

BY-LAWS of ATLANTIC BUILDING SUPPLY DEALERS ASSOCIATION

Revised May 26, 2009

1. INTERPRETATION

In these by-laws:

- 1.01 The singular includes the plural, the feminine includes the masculine and vice-versa and words importing persons include individuals, corporations, partnerships, trusts and unincorporated organizations;
- 1.02 Headings used in these by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions;
- 1.03 “Society” means Atlantic Building Supply Dealers Association;
- 1.04 “Registrar” means the Registrar of Joint Stock Companies acting under the authority of the Companies Act of Nova Scotia;
- 1.05 “Special Resolution” means a resolution passed by not less than three-fourths of such members entitled to vote present in person or by proxy (where proxies are allowed under these by-laws) at a general meeting of which notice specifying the nature of the resolution has been provided to the membership of the Society in accordance with these by-laws;
- 1.06 “Rules of Order” shall mean the most recent edition of Roberts’ Rules of Order except where the rules are otherwise defined in these By-laws;
- 1.07 “Register” means the list of members of the Society kept by the Board as it is from time to time amended;
- 1.08 “Board” means the board of directors of the Society;
- 1.09 “Competitive Products” means all products and wares which members sell to their retail customers in the ordinary course of their business but shall not include other products or wares which associate members may sell in the ordinary course of the associate member’s business.

2. HEAD OFFICE

2.01 The head office of the Society shall be in the City of Dieppe, Province of New Brunswick or at such other location as the Board may from time to time determine.

3. CORPORATE SEAL

3.01 The corporate seal of the Society shall be in the form impressed hereon and shall be in the custody of the President and may be affixed to any document upon resolution of the Board.

4. FINANCIAL YEAR

4.01 The financial year of the Society shall terminate on December 31st of each year.

5. MEMBERSHIP

5.01 The subscribers to the Memorandum of Association and such other persons as shall be admitted to membership in accordance with these by-laws and no others, shall be members of the Society and their names shall be entered in the Register accordingly;

5.02 For the purposes of registration, the number of members of the Society is unlimited;

5.03 Every member of the Society shall be entitled to attend any meeting of the Society and to vote at any meeting of the Society and to hold any office, but there shall be no proxy voting except as provided herein;

5.04 Membership in the Society is not transferable;

5.05 The membership shall consist of such individuals, corporations, partnerships, and other legal entities as the Board may from time to time admit as members;

5.06 After determination of membership by the Board, entry in the Register of the name and address of any organization or individual shall constitute an admission to membership in the Society;

- 5.07 To qualify as a full member an individual or organization shall be regularly engaged in the lumber and building materials trade at the retail level and shall be able to meet all of the following criteria:
- a. Must be able to supply and deliver all reasonable orders from stock;
 - b. Must be primarily engaged in the business of selling building materials to retail trade;
 - c. Must have suitable retail space to serve the public;
 - d. Must be open for business during regular business hours;
 - e. Must have the intention of remaining in business;
 - f. Must have been in business *twenty-four* months prior to making application for membership;
 - g. Must sell primarily first quality lumber and building materials.

The determination of whether an applicant has met all of these criteria shall be in the sole discretion of the Board which must exercise its discretion with fairness and reasonableness.

- 5.08 To qualify as an associate member the Board must assess and approve such individuals, corporations, partnerships and other legal entities engaged in the business of manufacturing, distributing, or selling products to lumber and building material dealers, provided such potential associate member meets and continues to meet the following criteria:
- a. each associate member's sale of Competitive Products must be made primarily to retail building supply dealers;
 - b. each associate member must be and continue to be in good standing with the Society and not in default under these By-laws.
- 5.09 The Board may admit to membership in the Society such former members (herein referred to as "Lifetime Members") who have retired from the industry and who have performed valuable service to the Society. The Board may choose to exempt the Lifetime Member from some or all of the criteria set out in Clause 5.07. The determination of admission as an Honorary Member shall be at the sole discretion of the Board.
- 5.10 The Board shall have the authority to prescribe such additional conditions for membership, associate membership, or lifetime membership as it may from time to time determine to be appropriate.

