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August 15, 2007

Mr. Wayne Moug, Pipe Major
"H" Division, Mounted Police Pipes and Drums Society
c/o Kevin MacDonald (Member)

HAND DELIVERED

Dear Pipe Major Moug:

Re: Incorporation of the "H" Division, Mounted Police Pipes and Drums Society

I am pleased to confirm that the above-noted was incorporated effective March 15th, 2007, pursuant to the ***Societies Act*** of Nova Scotia. I attach a copy of the ***Societies Act*** for your files.

I confirm the following were the original signatures to the Memorandum of Association:

- Wayne Moug
- Kevin A. MacDonald
- Yvonne C. Leduc
- Bradley Watt
- James H. Gillis
- Glen Leduc

I confirm that the following have been appointed as officers and/or directors for the coming year:

Chair (Director): Wayne Moug
Vice-Chair (Director): Bradley Watt
Treasurer (Director): Yvonne C. Leduc
Secretary (Director): Ray Hill
Band Manager (Director): Jim Gillis
Registered Agent (Director): Kevin A. MacDonald

We elected to have our year end coincide with the Government's year end of March 31st. As such, we will have to hold an annual general meeting each year within three months of that. We will need to file annual financial statements accordingly.

I confirm that we have applied and received a business number which is 84566 9795. We have not registered for HST as we do not anticipate generating over \$30,000.00. If, however, we receive more than 40% funding in a given year from one or more of the three levels of Government, we would be entitled to apply for a rebate for a portion of the HST. In that regard, I attach information from Revenue Canada including form RC 4034 and RC 4081 which explains this.

I confirm that as a registered Society under the ***Societies Act*** we are considered to be a legal person capable of carrying on business. In Nova Scotia a business may be structured as a limited or unlimited company pursuant to the ***Companies Act***, a general or limited partnership pursuant to the

Partnership and Business Names Registration Act, a sole proprietorship, a society or a co-operative.

All of these businesses (including societies) operating in Nova Scotia, must register their business name with the Registry of Joint Stock Companies. We have done that, but it will be necessary for us each year to renew our registration. Currently the fee for renewing a society's registration is \$25.00.

All businesses in Nova Scotia require a registered agent who resides in Nova Scotia. I have been appointed as registered agent, and as such will receive official correspondence from the Registry of Joint Stock Companies and other government agencies and may be served on behalf of the society with any writs, summons, processes or other legal notices.

While normally a business is required to register and charge HST, there is an exemption for any business that anticipates annual billings of \$30,000.00 or less.

In the result, given the requirements of reporting, etc., we decided not to register for HST. We can revisit that as we go forward, and if need be, can always register in the future and charge HST.

I confirm that as a legal entity the society is capable to entering into contracts, borrowing money, buying or leasing land or employing individuals. If at any point we do decide it is necessary to employ anyone, we should have a discussion at that time about what our requirements will be.

As an incorporated society we are governed by the ***Human Rights Act***, which protects against discrimination or harassment on the basis of personal characteristics. Discrimination occurs when someone makes a distinction, either intentionally or unintentionally, based on real or perceived characteristics, that imposes burdens or limits on opportunities available to other individuals. The enumerated grounds of discrimination in Nova Scotia include, age, race, color, religion, creed, sex, sexual orientation, physical or mental disability, irrational fear of contracting an illness or disease, ethnic, national or aboriginal origin, family status, marital status, source of income, political belief, affiliation or activity - are all expressly prohibited by law.

As such, any decisions as to membership, criteria or operation requirements may impose limits provided they are not discriminatory in operation or effect.

We are also subject to privacy legislation. In Nova Scotia an individual's privacy is protected by two pieces of legislation. The first is a Provincial Statute that regulates the collection and use of personal information by the Provincial Government: ***Freedom of Information and Protection of Privacy Act*** ("FOIPOP"). This Statute applies to Provincial Government and certain other "local" public bodies such as Municipalities, Universities and School Boards.

In the private sector, personal information is protected by the new Federal ***Personal Information Protection and Electronic Document Act*** ("PIPEDA"). The Statute regulates the collection, use and disclosure of personal information in the course of "commercial activities". It places significant obligation on businesses including the mandatory appointment of a privacy officer, providing consumers with information with how their information is suppose to be used, obtain a consent, publishing a privacy policy and putting in place a mechanism to receive and respond to queries and complaints. The Statue does not apply to information about incorporated businesses.

In the result, we recommend that a privacy officer be appointed for the Society and a policy in regard to our membership list be established. If no one else wished to act in this position, I would be pleased to act as the privacy officer for the Society.

August 15, 2007

Normally the business of the Society is determined by the membership at the annual general meetings. Between annual general meetings that business is coordinated and overseen by the Board of Directors. Typically the Directors should meet every four to six weeks and at a minimum review updated financial information to ensure that the Society is operating consistent with its by-laws and the direction provided to it by the members at the AGM.

On a day to day basis the table officers typically make any decisions pending directors meetings where such decisions are typically ratified and approved. It is often the case that societies will have more than one standing committee. I recommend that as part of our first business meeting, we turn our mind to what sort of committees would be necessary. At a minimum I would suggest that we have a finance committee to deal with making recommendations to the membership as it relates to appointment of auditors, budgeting for the coming year etc. As a Society we are required to file financial information each year. This does not have to be audited statements and can be internal documents provided they are reviewed and signed off by two Directors.

That said, I recommend that at a minimum we retain the services of an accountant to prepare Review Engagement Statements on an annual basis. I would suggest that it be for the finance committee to make recommendations to the Directors for ultimate approval by the membership at an AGM for the appointment of the auditors for the coming year.

Given that our next AGM is presently scheduled to take place April, May or June (within three months of our year end), I suggest that we try to organize an initial special meeting of the membership in the fall when the parade season has slowed down and we can take approximately an hour - an hour and a half to bring everybody up to speed as to our operations to date, set corporate goals and objectives for the short and medium term and determine what committees are required and how we best populate those committees.

I would be pleased to do a presentation relating to all of the foregoing if that was desirable.

Finally, in keeping with our firm's policy of advising clients of fees and disbursements as they arise I am taking the liberty of enclosing a statement of our accounts. The fee has been waived and the disbursements have been paid by myself in which I would be pleased to consider as a gift to the Society. I have also taken the liberty of compiling all the foregoing, together with a copy of the Memorandum of Association and By-Laws into a Governance binder (enclosed). I would be pleased to answer any questions or concerns that may arise upon review of the foregoing.

Yours very truly,
Crowe Dillon Robinson



Kevin A. MacDonal
KMD/lb

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