

## GENERAL BY-LAW NUMBER 1

### CORPORATE SEAL

1. The seal, an impression whereof is stamped in the margin hereof, shall be the seal of the corporation and shall be kept in the custody of the Secretary of the corporation.

### CONDITIONS OF MEMBERSHIP

2. Entitlement

Membership in the corporation shall be limited to persons, corporations, firms and organizations interested in furthering the objects of the corporation and whose written application for admission as a member has received the approval of the board of directors of the corporation.

3. Membership Fees

There shall be no membership fees or dues unless otherwise directed by the board of directors.

4. Resignation

Any member may withdraw from the corporation at any time by delivering to the corporation a written resignation and lodging a copy of the same with the secretary of the corporation.

5. Termination of Membership

The interest of a member in the corporation is not transferable and lapses and ceases to exist:

- a) upon the death or dissolution of the member;
- b) when the member's period of membership expires (if any);
- c) when the member ceases to be a member by resignation or otherwise in accordance with the by-laws of the corporation; or
- d) if at a meeting of the board of directors, a resolution is passed to remove the member because such member has failed to pay the relevant annual membership fees, if any, or any other monies owing to the corporation or has been found guilty of any act or omission which, in the opinion of the directors, is unbecoming a member or prejudicial to the interests of the corporation.

### HEAD OFFICE

6. Until changed in accordance with the *Canada Corporations Act* (the "Act"), the Head Office of the corporation shall be in the Municipality of Metropolitan Toronto, Province of Ontario.

### BOARD OF DIRECTORS

7. Duties, Number and Qualifications

The property and business of the corporation shall be managed by a board of directors. The number of directors on the board shall be a minimum of three (3) and a maximum of fifteen (15), and the precise number of directors from time to time between the minimum and maximum noted above shall be determined by the directors at an annual meeting of directors. A director must be 18 years of age with power under law to contract and must be a member or the representative of a corporation, firm or organizational member.

8. First Directors

The applicants for incorporation shall become the first directors of the corporation whose term of office on the board of directors shall continue until their successors are elected at the first meeting of members. At the first meeting of members, the board of directors then elected shall replace the provisional directors named in the Letters Patent of the corporation.

9. Election and Term

Subject to the provisions of this by-law, directors of the corporation shall be elected for a term of three (3) years from the date of the meeting at which they are elected until the third annual meeting next following or until their successors are elected or until their earlier resignation or removal, provided that the term of the directors elected at the first annual meeting and at any subsequent annual meeting following an increase (or decrease) in the total number of directors of the corporation shall be a combination of one, two and three year terms as determined by the board of directors in advance of such annual meeting. Such determination of terms of office will provide as closely as possible for the term of one-third of the board of directors to expire at the time of each annual meeting. Nominations proposed to be made at any annual meeting of members for the election of directors must be in writing and must be filed with the secretary of the corporation at least four (4) days prior to the scheduled date for such meeting. Unless otherwise determined by the board of directors, a director who has served two (2) successive terms on the board of directors will not be eligible for election or appointment as a director for a third successive term.

10. Vacancies

The office of director shall be automatically vacated:

- a) if, within ten (10) days after election or appointment of a person as a director, such director does not become a member or ceases to be a member of the corporation or the corporation, firm or organization that such director represents does not become a member or ceases to be a member of the corporation;
- b) if a director has resigned his office by delivering a written resignation to the secretary of the corporation;
- c) if he is found by a court to be of unsound mind;
- d) if he becomes bankrupt or is declared insolvent;
- e) if at a special general meeting of members a resolution is passed by two-thirds (2/3) of the members present at the meeting that he be removed from office before the expiration of his term of office;
- f) on death.

11. Filling Vacancies

If any vacancy shall occur for any reason in the board of directors, the board of directors by majority vote, may, by appointment, fill the vacancy with a member of the corporation for the remainder of the term.