- 5.11 Every application for membership in any category shall be submitted by the applicant in writing to the Society in the prescribed form.
- 5.12 A member in any category may at any time resign by presenting a written resignation to the Society which resignation shall become effective upon acceptance thereof by the Board. Such resigning member shall remain liable for payment of any assessment or other sum levied or which became payable by him to the Association prior to his resignation.
- 5.13 Each member in good standing (but not a lifetime member) shall be entitled to one vote on each question or resolution arising at any special or general meeting of the membership of the Society. Corporations, partnerships and other legal entities may vote through a duly authorized proxy.
- 5.14 Any member, lifetime member, or associate member who fails to meet the prescribed conditions of membership at any time or who at any time fails to pay such commitments or levies within the time prescribed by the Board shall automatically cease to be members of the Society. Nothing herein shall prevent any such member or associate member from being reinstated by an affirmative vote of the Board at any subsequent meeting.
- 5.15 The Board shall impose such levies or fees on members, associate members and lifetime members as it considers necessary for the operation of the Society and shall review same on an annual basis to ensure their adequacy.
- 5.16 The President shall notify each member, associate member or lifetime member of the commitments, fees or levies payable by them and the same shall be paid by such member, associate member, or honorary member within the prescribed time.

6. DISCIPLINE

- 6.01 Upon receiving a written complaint by a member or associate member that a member or associate member has failed to meet its obligations under the provisions of these by-laws or, upon its own motion, the Board may initiate an inquiry to determine if the member or associate member no longer qualifies to be a member or associate member;
- 6.02 Unless the complaint is initiated by the Board of its own motion, the Board may, in its sole discretion and without providing reasons for its decision, summarily dismiss the complaint;
- 6.03 If the Board does not summarily dismiss the complaint, the inquiry shall consist of a panel of three persons appointed by the Board to conduct the inquiry. Two of these persons shall be from the membership of the Society and the third shall be the President who shall chair the panel;
- 6.04 The panel's Chair shall inform the member or associate member in writing of the complaint's details and provide the member or associate member with not less than thirty (30) days and not more than forty-five (45) days to respond to the complaint. The member or associate member shall within the time prescribed by the Chair respond in writing to the complaint;
- 6.05 After reviewing the complaint and the response the panel shall determine whether the member or the associate member continues to qualify as a member or associate member under the provisions of this By-Law and shall transmit such finding to the Board;
- 6.06 Upon receipt of a finding from a panel that a member or an associate member no longer qualifies as a member or as an associate member the Board may by ordinary resolution:
 - a. suspend the member or associate member from the Society for a period of up to six (6) months after which time the member or associate member shall be given the opportunity to demonstrate to the panel that it qualifies as a member or as an associate member (as the case may be;)
 - b. expel the member or the associate member from the Society;
 - c. impose such other sanction (including monetary penalties) as the Board in its sole discretion sees fit.
- 6.07 In any proceeding under these By-laws, any procedural matter not provided for in this section shall be conclusively determined by the panel appointed by the Board.

6.08 All proceedings in an inquiry or before a panel shall be in writing. No appeal shall lie from any determination of a question of fact, law, or mixed fact and law and the finding of a panel or a decision of the Board shall be final and binding in all respects and not subject to appeal or review of any kind or for any reason.

7 MEETINGS

7.01 The Society shall hold its Annual General Meeting between March 1st and May 31st of each year. The location and date of such meeting shall be determined by the Board.

7.02 An extraordinary general meeting of the Society may be called by the Board at any time and shall be called by the Board if requisitioned to do so in writing by at least twenty-five per cent in number of the membership of the Society (excluding lifetime members.)

