



Elmira Golf Club Limited (EGC)

Frequently Asked Shareholder Questions (FAQ's) and Answers

1) Q: What was or is the purpose or a share?

A: Historically EGC issued shares to raise capital and/or in exchange for services in order to start the golf club, including development of the course itself. Later, purchase of a share was required as a sort of minor initiation fee when becoming a first-time club member. Currently, a share enables the shareholder to:

- be put forward as a candidate for a seat on the Board, and
- vote for nominees to the Board, as well as on other issues requiring a vote presented at annual and special meetings.

2) Q: Does my share earn any dividends?

A: In 1974 EGC was approved to operate as a not-for-profit organization within Ontario. Therefore, its operating By-Law's must prohibit the payment of dividends to shareholders.

3) Q: What does EGC do with any profit it earns from its operations?

A: Some funds may be placed in reserve to offset years where revenues may not meet expenses. When net revenues exceed the reserve target, they are reinvested in the golf club including improvement and refurbishing of facilities and equipment as well as improvements to the course itself. Excess funds may also be used to pay down EGC's outstanding debt.

4) Q: What is my share worth?

A: Each share was issued with a face value, which has varied from time to time. The 'face value' represents what was originally paid for that share. However, as a 'not-for-profit' entity an EGC share has no real nor intrinsic value, other than the rights stated in (1) above.

5) Q: How will EGC operate in future?

A: It is our intention to continue to operate as a 'not-for-profit' corporation within the province of Ontario. As such we intend to ensure that our structure continues to comply with any existing and new Ontario laws required to maintain that status.

6) Q: Can a share be sold?

A: EGC does not operate a market for the sale of shares. And since purchase of a share is not currently required for first-time members there is no ready marketplace. However, share ownership can still be altered, if desired, via the share transfer process (see below).

7) Q: Can I simply return an unneeded share to EGC?

A: We recommend that shareholders hold onto their shares until after the results of the Special Meeting and send in their Proxy vote or attend and vote. However, if you would prefer to return your share now then please send a brief note to the General Manager, Jeremy Logel, or make an appointment to meet in person. Your share will be cancelled, and we will remove you from EGC's shareholder register and shareholder communication list.

Q: What if the original owner of the share is unable to vote in person or by proxy (e.g. the owner is deceased or has reduced comprehension)?

A: You can simply sign an attestation that you are authorized to act on behalf of the original owner (e.g. as the estate beneficiary or by Financial Power of Attorney). We will put the attestation document on our file.

You can then choose to:

- Return the share to be transferred to the EGC Board of Directors, OR
- Sign and return any Proxy forms, OR
- Vote in person at an EGC annual or special meeting

8) Q: Can a share be transferred to someone else?

A: Yes. Please contact the General Manager, Jeremy Logel, at EGC for the process and requirements.

9) Q: What if I inherited a share as a beneficiary?

A: You can simply sign and forward an attestation regarding your authority to act (please see 8 above), OR the share can be transferred to a named beneficiary (see 9 above).

10) Q: Why is it important that EGC has up-to-date contact information for all its shareholders?

A: As a corporation with shares, EGC is required to maintain a register of all shares issued including share number(s) and associated names, addresses and other contact information (e.g. Email address). This information is used to keep shareholders informed of financial statements, annual and special meetings and any special issues affecting shareholders or requiring a shareholder vote in person or by proxy.

11) Q: What if I am okay with the direction of the golf course and any future decisions made by the Board and prefer not to be contacted anymore?

A: As long as you continue to own an Elmira Golf Club share, EGC is obligated to contact you with information and requests relevant to the club's operation (e.g. annual and special meetings, requests for updated contact information). If you prefer, you can return your share to the club and all communication from EGC regarding said share will cease. Please see (7) above.

12) Q: As an EGC shareholder, can I get recent financial information for the corporation?

A: Absolutely. Each year EGC sends out an email invitation to shareholders, using contact information on file, to attend the Annual General Meeting. Enclosed with that invitation is a copy of EGC's most recent Financial Statements. If you did not receive your invitation or no longer have the provided financial statements simply send an email request to jeremy.logel@elmiragolfclub.on.ca or phone 519-669-1652 for a copy.

14) Q: What are the requirements for a valid Special Meeting of EGC shareholders?

A: EGC's by-law's, created when the club was originally begun, require a 'quorum' of 50% + one in order to hold a meeting and vote on a significant resolution. The quorum can be made up of in-person attendees as well as submitted voting proxies. Because there are 1,215 issued and outstanding EGC shares, the required quorum for a valid meeting is shareholders plus proxies representing 608 EGC shares.

When there is a quorum, any vote will be successful when a simple majority of the shares represented at the meeting are voted in favour of the resolution or motion.