12. Place of Meeting and Notice

Meetings of the board of directors may be held at any place within or outside Canada. A meeting of directors shall be convened by the Secretary upon the direction of the Chairman, the President or any three directors. Unless sent by mail, forty-eight (48) hours written notice of any such meeting shall be given to each director by telephone or facsimile or other form of electronic communication. Notice, if sent by mail, shall be sent at least fourteen (14) days prior to the meeting to each director

at the last address recorded on the books of the corporation. There shall be at least one (1) meeting per year of the board of directors.

13. Error or Omission in Giving Notice

No error or omission in giving notice of any meeting of the board of directors or any adjourned meeting of the board of directors of the corporation shall invalidate such meeting or make void any proceedings taken thereat and any director may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat.

14. Telephone Participation

If all the directors of the corporation consent thereto generally or in respect of a particular meeting, a director may participate in a meeting of the board or of a committee of the board by means of such conference telephone or other communications facilities as permit all persons participating in the meeting to hear each other, and a director participating in such a meeting by such means is deemed to be present at the meeting.

15. Quorum

Four (4) directors or one half of the board of directors, whichever is the lesser, shall form a quorum for the transaction of business and, notwithstanding any vacancy among the directors, a quorum of directors may exercise all the powers of the board.

16. Voting

Each director is authorized to exercise one (1) vote. Questions arising at any meeting of directors shall be decided by a majority of votes. In case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

17. Resolutions in Lieu of Meeting

A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or committee of directors, is as valid as if it had been passed at a meeting of directors or committee of directors.

18. Remuneration of Directors

The directors shall serve as such without remuneration and no director shall directly or indirectly receive any profit from his position as such; provided that a director may be paid reasonable expenses incurred by him in the performance of his duties. Nothing herein contained shall be construed to preclude any director from serving the corporation as an officer or employee or in any other capacity and receiving compensation therefor.

19. Committees

The board of directors may from time to time appoint committees for such purposes and with such authority as the board shall see fit and may by resolution from time to time appoint and remove the members of such committees. The board of directors of the corporation may fix the remuneration to be paid, if any, to such members of such committees.

20. Agents and Employees

The board of directors may appoint such agents and engage such employees as it shall deem necessary from time to time and such persons shall have such authority and shall perform such duties and shall receive such remuneration as shall be prescribed from time to time by the board of directors.

## INDEMNITIES TO DIRECTORS AND OTHERS

21. Every director or officer of the corporation and their heirs, executors and administrators, shall from time to time and at all times, be indemnified and saved harmless out of the funds of the corporation, 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 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 office or in respect of any such liability;
  - b) all other costs, charges and expenses which he sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his own willful neglect or default.

## POWERS OF DIRECTORS

22. Administration of the Corporation's Affairs

The directors of the corporation may administer the affairs of the corporation in all things and make or cause to be made for the corporation, in its name, any kind of contract which the corporation may lawfully enter into and save as hereinafter provided, generally, may exercise all such powers and do all such other acts and things as the corporation is by its charter or otherwise authorized to exercise or do.

23. Expenditures and Salaries

The directors shall have power to authorize expenditures on behalf of the corporation from time to time and may delegate by resolution to an officer or officers of the corporation the right to employ and pay salaries to employees.

24. Fund Raising

The board of directors shall take such steps as they may deem requisite to enable the corporation to acquire, accept, solicit or receive legacies, gifts, grants, settlements, bequests, endowments and donations of any kind whatsoever for the purpose of furthering the objects of the corporation.

## OFFICERS

25. Election and Qualifications

The board of directors shall elect the officers of the corporation which shall include a President, a Secretary and a Treasurer and may include a Chairman, a Vice Chairman, one or more Vice Presidents and any such other officers as the board of directors may from time to time deem proper. Any two (2) offices may be held by the same person.

26. Term of Office

The officers of the corporation shall hold office for one (1) year from the date of appointment or election or until their successors are elected or appointed in their stead. Officers shall be subject to removal by resolution of the board of directors at any time.

