

Signature of Member of the Board
Of Directors of the Association



Appendix "B"

**INSTRUMENT OF PROXY
FOR MEMBERS OF THE COMPANY,**

DESTINATION CAPE BRETON ASSOCIATION INC.

I, _____, of _____, in the County of _____

Being a Member of Destination Cape Breton Association Inc. ("the Company") hereby appoint

_____ of _____ (or failing him/her, _____ of

_____) as my proxy to vote for me and on my behalf at the Annual Meeting

(or General Meeting or the Emergency Meeting, as the case may be) of the Company to be held

on the _____ day of _____ and at any adjournment thereof or at any Meeting of

the Company which may be held within _____ months from the date thereof.

As witness my hand this _____ day of _____, 20____.

WITNESS

Signature of Member of the Company

MEMORANDUM OF ASSOCIATION
OF
DESTINATION CAPE BRETON ASSOCIATION

1. The name of the Company shall be Destination Cape Breton Association Inc.
2. The Company is formed for the following objects and purposes and with the following powers (all of which are hereinafter referred to as "objects"):
 - (a) to promote Cape Breton Island as a tourism destination;
 - (b) to engage in any one or more lawful mode or modes of acquiring, managing, operating, furnishing, exchanging, or distributing any type or types of goods and services for the promotion, either directly or indirectly, of tourism on Cape Breton Island;
 - (c) to identify areas of growth in the tourism sector so as to promote, initiate, maintain and encourage the economic growth of Cape Breton Island through the development of a modern and viable tourism industry;
 - (d) to negotiate, liaise and transact business with owners and users of tourism related business and facilities and any related infra-structure in order to strengthen and develop the long-term viability of the tourism industry on Cape Breton Island
 - (e) to acquire by way of grant, gift, purchase, bequest, devise, lease or otherwise, real property and personal property and to use and apply such property to the realization of the objectives of the Company;
 - (f) to buy, own, hold, lease, mortgage, sell and convey such real property and personal property as may be necessary or desirable in carrying out the objectives of the Company;
 - (g) to carry on the business of the Company without purpose of gain for its Members and any surpluses (or what may otherwise be characterized as "profits") or other accretions to the Company shall be used in promoting its objectives;
 - (h) to consult and liaise with governmental departments, commissions or agencies (whether federal, provincial or municipal) as well as such other organizations involved in promoting and establishing ventures that contribute to the economic development of Cape Breton Island with respect to the tourism industry on Cape Breton Island;
 - (i) to do all the acts or things set forth in sub-clauses (b), (c), (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q), (r), and (s) of sub-section (4) of section 26 of the

Companies Act of Nova Scotia (Chapter 81, R.S.N.S., 1989) with the qualification that:

- i. the sanction of a special resolution need not be required with respect to sub- clauses (f), (g) and (i); and
 - ii. the reference to the letter “(a)” in sub-paragraph “(r)” be replaced with the letter “(b)” and it being understood that sub-clause “(h)” of subsection (4) of section 26 is and has been deleted.
- (j) to contract or hire such permanent and temporary staff as the Company deems necessary to carry out its objectives and to enter into all agreements and provide all security necessary to finance its operations in a manner consistent with good business practices;
- (k) subject to the rights of outstanding creditors, upon a winding-up or termination of the Company, to deliver and pay over the remaining assets of the Company to an organization having objectives similar to that of the Company; and
- (l) to acquire shares and/or membership and/or to enter into partnership with and/or enter into joint ventures with any other company or companies or such other legal entities in or outside of Canada, as the case may be, having objects similar to those of the Company.

AND it is further declared that the intention is that the objects specified in each paragraph of this clause shall, except where otherwise expressed in such paragraph, be in no way limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company.

AND it is further declared that no one or more of the foregoing objectives shall, as regards all or any of the other objectives, be deemed the primary or principal objective of the Company.

PROVIDED that nothing herein contained shall be deemed to authorize the company to carry on the Business of Banking, loan, trust, or insurance company.

3. The liability of the Members of the Company shall be limited, it being understood that the Company is a limited company by guarantee.
4. Every Member of the Company undertakes to contribute to the assets of the Company in the event of the same being wound-up during the time that he/she is a Member of the Company or within one (1) year afterwards, for payment of the debts and liabilities of the Company contracted before the time at which he/she ceased to be a Member of the Company, and the costs charges and expenses of winding-up the same, and for the adjustment of the rights of the contributories amongst themselves, such amount as is required, not exceeding Ten (\$10.00) Dollars.