7.03 Seven (7) days notice in writing of any meeting shall be provided to the membership by the Board. Such notice shall specify the time and place of the meeting and, in the case of special business, the nature of such business.

7.04 The method of notice shall be to send to each member at their last known address. Any notice shall be deemed to have been received five days after being sent in accordance with this clause. The non-receipt of any notice by any member shall not invalidate the proceedings at any meeting.

7.05 At each ordinary or Annual General Meeting of the Society, the following items of business shall be deemed to be the ordinary business of the Society:

- a. Call to order and record attendance
- b. Reading of minutes of previous meeting, correction and approval of same
- c. Report of Board
- d. Reports of Officers
- e. Report of President
- f. Report on financial statements, including balance sheet and operating statement, and the report of the auditors thereon
- g. Reports of standing committees
- h. Reports of special committees
- i. Unfinished business
- j. New business
- k. Appointment of Auditors
- l. Election of Directors and Officers
- m. Adjournment

- 7.06 All other business transacted at an ordinary or annual general meeting shall be deemed to be special business and all business shall be deemed special that is transacted at an extraordinary general meeting of the Society.
- 7.07 No business shall be transacted at any meeting of the Society unless a quorum of members is present at the commencement of such business and such quorum shall be fifteen (15) members (excluding lifetime members.)
- 7.08 If within one-half hour from the time appointed for any meeting, a quorum of members is not present, the meeting, if convened upon the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to such time and place as a majority of the members then present shall direct and if at such adjourned meeting a quorum of members is not present, it shall be adjourned to a date to be fixed.
- 7.09 a The Chair of the Board of the Society shall preside as chair at every general meeting of the Society;
- b. If there is no Chair of the Board or if at any meeting he or she is not present at the time of holding the same, the Vice-Chair shall preside as chair of the meeting;
- c. If there is no Chair of the Board or Vice-Chair or if at any meeting neither the Chair of the Board nor the Vice-Chair is present at the holding of the same, the members present shall select someone of their number to chair the meeting.
- 7.10 The chair shall have no vote except in the case of an equality of votes, where the chair shall have the casting vote.
- 7.11 The chair may, with the consent of the meeting, adjourn any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting, other than the business left unfinished at the meeting from which the adjournment took place, unless notice of such new business has been provided to the members.
- 7.12 At any general meeting, unless a poll is demanded by at least three members present at the time of the vote in question, a declaration by the chair that a resolution has been carried and an entry to that effect in the book or minutes of the proceedings of the Society shall be sufficient evidence of the fact, without proof of the number or proportion of the members recorded in favour of or opposed to such resolution.

7.13 If a poll is demanded in the manner referred to in section 7.12, the same shall be taken in such manner as the chair may prescribe and the result of the poll shall be deemed to be the resolution of the Society in general meeting.

7.14 Every member shall have one vote and no more.

8. DIRECTORS

8.01 The subscribers to the Memorandum of Association of the Society shall be the first Directors of the Society. The Board of Directors shall consist of a maximum of thirteen (13) Directors who shall be chosen as follows:

- a. Three (3) Directors from the Associate membership:
- b. Four (4) Directors from the dealer membership selected from the following geographic areas: one (1) each from New Brunswick, Nova Scotia, Newfoundland/Labrador and Prince Edward Island;
- c. The Officers of the Society represent a maximum executive of six (6) Directors consisting of the chair of the Board, immediate Past Chair of the Board, three (3) Vice-Chair and a President.

8.02 The Directors shall be selected by the members at each ordinary or annual general meeting of the Society. If the meeting is unable to select a Director at an annual or general meeting then that selection may be delegated to the Board to fill any vacancies.

8.03 At the first ordinary or annual general meeting of the Society and at every succeeding ordinary or annual general meeting, all the Directors shall retire from office but shall hold office until the dissolution of the meeting at which their successors are elected.