27. Resignation and Removal

Any officer may resign at any time upon written notice to the corporation and such resignation shall take effect upon receipt thereof by the President or Secretary unless otherwise specified in the resignation. Any officer shall be subject to removal, with or without cause, at any time by vote of majority of the board of directors.

28. Remuneration of Officers

The remuneration of all officers appointed by the board of directors shall be determined from time to time by resolution of the board of directors, except that no officer who is also a director shall be entitled to receive remuneration for acting as such. All officers shall be entitled to be reimbursed for reasonable expenses incurred in the performance of the officer's duties.

DUTIES OF OFFICERS

29. Chairman of the Board

The Chairman of the board of directors, if there is one, shall preside at all meetings of members and of the board of directors and shall have such other powers and duties as may from time to time be assigned by the board of directors.

30. Vice Chairman

The Vice Chairman of the board of directors, if there is one, shall in the absence or disability of the Chairman exercise the powers of the Chairman and shall perform such other duties as shall from time to time be assigned by the board of directors or the President.

31. President

The President shall be the chief executive officer of the corporation. He shall, in the absence of a Chairman or Vice Chairman, preside at all meetings of members and of the board of directors. He shall have the general and active management of the affairs of the corporation. He shall see that all orders and resolutions of the board of directors are carried into effect.

32. Vice President

The Vice President shall, if any, (or if more than one, the Vice President so selected by the board of directors), in the absence or disability of the President, perform the duties and exercise the powers of the President and shall perform such other duties as shall from time to time be assigned by the board of directors or the President.

33. Treasurer

The Treasurer shall have the custody of the funds and securities of the corporation and shall keep full and accurate accounts of all assets, liabilities, receipts and disbursements of the corporation in the books belonging to the corporation and shall deposit all monies, securities and other valuable effects in the name and to the credit of the corporation in such chartered bank or trust company, or, in the case of securities, in such registered dealer in securities as may be designated by the board of directors from time to time. He shall disburse the funds of the corporation as may be directed by proper authority taking proper vouchers for such disbursements, and shall render to the President and directors at the regular meeting of the board of directors, or whenever they may require it, an accounting of all the transactions and a statement of the financial position, of the corporation. He shall also perform such other duties as may from time to time be assigned by the board of directors or the President.

34. Secretary

The Secretary shall attend all meetings and act as clerk thereof and record all votes and minutes of all proceedings in the books to be kept for that purpose. He shall give or cause to be given notice of all meetings of the members and of the board of directors, and shall perform such other duties as may be assigned by the board of directors or President.

35. Other Officers

The duties of all other officers of the corporation shall be such as the terms of their engagement call for or the board of directors requires them.

EXECUTION OF DOCUMENTS

36. Contracts, documents or any instruments in writing requiring the signature of the corporation, shall be signed by any two (2) officers or directors and all contracts, documents and instruments in writing so signed shall be binding upon the corporation without any further authorization or formality. The directors shall have power from time to time by resolution to appoint an officer or officers on behalf of the corporation to sign specific contracts, documents and instruments in writing.

37. The seal of the Corporation, when required, may be affixed to any instruments in writing signed as provided for in this by-law or by an officer or officers appointed by resolution of the board of directors.

MEETINGS

38. Annual Meetings

The annual meeting of members for the election of directors and for the transaction of such other business as may properly come before the meeting shall be each year at such date and time, and at such place within Canada, as the board of directors shall determine. At every annual meeting, in addition to any business that may be transacted, the report of the President, the financial statements and the report of the auditors shall be presented and auditors appointed for the ensuing year.

39. Special General Meetings

Special general meetings of members for the transaction of such business as may properly come before the meeting may be called by order of the board of directors, the Chairman (if any) or the President and shall be held at such date and time, and at such place within Canada, as may be specified by such order. The board of directors shall call a special general meeting of members on the written requisition of members carrying not less than twenty-five (25%) percent of the voting rights in the corporation.