8.04 Retiring Directors shall be eligible for reselection as Directors.

8.05 In the event that a Director resigns his office or ceases to be a member of the Society his office as Director shall be vacated. The vacancy thereby created may be filled for the unexpired portion of the term by the Board from among eligible members of the Society.

8.06 The Society may, by Special Resolution, remove any Director before the expiration of the period of office and appoint another eligible member in his stead. The person so appointed shall hold office during such time only as the Director in whose place he or she is appointed would have held office if he or she had not been removed.

- 8.07 Meetings of the Board shall be held as often as the business of the Society may require and shall be at the call of the President. A Board meeting may be held at the close of every ordinary or annual general meeting of the Society without notice. Notice of all other meetings, specifying the time and the place thereof, shall be given either orally or in writing to each Director within a reasonable time before the meeting is to take place, but non-receipt of such notice by any Director shall not invalidate the proceedings at any meeting of the Board.
- 8.08 No business shall be transacted at any meeting of the Board unless at least six of the Directors are present.
- 8.09 The Chair of the Board, or in his absence the Vice-Chair, or in the absence of both of them, any Director appointed from among those dealer member Directors present shall preside as chair at meetings of the Board.
- 8.10 The chair shall be entitled to vote as a Director and, in the case of an equality of votes, he shall have a casting vote in addition to the vote to which he is entitled as a Director.
- 8.11 The Board shall meet no less than four times a year at a time and place to suit the convenience of the Board. The purpose of such meetings is to carry on the business of the Society. The association office will advise the members of the Board's activities and keep the members up to date on matters of interest to the industry.
- 8.12 Special meetings of the Board are to be held at the call of the Chair of the Board.

9. POWERS OF DIRECTORS

- 9.01 The management of the activities of the Society shall be vested in the Board, who, in addition to the powers and authorities expressly conferred on it by these by-laws or otherwise, may exercise all such powers and do all such acts and things as may be exercised or done by the Society and which are not hereby or by statute expressly directed or required to be exercised or done by the Society in general meeting. In particular, and not to limit the generality of the foregoing, the Board shall have the power to engage a President and to determine his duties and responsibilities and his remuneration. The Board may appoint an executive committee, consisting of the Officers and such other persons as the Board may decide. The Board has the power to appoint such other committees as are designated by these by-laws and as may be deemed necessary for the efficient operation of the Society, as the Board may from time to time determine.

10. OFFICERS

10.01 The Officers of the Society shall be the Chair of the Board, immediate Past-Chair of the Board, three Vice-Chair and a President.

11. DUTIES OF OFFICERS

11.01 The Chair of the Board shall preside at all meetings of the Society and its Board. In the absence of the Chair of the Board and any of the Vice-Chair, the Directors present shall select a chair from the dealer member Directors.

11.02 In the absence of the Chair of the Board, the Vice-Chair (in order of seniority) shall perform the duties of Chair of the Board.

11.03 The President shall have the following duties and responsibilities:

- a. to keep safely and to account for when required all monies of the Society received from any source;
- b. to carry out such duties as the Board may allot from time to time, and more specifically to keep the minutes of all meetings of the Society and to carry into effect so far as he or she can all the rules and regulations of the Society.
- c. The President shall make a report at each annual meeting of the work of the previous term;
- d. The President shall be responsible for giving the reasonable notice of each annual general and extraordinary general meeting required under section 7.03 of these by-laws;
- e. Preparation of the minutes, custody of the books and records of the Society, and custody of the minutes of all meetings of the Society and of the Board shall be the responsibility of the President.

11.04 Contracts, deed, bills of exchange and other instruments and documents may be executed on behalf of the Society by the Chair of the Board or by one of the Vice-Chair and the President, or otherwise as prescribed by resolution of the Board.

12. COMMITTEES

12.01 The following Committees may be struck by the Board. The Committees shall all report to the Board and at all times be accountable to the Board:

- 12.02 Executive Committee – The Executive Committee shall consist of the Chair of the Board, the Past Chair, all Vice-Chair and the President. It will meet as required to review all issues and matters relating to the organization. The Executive Committee may, with Board approval, make decisions and establish policies. Such decisions are to be communicated to and ratified by the next meeting of the Board.
- 12.03 Nominating Committee – The Nominating Committee prepares the annual nominating report which includes candidates for positions on the Board.
- 12.04 Strategic Planning Committee – The Strategic Planning Committee reviews all services provided by the Society, works to maintain the leadership position of the Society in meeting the needs of members for services, and is responsible for determining that the Society’s programs are compatible with the approved strategic plan.
- 12.05 Show Committee – The Show Committee directs and coordinates the organization and operation of the Atlantic Building Materials Show. It makes policy recommendations to the Board regarding this show.
- 12.06 Finance Committee – The Finance Committee reviews the financial statements, operating budget standards and financial trends. It recommends budget and financial considerations to the Board. It recommends dues structures to the Board.
- 12.07 Membership Committee – The Membership Committee recommends membership criteria to the Board. It reports on all membership applications and cancellations.
- 12.08 Government Affairs – The Government Affairs Committee is responsible for monitoring, evaluating, and commenting on legislative issues in all four Atlantic Provinces and in Canada as those issues relate to the Atlantic Provinces. This Committee is also responsible for liaising with all levels of government as required.
- 12.09 Marketing – The Marketing Committee is responsible for all aspects of the Society’s industry studies and surveys.
- 12.10 Education - The Education Committee oversees the development and direction of the education and training programs sponsored by the Society including all seminars. It is also responsible for Regional Meetings.
- 12.11 Scholarship – The Scholarship Committee is responsible for all aspects of the Society’s Scholarship Program along with its operation. It is also responsible for arranging outside evaluators to adjudicate applications where necessary.

12.12 Special – Special Committees may be appointed by the Board to deal with specific issues and special projects.

13. AUDIT OF ACCOUNTS

13.01 The external auditor of the Society shall be appointed annually by the members of the Society at the ordinary or annual general meeting and, on failure of the members to appoint an auditor, the Board may do so.

13.02 The Society shall make a written report to the members as to the financial position of the Society and the report shall contain a balance sheet and account of operations. The external auditors shall make a written report to the members upon the balance sheet and the account of operations and in every such report the auditor shall state whether, in his opinion, the balance sheet is a full and fair balance sheet containing the particulars required by the Society and properly drawn up so as to exhibit a true and correct view of the Society's affairs and such report shall be read at the annual general meeting. A copy of the balance sheet, showing the general particulars of its liabilities and assets and a statement of its income and expenditures in the previous year, audited by the external auditor, shall be filed with the Registrar within fourteen (14) days of the annual general meeting in each year, or otherwise as required by law.

14. MISCELLANEOUS

14.01 These By-laws may be amended on motion by three- fourths majority of votes cast at an annual general meeting provided that at least thirty (30) days notice has been given of the proposed amendments and provided that any amendments shall not be enacted or enforced until the amended by-laws have been filed with the Registrar.

14.02 The Society shall file with the Registrar its Annual Statement along with a list of its Directors with their addresses, occupations and dates of appointment or election and shall notify the Registrar of any change of Directors within fourteen (14) days of such change.

14.03 The Society shall file with the Registrar a copy in duplicate of every special resolution passed by the Society within fourteen (14) days of such passage.

14.04 The books and records of the Society may be inspected by any member at any reasonable time within two (2) days prior to the annual general meeting at the head office of the Society.

- 14.05 The borrowing powers of the Society may be exercised by special resolution of the members.
- 14.06 Every Director, Officer and employee of the Society shall respect the confidentiality of matters brought before the Board, keeping in mind that unauthorized statements could adversely affect the interests of the Society. No Director of the Society shall disclose any matters discussed or resolved at meetings of the Board without the prior approval of the Board. The Chair of the Board and the President will be the authorized spokespersons for the Society. The Board may give authority to one or more Directors, Officers or employees to make statements to news media or the public about specific matters brought before the Board.
- 14.07 Every Director of the Society who in any way directly or indirectly or whose spouse in any way directly or indirectly has an interest in a proposed or existing contract or transaction of the Society shall make a full and fair declaration of the nature and extent of the interest to the Board. In the case of a proposed contract or transaction, the declaration of interest shall be made at the Board meeting at which the question of entering into the contract or transaction is first considered. If the Director or the Director's spouse is not at the date of that meeting interested in the proposed contract or transaction at the next meeting of the Board held after the Director or the Director's spouse becomes so interested. In the case of an existing contract or transaction, the declaration shall be made at the first Board meeting after the Director assumes office after the interest comes into being. After making such declaration, no Director shall vote on such contract or transaction nor shall he or she be counted in the quorum for such vote. The Director shall not participate in discussion on the contract or transaction other than to declare the interest. If a Director has made a declaration of interest in a contract or transaction in compliance with this clause, the Director is not accountable to the Society for any profit realized from the contract or transaction. If a Director fails to make a declaration of interest in a contract or transaction in compliance with this clause, the Director shall account to and reimburse the Society for all profits realized, directly or indirectly from such contract.
- 14.08 No Director of the Association may be a director of an association, group, organization or corporation which has objects similar or complementary to those of the Society.
- 14.09 Every Director of the Society and his or her heirs, executors, administrators and estate and effects respectively, shall from time to time be indemnified and saved harmless by the Society from and against:
- a. All costs, charges and expenses whatsoever that he or she sustains or incurs in or about any action, suit, or proceeding

that is brought, commenced or prosecuted against him or her, for or in respect of any act, deed, matter or thing whatsoever, made, done, or permitted by him, in or about the execution of the duties of his or her office; and

- b. All other costs, charges and expenses that 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;

Provided that no Director shall be indemnified by the Society in respect of any liability, costs, charges or expenses that he or she sustains or incurs in or about any action, suit or other proceeding as a result of which he is adjudged to be in breach of any duty or responsibility imposed upon him or her under any legislation.

The Society may purchase and maintain such insurance for the benefit of its Directors and Officers as the Board may from time to time determine.

15. OBJECTS

- 15.01 For the purpose of clarification but without intending to limit in any way the generality of the objects in the Memorandum of Association of the Society the following are declared to be ancillary objects of the Society:
- a. To secure and disseminate to its members any and all legal and proper information which may be of interest and value to members thereof in their business;
 - b. To secure and distribute information for the mutual convenience and benefit of its members;
 - c. To monitor business abuses of its members and to foster and aid dealer, distributor, manufacturer-consumer relations in the marketing of lumber or lumber products and building materials.
 - d. To cooperate in the standardization of grades and millwork, and in other matters such as legislation and insurance;
 - e. To promote friendship and social activities among its members both dealer and associate;
 - f. To promote information and product knowledge through the Annual Association Trade Show;
 - g. To promote education at various levels for the benefit of members and their staffs.

16. RULES

- 16.01 The members of the Society agree that the following rules will govern their relations with each other and with businesses which are not members:

- a. No rules, regulations or by-laws shall be adopted which in any manner stifle or restrict competition, limit production, restrain trade, regulate prices, or pool profits;
- b. No coercive measures of any kind shall be practiced or adopted toward anyone, either to induce him or her to join the Society or to buy or refrain from buying from any particular manufacturer or wholesaler. Nor shall any discriminatory practices on the part of this Society be used or allowed against any retailer for the reason that he may not be a member of the Society, or to induce or persuade him or her to become a member;
- c. No promise or agreement of any kind shall be requisite to membership in this Society, save those provided in the Memorandum of Association and the By-laws, nor shall members be restricted to any particular territory, but may compete anywhere and everywhere.