40. Notice of Meetings

Fourteen (14) days' written notice shall be given to each voting member of any annual or special general meeting of members at his last address recorded on the books of the corporation of any annual or special general meeting of members. The notice of any meeting where special business will be transacted shall state in general terms the purpose or purposes for which the meeting is to be held and contain sufficient information as to permit a member to make a reasoned judgment on the decision to be taken. Notice of any meeting of members shall remind the member of his right to vote by proxy.

41. Quorum

Except as otherwise provided by law, a quorum for the transaction of business at any meeting of members shall consist of five (5) members entitled to vote at the meeting, or if the total number of members in the corporation so entitled to vote is less than eight (8) then a majority of such members, present in person or by proxy. At all meetings of the members at which a quorum is present, all matters, except as otherwise provided by law or by these by-laws, shall be decided by the vote of a majority of the members entitled to vote thereat, present in person or by proxy.

42. Voting

Each voting member present at a meeting shall have the right to exercise one vote. A member may, by means of a written proxy, appoint a proxyholder who must be a member of the corporation, to attend and act at a specific meeting of members in the manner and to the extent authorized by the proxy. In the case of an equality of votes, the chairman of the meeting shall be entitled to cast a second or casting vote. No member shall be entitled to vote at any meeting of members unless all fees, if any, due and owing by such member to the corporation have been paid.

43. Unanimous Resolution

A resolution in writing, signed by all the members entitled to vote on that resolution at a meeting of members, is as valid as if it had been passed at a meeting of members.

44. Waiver

No error or omission in giving notice of any annual or general meeting or any adjourned meeting, whether annual or general, of the members of the corporation shall invalidate such meeting or make void any proceedings taken thereat and any member may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. For purpose of sending notice to any member, director or officer for any meeting or otherwise, the address of the member, director or officer shall be his last address recorded on the books of the corporation.

FINANCIAL YEAR

45. Unless otherwise determined by the board of directors the fiscal year end of the corporation shall be December 31<sup>st</sup>.

AMENDMENT OF BY-LAWS

46. The by-laws of the corporation not embodied in the letters patent may be repealed or amended by by-law enacted by majority of the directors at a meeting of the board of directors and sanctioned by an affirmative vote of at least two-thirds (2/3) of the members at a meeting duly called for the purpose of considering the said by-law, provided that the repeal or amendment of such by-laws shall not be enforced or acted upon until the approval of the Minister of Industry Canada has been obtained.

AUDITORS

47. The members shall, at each annual meeting, appoint an auditor to audit the accounts of the corporation for report to the members at the next annual meeting. The auditor shall hold office until the next annual meeting provided that the directors may fill any casual vacancy in the office of auditor. The remuneration of the auditor shall be fixed by the board of directors.

BOOKS AND RECORDS

48. The directors shall see that all necessary books and records of the corporation required by the by-laws of the corporation or by any applicable statute or law are regularly and properly kept. The Secretary shall keep and maintain a record of the names and addresses of all members of the corporation.

RULES AND REGULATIONS

49. The board of directors may prescribe such rules and regulations not inconsistent with these by-laws relating to the management and operation of the corporation as they deem expedient, including but not limited to rules and regulations relating to membership in the corporation, the conditions, rights and privileges of members, and the voting rights, if any, attached thereto and the annual dues and other fees payable in respect thereof, if any, provided that such rules and regulations shall have force and effect only until the next annual meeting of the members of the corporation when they shall be

confirmed, and failing such confirmation at such annual meeting of members, shall at and from that time cease to have any force and effect.

INTERPRETATION

50. In these by-laws and in all other by-laws of the corporation hereafter passed unless the context otherwise requires, words importing the singular number of 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.

ENACTED \_\_\_\_\_, 1996

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary