

*Adopted FEBRUARY 25, 2017*

**FAIRTRADE CANADA INC.**

**GENERAL OPERATING BY-LAW NO. 3**

## **GENERAL OPERATING BY-LAW NO. 3**

A by-law relating generally to the conduct of the affairs of

### **FAIRTRADE CANADA INC.**

(a federal corporation)

(the “Corporation”)

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### **GENERAL OPERATING BY-LAW NO. 3**

A By-law relating generally to the conduct of the affairs of

#### **FAIRTRADE CANADA INC.**

(a federal corporation)

(the “Corporation”)

**WHEREAS** the Corporation was granted Letters Patent by the Federal Government of Canada under the *Canada Corporations Act* on September 29, 1994, under the name “Fair TradeMark Canada”;

**AND WHEREAS** the corporate name was changed to “TransFair Canada Inc.” by Supplementary Letters Patent issued by the Federal Government of Canada dated March 23, 2000;

**AND WHEREAS** the corporate name was changed to “Fairtrade Canada Inc.” by Supplementary Letters Patent issued by the Federal Government of Canada dated SLP dated January 14, 2011;

**AND WHEREAS** “By-law Number One of Fair TradeMark Canada” [undated] (“By-law No. 1”) was attached to the application for Letters Patent as the draft General Operating By-law of the Corporation;

**WHEREAS** the Corporation was issued a certificate of continuance by the federal Government of Canada under the *Canada Not-for-Profit Corporations Act* on December 17, 2013;

**AND WHEREAS** the current General Operating By-law “By-law of Fairtrade Canada Inc.” (“By-law No. 2”) was approved by the members on October 23, 2014 under the *Canada Not-for-Profit Corporations Act*;

**AND WHEREAS** it is determined necessary to replace By-law No. 2, with General Operating By-law No. 3 herein;

**NOW THEREFORE BE IT ENACTED** that the following By-law be enacted as the General Operating By-law of the Corporation as follows:

**SECTION 1**  
**INTERPRETATION**

**1.01 Definitions**

In this By-law and all other By-laws and resolutions of the Corporation, unless the context otherwise requires:

- (a) “Act” means the *Canada Not-for-Profit Corporations Act*, S.C. 2009, c. 23, including any regulations made pursuant to the Act and any statute or regulations that may be substituted, as amended from time to time.
- (b) “Articles” means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation.
- (c) “Board” means the board of directors of the Corporation.
- (d) “By-law” or “By-laws” means this by-law and all other by-laws of the Corporation as amended and which are, from time to time, in force and effect.
- (e) “Civil Society Organization” means an Entity with non-profit or charitable purposes (or operating divisions of non-profit or charitable Entities) that are incorporated or established in Canada and have purposes to generally support fair trade, as defined in Section 4.01(b) of this By-law.
- (f) “Director” means a member of the Board.
- (g) “Director-At-Large” means an individual who meets the qualifications for Directors as described in Section 6.03(a) of this By-law and is not a Member Representative of a Member that is either a Licensee or a Civil Society Organization.
- (h) “Entity” means any form of entity, whether legal or otherwise, and whether established within Canada or elsewhere and includes, but is not limited to bodies corporate, partnerships, trusts, joint ventures, unincorporated associations and unincorporated organizations.
- (i) “Fairtrade Mark” means the trade-marks licensed or sub-licensed, as applicable, by the Corporation to the Licensees.
- (j) “Licensee” means an Entity that has signed a license or sub-license agreement, with the Corporation, as applicable, and as may be amended from time to time, for use of the Fairtrade Mark as defined in Section 4.01(a).
- (k) “Member” means a member of the Corporation as defined in Section 4.01.

- (l) “Member Representative” means a representative of a Member as described in Section 4.05.
- (m) “Members” or “Membership” means the collective membership of the Corporation.
- (n) “Officer” means an officer of the Corporation.
- (o) “Ordinary Resolution” means a resolution passed by a majority of the votes cast on that resolution.
- (p) “Principles of Fair Trade” means the Principles of Fair Trade as defined in Section 4.01(a)(iii) and Section 4.01(b)(iii).
- (q) “Regulations” means the regulations made under the Act, as amended, restated or in effect from time to time.
- (r) “Special Resolution” means a resolution passed by a majority of not less than two thirds (2/3rds) of the votes cast on that resolution.

## **1.02 Interpretation**

In the interpretation of this By-law, unless the context otherwise requires, the following rules shall apply:

- (a) except where specifically defined herein, all terms contained herein and which are defined in the Act shall have the meanings given to such terms in the Act;
- (b) words importing the singular number only shall include the plural and *vice versa*;
- (c) the word “person” shall include an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his capacity as trustee, executor, administrator, or other legal representative;
- (d) words importing the masculine gender include the feminine and neuter genders;
- (e) the headings used in the 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;
- (f) the By-laws of the Corporation shall be interpreted in accordance with and subject to the purposes of the Corporation, which purposes for purposes of this By-law are incorporated by reference and made a part hereof; and

- (g) if any of the provisions contained in the By-laws are inconsistent with those contained in the Articles or the Act, the provisions contained in the Articles or the Act, as the case may be, shall prevail.

## **SECTION 2** **GENERAL**

### **2.01 Registered Office**

The registered office of the Corporation shall be situated in the province or territory specified in the Articles at such address as the Board may determine from time to time. The Directors may change the registered office to another place within the province or territory specified in the Articles.

### **2.02 Corporate Seal**

The Corporation may have a corporate seal in the form approved from time to time by the Board. If a corporate seal is approved by the Board, the secretary of the Corporation shall be the custodian of the corporate seal.

### **2.03 Execution of Documents**

Deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring execution by the Corporation may be signed by any two (2) of its Officers. Notwithstanding the foregoing, the Board may from time to time direct the manner in which and the person or persons by whom a particular document or type of document shall be executed. Any person authorized to sign any document may affix the corporate seal thereto. Any signing Officer may certify a copy of any instrument, resolution, By-law or other document of the Corporation to be a true copy thereof.

### **2.04 Board Policies**

The Board may adopt, amend, or repeal such board policies that are not inconsistent with By-laws of the Corporation relating to the management and operation of the Corporation as the Board may deem appropriate from time to time. Any board policy adopted by the Board shall continue to have force and effect until amended, repealed, or replaced by a subsequent resolution of the Board.

## **SECTION 3** **FINANCIAL MATTERS**

### **3.01 Financial Year**

Unless otherwise changed by resolution of the Board, the financial year end of the Corporation shall be the 31<sup>st</sup> day of December in each year.



### **3.02 Banking Arrangements**

The banking business of the Corporation shall be transacted at such bank, trust company or other firm or corporation carrying on a banking business in Canada or elsewhere as the Board may designate, appoint or authorize from time to time. The banking business or any part thereof shall be transacted by any two (2) Officers of the Corporation and/or other persons as the Board may from time to time designate, direct or authorize.

### **3.03 Public Accountant and Financial Review**

- (a) Unless otherwise permitted by the Act, the Members shall, by Ordinary Resolution at each annual meeting, appoint a public accountant to hold office until the next following annual meeting in accordance with the Act.
- (b) If the Corporation meets the requirements for a “designated corporation” under the Act (by having \$1 million or less in gross annual revenues for its last completed financial year), the Members may resolve not to appoint a public accountant upon unanimous approval of the Members. If a public accountant is appointed, the public accountant must conduct a review engagement of the Corporation’s financial statements, but the Members may by an Ordinary Resolution require an audit be conducted.
- (c) The public accountant must meet the qualifications in the Act, including being independent of the Corporation and its affiliates, as well as the Directors and Officers of the Corporation and its affiliates. The Directors may fill any casual vacancy in the office of the public accountant to hold office until the next following annual meeting. The remuneration of the public accountant may be fixed by Ordinary Resolution of the Members, or if not so fixed, shall be fixed by the Board.

### **3.04 Annual Financial Statements**

The Corporation shall send copies of the annual financial statements and other documents referred to in subsection 172(1) of the Act to the Members between 21 to 60 days before the day on which an annual meeting of Members is held or before the day on which a written resolution in lieu of an annual meeting is signed, unless a Member declines to receive them. Alternatively, the Corporation may publish a notice to the Members stating that such documents are available at the registered office of the Corporation and any Member may request a copy free of charge at the registered office or by prepaid mail.

### **3.05 Borrowing**

#### **(a) Borrowing Powers**

Subject to the limitations set out in the Act, the Articles and this By-law, the Board may:

- (i) borrow money on the credit of the Corporation;
- (ii) issue, reissue, sell, pledge or hypothecate debt obligations of the Corporation; and
- (iii) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any debt obligation of the Corporation.

(b) Authorization

From time to time, the Board may authorize any Director or Officer or other persons of the Corporation to make arrangements with reference to money borrowed or to be borrowed as to the terms and conditions of the loan thereof, and as to the security to be given therefor, with power to vary or modify such arrangements, terms and conditions and to give such additional security as the Board may authorize and generally to manage, transact and settle the borrowing of money by the Corporation.

**SECTION 4**  
**MEMBERS**

**4.01 One Class and Conditions of Membership**

Pursuant to the Articles, there shall be one (1) class of Members in the Corporation. Membership in the Corporation shall consist of Licensees and Civil Society Organizations that meet the requirements of Membership herein:

(a) Licensees

- (i) Licensees are Entities that have signed a license or sub-license agreement, with the Corporation, as applicable, and as may be amended from time to time, for use of the Fairtrade Mark;
- (ii) have had their Member Representative sign a Membership Statement to evidence the Member's commitment to furthering the Purposes contained in the Articles of the Corporation, and the Member's agreement with the Articles, Bylaws and Policies of the Corporation; and
- (iii) wish to further the Corporation's "Principles of Fair Trade": to connect disadvantaged producers with consumers, promote significantly fairer trading conditions and empower producers, to build upon what works, to strengthen links within the fair trade movement, and to drive ever more meaningful transformation; or

(b) Civil Society Organizations

- (i) Civil Society Organizations are Entities with non-profit or charitable purposes (or operating divisions of non-profit or charitable Entities) that are incorporated or established in Canada and have purposes that are not in conflict with the “Principles of Fair Trade”, as determined in the sole discretion of the Board;
- (ii) have had their Member Representative sign a Membership Statement to evidence the Member's commitment to furthering the Purposes contained in the Articles of the Corporation, and the Member's agreement with the Articles, By-laws and Policies of the Corporation; and
- (iii) wish to further the Corporation’s “Principles of Fair Trade”: to connect disadvantaged producers with consumers, promote significantly fairer trading conditions and empower producers, to build upon what works, to strengthen links within the fair trade movement, and to drive ever more meaningful transformation;

**4.02 Admission to be a Member**

Applications for Membership in the Corporation shall be made in such form, in such manner, and according to such procedures as the Board may from time to time determine. If the Board is satisfied that an applicant meets all of the applicable qualification requirements as set out in Section 4.01, the Board must admit the applicant to be a Member of the Corporation by Ordinary Resolution of the Board, unless the applicant has previously been removed as a Member in the Corporation for reasons as set out in Section 4.07 or is a Licensee or Sub-Licensee who is not in good standing with the Corporation. If an applicant has previously been removed as a member in the Corporation, the Board may, at its discretion, readmit the applicant to be a Member of the Corporation. All applicants shall be advised whether the application has been accepted or rejected, as well as reasons for rejection, if applicable. The decision to accept or reject an applicant may be challenged by a Member of the Corporation by Ordinary Resolution at the subsequent Meeting of the Members.

**4.03 Term of Membership**

Membership in the Corporation shall continue indefinitely provided the Member continues to satisfy all of the applicable qualification requirements as set out in Section 4.01 and Membership has not been terminated or removed as per Sections 4.06 and 4.07.

**4.04 Rights of Members**

Each Member shall have the following rights:

- (a) the right to receive notice of, attend, speak, make motions, nominate candidates for the Board of Directors, and participate at all meetings of Members; and
- (b) the right to appoint, as more particularly provided in Section 4.05, one (1) Member Representative to cast one (1) vote at all meeting of Members.

#### **4.05 Member Representatives**

- (a) Each Member shall designate in writing one (1) individual (the “Member Representative”) to represent it and to receive all notices and other communications delivered to that Member. The Member Representative may be the executive director or chief executive officer of the Member, or such other representative appointed by the Members’ executive director or chief executive officer or as appointed in such manner determined by the Member from time to time.
- (b) A Member may change its Member Representative by written notice to the Corporation.
- (c) An individual cannot act as a Member Representative for more than one (1) Member.
- (d) The appointing Member may instruct the Member Representative in relation to the manner and the extent in which the Member Representative may vote or act on behalf of the Member at meetings of Members of the Corporation. Lacking such specific instructions, the Member Representative may act and vote in his/her discretion with respect to any and all matters which may properly come before the meeting of Members or any adjournments thereof.

#### **4.06 Termination of Membership**

Membership in the Corporation is terminated when:

- (a) for Members that are corporations, the Member becomes bankrupt, or is liquidated or dissolved;
- (b) for Members that are unincorporated associations or operating divisions of another Entity, they cease to function or they cease to exist as an unincorporated association or an operating division of a legal Entity, as determined in the sole discretion of the Board;
- (c) the Member relinquishes its Membership by delivering a written resignation to the Corporation in which case such resignation shall be effective on the date specified in the resignation;
- (d) for Members that are Licensees, the Member’s license or sub-license agreement, with the Corporation, as applicable, terminates;

- (e) the Member is removed as a Member in accordance with Section 4.07;
- (f) the Corporation is liquidated or dissolved under the Act.

Subject to the Articles, upon any termination of membership, all rights of the Member automatically cease to exist.

#### **4.07 Suspension or Removal of Members**

The Board may suspend or remove any Member from the Corporation (“Member Under Discipline”) for any one or more of the grounds outlined below.

- (a) violating any provision of the Articles, By-laws, or policies of the Corporation; or
- (b) carrying out any conduct which may be detrimental to the Corporation as determined by the Board in its sole discretion;

In the event that the Board determines that a Member Under Discipline should be expelled or suspended from membership in the Corporation, the chair of the Board shall provide twenty (20) days’ notice of suspension or removal to the Member Under Discipline and shall provide reasons for the proposed suspension or removal. The Member Under Discipline may make written submissions to the chair of the Board in response to the notice received within such twenty (20) day period. In the event that no written submissions are received by the chair of the Board, he/she may proceed to notify the Member Under Discipline that the Member Under Discipline is suspended or pending removal from membership in the Corporation. Where written submissions are received in accordance with this Section, the Board will consider such submissions in arriving at its decision and shall notify the Member Under Discipline concerning such Board decision within a further twenty (20) days from the date of receipt of the submissions. The Board’s decision to remove a Member must be confirmed by an Ordinary Resolution of the Membership to be final and binding on the Member.

### **SECTION 5** **MEETINGS OF MEMBERS**

#### **5.01 Meeting of Members**

A “meeting of Members” or “Members’ meeting” shall include an annual meeting of Members and a special meeting of Members.

#### **5.02 Annual Meetings**

An annual meeting of Members shall be held at such time in each year, as the Board may from time to time determine, but no later than six (6) months after the end of the Corporation’s preceding financial year. The annual meeting shall be held for the purpose of considering the financial statements and reports of the Corporation required by the Act to be presented at the meeting, electing Directors, appointing the public accountant and

transacting such other business as may properly be brought before the meeting or is required under the Act.

### **5.03 Special Meetings**

The Board may at any time call a special meeting of Members for the transaction of any business which may properly be brought before the Members. The Board shall call a special meeting on written requisition of not less than five percent (5%) of the votes that may be cast at a meeting of Members sought to be held for any purpose connected with the affairs of the Corporation that does not fall within the exceptions listed in the Act or is otherwise inconsistent with the Act, within 21 days from the date of the deposit of the requisition. The requisition may consist of several documents of similar form each signed by one or more Members, shall state the business to be transacted at the meeting and shall be sent to each Director and to the registered office of the Corporation.

### **5.04 Place of Meetings**

Meetings of Members may be held at any place within Canada as the Board may determine or outside Canada if all of the Members entitled to vote at such meeting so agree. A Member who attends a meeting of Members held outside Canada is deemed to have agreed to it being held outside Canada except when the Member attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully held.

### **5.05 Special Business**

All business transacted at a special meeting of Members and all business transacted at an annual meeting of Members, except consideration of the financial statements, public accountant's report, election of directors and re-appointment of the incumbent public accountant, is special business.

### **5.06 Notice of Meetings**

- (a) Notice of the time and place of a meeting of Members shall be given to each Member entitled to vote at the meeting by the following means:
  - (i) by mail, courier or personal delivery to each Member entitled to vote at the meeting, during a period of 21 to 60 days before the day on which the meeting is to be held; or
  - (ii) by telephonic, electronic or other communication facility to each Member entitled to vote at the meeting, during a period of 21 to 35 days before the day on which the meeting is to be held.
- (b) Where the Corporation provides notice electronically referred to in Section 5.06(a)(ii) and if a Member requests that notice be given by non-electronic means,

the Corporation shall give notice of the meeting to the Member so requested by in the manner set out in Section 5.06(a)(i).

- (c) Notice of a meeting of Members shall also be given to each Director and to the public accountant of the Corporation during a period of 21 to 60 days before the day on which the meeting is to be held.
- (d) Notice of a meeting of Members at which special business is to be transacted shall state the nature of that business in sufficient detail to permit a Member to form a reasoned judgment on the business; and state the text of any Special Resolution to be submitted to the meeting.
- (e) Notice of a meeting of Members shall remind Members that they have the right to vote by proxy in accordance with Section 5.15.

### **5.07 Record Date**

The Directors may fix a record date for determining Members entitled to receive notice of or to vote at a meeting of Members, provided that the record date must be between 21 to 60 days before the day on which the meeting is to be held. If no record date is fixed by the Directors, the record date for the determination of Members entitled to receive notice of and vote at a meeting of Members is at the close of business on the day immediately preceding the day on which the notice is given, or, if no notice is given, the day on which the meeting is held; and the record date for the determination of Members for any other purpose shall be at the close of business on the day on which the Directors pass the resolution relating to the record date.

### **5.08 Waiving Notice**

A Member and any other person entitled to notice of a meeting of Members may in any manner and at any time waive notice of a meeting of Members, and attendance of any such person at a meeting of Members is a waiver of notice of the meeting, except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

### **5.09 Persons Entitled to be Present**

- (a) The only persons entitled to be present at a meeting of Members shall be those entitled to vote at the meeting, the Directors, the public accountant of the Corporation and such other persons who are entitled or required under any provision of the Act, Articles or By-laws of the Corporation to be present at the meeting.
- (b) Any other person may be admitted to attend meetings of Members as an observer only on:
  - (i) the invitation of the chair of the meeting; or

- (ii) the invitation of any Member that is present at the meeting.

Continued permission to attend as an observer may be revoked by Ordinary Resolution of the Members.

### **5.10 Chairperson of the Meeting**

The chairperson of Members' meetings shall be the chair of the Board, or the vice-chair of the Board if the chair of the Board is absent or unable to act. In the event that the chair of the Board and the vice-chair of the Board are absent, the Members who are present and entitled to vote at the meeting shall choose one of their number to chair the meeting. The chairperson does not vote on any question, other than the election of Directors if the chairperson is also a Member Representative or proxyholder, except in the event of an equality of votes as per Section 5.16.

### **5.11 Quorum**

- (a) A quorum at any meeting of the Members (unless a greater number of Members are required to be present by the Act) shall be the greater of fifteen (15) Members or (20%) twenty percent of the Members entitled to vote at the meeting. If a quorum is present at the opening of a meeting of Members, the Members present may proceed with the business of the meeting even if a quorum is not present throughout the meeting. If a quorum is not present at the opening of a meeting of Members, the Members present may adjourn the meeting to a fixed time and place but may not transact any other business and the provisions of Section 5.21 with regard to notice shall apply to such adjournment.
- (b) For the purpose of determining quorum, a Member may be present in person, by telephonic and/or by other electronic means, or any absentee voting permitted by this By-law.

### **5.12 Participation at Meetings by Electronic Means**

If the Corporation chooses to make available a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during a meeting of Members, any person entitled to attend such meeting may participate in the meeting by such means in the manner provided by the Act and the Regulations. A person participating in a meeting by such means is deemed to be present at the meeting.

### **5.13 Meeting Held by Electronic Means**

Notwithstanding Section 5.12, if the Directors or Members of the Corporation call a meeting of Members, those Directors or Members, as the case may be, may determine that the meeting be held, in accordance with the Act and the Regulations, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.



#### **5.14 Voting by Electronic Means**

Notwithstanding any other provision of this By-law, voting carried out by means of a telephonic, electronic or other communication facility referred to in Section 5.12 and Section 5.13 is permitted only if that facility enables the votes to be gathered in a manner that permits their subsequent verification; and permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each Member voted.

#### **5.15 Absentee Voting by Proxy**

Every Member entitled to vote at a meeting of Members may appoint a proxyholder, or one or more alternate proxyholders, to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by it subject to the following:

- (a) the proxyholder and alternate proxyholder need not be a Member;
- (b) a proxy is valid only at the meeting in respect of which it is given or at a continuation of the meeting after an adjournment;
- (c) a Member may revoke a proxy by depositing an instrument in writing executed by the Member or, in Quebec, signed by the member or by their agent or mandatary:
  - (i) at the registered office of the Corporation no later than the last business day preceding the day of the meeting, or the day of the continuation of that meeting after an adjournment of that meeting, at which the proxy is to be used, or
  - (ii) with the chair of the meeting on the day of the meeting or the day of the continuation of that meeting after an adjournment of that meeting;
- (d) a proxyholder or an alternate proxyholder has the same rights as the Member by whom they were appointed, including the right to speak at a meeting of Members in respect of any matter, to vote by way of ballot at the meeting, to demand a ballot at the meeting and to vote at the meeting by way of a show of hands;
- (e) votes by proxy shall be collected, counted and reported the same manner as votes cast by any Member Representative in attendance.

#### **5.16 Votes to Govern**

At any meetings of the Members, every question shall, unless otherwise provided by the Articles or By-laws or by the Act, be determined by a majority of the votes cast by Member Representatives and proxyholders on the question. In case of an equality of votes, the chairperson of the meeting, who does not otherwise vote, shall have a casting vote.

### **5.17 Show of Hands**

Subject to the Act and except in the case of a meeting held by phone or other electronic means, any question at a meeting of Members shall be decided by a show of hands unless a ballot has been demanded by a Member entitled to vote at the meeting or otherwise required. Unless a ballot is demanded, a declaration by the chair of the meeting as to whether or not the question or motion has been carried and an entry to that effect in the minutes of the meeting shall, in the absence of evidence to the contrary, be evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the motion. Notwithstanding the foregoing, any vote may be held entirely by means of a telephonic, an electronic or other communication facility, if the Corporation makes available such a communication facility, in accordance with Section 5.12, Section 5.13 or Section 5.14.

### **5.18 Ballots**

On any question proposed for consideration at a meeting of Members, and whether or not a show of hands has been taken thereon, the chair of the meeting may require a ballot or any Member or proxyholder entitled to vote on such question at the meeting may demand a ballot. A ballot so demanded shall be taken in such manner as the chair shall direct. A demand for a ballot may be withdrawn at any time prior to the taking of the ballot. The result of the ballot so taken shall be the decision of the Members on the question.

### **5.19 Resolution in Lieu of Meeting**

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 the Members, unless a written statement is submitted to the Corporation by a Director in relation to his/her resignation or removal or by the public accountant in relation to his/her resignation, removal or replacement. A copy of every resolution of the Members shall be kept with the minutes of meetings of Members.

### **5.20 Rules of Order**

Any questions of procedures at or for any meetings of the Members, which have not been provided for in this By-law or by the Acts, shall be determined by the chairperson of the meeting in accordance with the most current edition of *Robert's Rules of Order*.

### **5.21 Adjournment**

The chair of any meeting of Members may with the consent of the meeting adjourn the same from time to time to a fixed time and place and no notice of such adjournment need be given to the Members provided that the meeting of Members is adjourned for less than thirty-one (31) days. If a meeting of Members is adjourned by one or more adjournments for an aggregate of more than thirty (30) days, notice of the adjourned meeting shall be in the manner as if it is an original meeting. Any business may be brought before or dealt

with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

## **SECTION 6** **DIRECTORS**

### **6.01 Powers**

Subject to the Act and the Articles, the Board shall manage or supervise the management of the activities and affairs of the Corporation.

### **6.02 Number**

The Board shall consist of the minimum and maximum number of Directors specified in the Articles. The precise number of Directors on the Board shall be determined from time to time in accordance with the composition of the Board set out in Section 6.03, by the Members by Ordinary Resolution or, if the Ordinary Resolution empowers the Directors to determine the number of the Directors, by resolution of the Board.

### **6.03 Qualifications and Composition**

- (a) Each Director shall meet all of the following qualification requirements:
- (i) is an individual who is at least 18 years of age, has not been found by a court in Canada or elsewhere to be mentally incompetent, does not have the status of a bankrupt;
  - (ii) is and continues to be in agreement and agrees to further the purposes of the Corporation as contained in the Articles and the Principles of Fair Trade as contained in the By-law as evidenced by a signed Director Consent form;
  - (iii) agrees to abide by the provisions in the Articles, By-laws (including the Principles of Fair Trade) and Policies of the Corporation; and
  - (iv) was appointed as a Member Representative prior to being nominated as a Director and continues to be a Member Representative in that capacity until elected, except that the Directors-At-Large referred to in Section 6.03(b)(iv) are not required to meet this requirement.

A Director who did not represent a Member that is a Licensee or a Civil Society Organization prior to becoming a Director, shall not become a Member of the Corporation by virtue of his or her Director status.

- (b) The Board shall, as much as possible, consist of between five (5) and nine (9) directors, as follows:

- (i) at least two (2) Directors and no more than three (3) Directors shall, as a qualification requirement, be until elected Member Representatives of Members that are Licensees;
- (ii) at least two (2) Directors and no more than three (3) Directors shall, as a qualification requirement, be until elected Member Representatives of Members that are Civil Society Organizations; and
- (iii) at least one (1) Directors and no more than three (3) Directors shall be Directors-At-Large.

#### **6.04 Election and Term**

##### **(a) Term and Maximum Term for Directors**

- (i) Subject to the Articles, Directors shall be elected by the Members by Ordinary Resolution at each annual meeting of Members at which an election of Directors is required. The Directors' term of office shall be two (2) years calculated from the date of the meeting at which they are elected until the close of the second (2) annual meeting next following or until their successors are elected.
- (ii) A Director not elected for an expressly stated term ceases to hold office at the close of the first (1<sup>st</sup>) annual meeting of Members following the Director's election. If Directors are not elected at a meeting of Members, the incumbent Directors shall continue in office until their successors are elected.
- (iii) The maximum consecutive number of terms for each Director is three (3) terms of two (2) years. A Director will be eligible for re-election to the Board at the end of his or her term up to the maximum number of terms provided that such Director continues to meet the qualification requirements to be a Director. Upon the completion of the maximum term on the Board, a minimum of a one (1) year absence is required before eligibility for re-election to the Board is restored.

#### **6.05 Consent**

An individual who is elected or appointed to hold office as a Director is not a Director, and is deemed not to have been elected or appointed to hold office as a Director, unless:

- (a) the individual was present at the meeting when the election or appointment took place and did not refuse to hold office,
- (b) the individual was not present at the meeting when the election or appointment took place and consented to hold office in writing before the election or appointment or within ten (10) days after the meeting, or

- (c) the individual was not present at the meeting when the election or appointment took place and has acted as a Director pursuant to such person's election or appointment.

### **6.06 Nomination of Directors**

- (a) Subject only to the Act and the Articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as Directors of the Corporation. Nominations of persons for election to the Board may be made at any annual meeting of Members, or at any special meeting of Members if one of the purposes for which the special meeting was called is the election of Directors:
  - (i) by or at the direction of the Board, including pursuant to a notice of meeting, in accordance with list of nominees prepared by the Nominating Committee as outlined in Section 6.15 of this By-law;
  - (ii) by or at the direction or request of one or more Members pursuant to a proposal made in accordance with the Act, or a requisition of the Members made in accordance with the Act; or
  - (iii) by any person ("Nominating Member"): (A) who, at the close of business on the date of the giving of the notice provided for below and on the record date for notice of such meeting, is entered in the Corporation's membership records being entitled to vote at such meeting; and (B) who complies with the notice procedures set forth below.
- (b) Proper Form - To be in proper written form, a Nominating Member's notice to the Secretary must set forth (i) the name, address, occupation of the nominee and any other information confirming that the person meets all of the qualification requirements of Directors; and (ii) the name and address of the Nominating Member giving the notice and confirmation that the person has the right to vote at the meeting of Members where election is to be held.
- (c) Eligibility - No person shall be eligible for election as a Director of the Corporation unless nominated in accordance with the provisions of this Section 6.06. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set out in this Section 6.06 and, if any proposed nomination is not in compliance, to declare that such defective nomination shall be disregarded.
- (d) Delivery of Notice - Notwithstanding any other provision of this By-law, notice given to the Secretary of the Corporation pursuant to this Section 6.06 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Secretary of the Corporation for purposes of this notice).

### **6.07 Ceasing to Hold Office**

A Director ceases to hold office when the Director dies, resigns, is removed from office by the Members in accordance with Section 6.09, or no longer fulfils all of the qualifications to be a Director set out in Section 6.03 as determined in the sole discretion of the Board. Where a person is no longer a Director, then such person shall be deemed to have also automatically resigned as an Officer (if it is a requirement to be a Director to hold that particular Officer position) and/or a committee member, as applicable.

### **6.08 Resignation**

A resignation of a Director becomes effective at the time a written resignation is sent to the Corporation or at the time specified in the resignation, whichever is later. A Director who has resigned may submit to the Corporation a written statement pursuant to section 131 of the Act.

### **6.09 Removal**

The Members may, by Ordinary Resolution passed at a special meeting of Members, remove any Director from office before the expiration of the Director's term and may elect a qualified individual to fill the resulting vacancy for the remainder of the term of the Director so removed, failing which such vacancy may be filled by the Board. A Director who is being removed or has been removed may submit to the Corporation a written statement pursuant to section 131 of the Act.

### **6.10 Filling Vacancies**

Subject to the Act and the Articles, a quorum of the Directors may fill a vacancy in the Board, except a vacancy resulting from an increase in the number or the minimum or maximum number of Directors, or from a failure of the Members to elect the number of Directors required to be elected at any meeting of Members. If there is not a quorum of the Board, or if the vacancy has arisen from a failure of the Members to elect the number of Directors required to be elected at any meeting of Members, the Board shall forthwith call a special meeting of Members to fill the vacancy. If the Board fails to call such meeting or if there are no Directors then in office, any Member may call the meeting. A Director appointed or elected to fill a vacancy holds office for the unexpired term of their predecessor.

### **6.11 Remuneration of Directors**

As required by the Articles, Directors shall serve without remuneration, and no Director shall directly or indirectly receive any profit from his or her position as such, provided that a Director may be reimbursed for reasonable expenses incurred in performing his or her duties.

### **6.12 Remuneration of Officers, Agents, Employees**

Subject to the Articles, the Directors of the Corporation may fix the reasonable remuneration of the Officers, committee members and employees of the Corporation and may delegate any or all of this function as it determines to be appropriate. However, no Officer or committee member who is also a Director shall be entitled to receive remuneration for acting as such. Any Officer, committee member or employee of the Corporation may receive reimbursement for their expenses incurred on behalf of the Corporation in their respective capacities as an Officer, committee member or employee, subject to any policy in this regard that may be adopted by the Board from time to time.

### **6.13 Delegation**

Subject to the Act, the Board may appoint from their number a managing director or a committee of Directors (which may be referred to as an executive committee) and delegate to the managing director or committee any of the powers of the Board, except those which may not be delegated by the Board pursuant to subsection 138(2) of the Act. Unless otherwise determined by the Board, such a committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chair and to otherwise regulate its procedure.

### **6.14 Committees**

The Board may from time to time appoint any committee or other advisory body, as it deems necessary or appropriate for such purposes and, subject to the Act, with such powers as the Board shall see fit. Any committee member may be removed by the Board. Unless otherwise determined by the Board, a committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairman, to appoint its secretary and to otherwise regulate its procedure.

### **6.15 Nominating Committee**

#### **(a) Establishment of Nominating Committee**

- (i) The Board shall establish a Nominating Committee composed of a minimum of three (3) and a maximum of five (5) individuals, for the purpose of preparing a list of nominees for the Director elections to be held at the next annual meeting of Members in accordance with Section 6.03 of this By-law. In preparing the list of nominees, the Nominating Committee shall include at least one nominee for each Director position open for election. The Nominating Committee shall request nominations from the Members and from the Directors of the Corporation. The Nominating Committee may also select nominees who have the particular skills, background or professional experience as may be required on the Board, as determined by the Nominating Committee in consultation with the Board, from time to time.

- (ii) The Nominating Committee shall ensure that all nominees meet the qualifications for Directors outlined in Section 6.03 and, obtain the consent of all nominees before presenting their names to the Board for approval by the Board. After Board approval has been obtained over the list of nominees, the Nominating Committee shall post the list of nominees at least one (1) month prior to the annual meeting of Members.
- (iii) The standard terms of reference for committees as detailed in Section 6.14 shall apply to the Nominating Committee except as modified in this Section 6.15.

(b) Qualification and Composition of Nominating Committee

- (i) A person may be considered for appointment to the Nominating Committee if he or she is (1) a Member Representative who is not seeking election to the Board at the next annual meeting of Members; or (2) is a Director who is not seeking re-election to the Board at the next annual meeting of Members.
- (ii) The composition of the Nominating Committee shall be as follows:
  - (1) one (1) to two (2) Nominating Committee members shall, as a qualification requirement, be Member Representatives of Members that are Licensees;
  - (2) one (1) to two (2) Nominating Committee members shall, as a qualification requirement, be Member Representatives of Members that are Civil Society Organizations;
  - (3) one (1) to two (2) Nominating Committee members shall, as a qualification requirement, be Directors of the Corporation.

(c) Term of Nominating Committee

- (i) The term of membership on the Nominating Committee shall be for a period of one (1) year and shall be effective as of January 1<sup>st</sup> and end on December 31 of each year.
- (ii) The maximum term of a member of the Nominating Committee is two (2) consecutive terms of one (1) year and thereafter a minimum of a one (1) year absence is required before eligibility for re-appointment to the Nominating Committee is restored.

(d) Minutes of Meeting

Minutes shall be kept of all Nominating Committee meetings.



**SECTION 7**  
**MEETINGS OF DIRECTORS**

**7.01 Place of Meetings**

Meetings of the Board may be held at the head office of the Corporation or at any other place within or outside of Canada, as the Board may determine.

**7.02 Calling of Meetings**

Meetings of the Board may be called by the chair of the Board, the vice-chair of the Board or any two (2) Directors at any time.

**7.03 Notice of Meeting**

Notice of the time and place for the holding of a meeting of the Board shall be given in the manner provided in Section 10.01 of this By-law to every Director of the Corporation not less than 48 hours before the time when the meeting is to be held. Notice of an adjourned meeting is not required if the time and place of the adjourned meeting is announced at the original meeting. No notice of meeting need specify the purpose or the business to be transacted at the meeting, except that a notice of meeting of Directors shall specify any matter referred to in subsection 138(2) of the Act that is to be dealt with at the meeting.

**7.04 Waiving Notice**

A Director may waive notice of a Board meeting, and attendance of a Director at a Board meeting is a waiver of notice of the meeting, except if the Director attends a Board meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

**7.05 First Meeting of New Board**

Provided that a quorum of Directors is present, a newly elected Board may, without notice, hold its first meeting immediately following the meeting of Members at which such Board is elected.

**7.06 Regular Meetings**

The Board may appoint a day or days in any month or months for regular meetings of the Board at a place and hour to be named. A copy of any resolution of the Board fixing the place and time of such regular meetings of the Board shall be sent to each Director forthwith after being passed, and no other notice shall be required for any such regular meeting, except that a notice must be provided to specify any matter referred to in subsection 138(2) of the Act that is to be dealt with at the meeting.

### **7.07 Quorum**

A majority of the number of Directors specified in the Articles constitutes a quorum at any meeting of the Board; provided that where there is a minimum and maximum number of Directors specified in the Articles, a quorum shall be a majority of the number of Directors determined in accordance with Section 6.02. For the purpose of determining quorum, a Director may be present in person, or, if authorized under this By-law, by teleconference and/or by other electronic means.

### **7.08 Participation at Meeting by Telephone or Electronic Means**

If all of the Directors consent, a Director may, in accordance with the Regulations, participate in a Board meeting, by means of a telephonic, electronic or other communications facility that permits all participants to communicate adequately with each other during the meeting. A Director participating in the meeting by such means shall be deemed for the purposes of the Act to have been present at that meeting. A consent pursuant to this Section may be given before or after the meeting to which it relates and may be given with respect to all meetings of the Board and committees of the Board.

### **7.09 No Alternate Directors**

No person shall act for an absent Director at a Board meeting.

### **7.10 Chairperson of the Meeting**

The chairperson of Board meetings shall be the chair of the Board, or the vice-chair of the Board if the chair of the Board is absent or unable to act. In the event that the chair of the Board and the vice-chair of the Board are absent, the Directors who are present shall choose one of their number to chair the meeting.

### **7.11 Votes to Govern**

At all meetings of the Board, each Director except the chairperson may exercise one (1) vote, and every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the chairperson of the meeting shall have a casting vote only.

### **7.12 Dissent at Meeting**

Subject to the Act, a Director who is present at a Board meeting or a meeting of a committee of Directors is deemed to have consented to any resolution passed or action taken at the meeting unless:

- (a) the Director requests a dissent to be entered in the minutes of the meeting; or

- (b) the Director sends a written dissent to the secretary of the meeting before the meeting is adjourned; or
- (c) the Director sends a dissent by registered mail or delivers it to the registered office of the Corporation immediately after the meeting is adjourned;

provided that a Director who votes for or consents to a resolution may not dissent.

### **7.13 Dissent of Absent Director**

A Director who was not present at a meeting at which a resolution was passed or action taken is deemed to have consented to the resolution or action unless, within seven (7) days after becoming aware of the resolution or action, the Director:

- (a) causes a dissent to be placed with the minutes of the meeting; or
- (b) sends a dissent by registered mail or delivers it to the registered office of the Corporation.

### **7.14 Resolutions in Writing**

A resolution in writing, signed by all the Directors entitled to vote on that resolution at a meeting of the Board or committee of Directors, shall be as valid as if it had been passed at a Board meeting. A copy of every such resolution in writing shall be kept with the minutes of the proceedings of the Board.

### **7.15 Meetings In Camera**

Where matters confidential to the Corporation are to be considered at a meeting of the Board, the part of the meeting concerning such matters may be held in camera. In addition, where a matter of a personal nature concerning a person may be considered at a meeting of the Board, the part of the meeting concerning the person shall be held in camera, unless there is mutual agreement to the contrary by the Board and such person.

### **7.16 Disclosure of Interest**

- (a) Disclosure
  - (i) Pursuant to the Act, a Director of the Corporation shall disclose, at the time and in the manner required by the Act, in writing to the Corporation or request to have entered in the minutes of Board meetings, the nature and extent of any interest that the Director has in any material contract or material transaction whether made or proposed, with the Corporation if the Director:
    - (1) is a party to the contract or transaction;

- (2) is a director or officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or
  - (3) has a material interest in a party to the contract or transaction.
- (ii) In addition to the disclosure made under Section 7.16(b)(i), any Director who has any material direct or indirect personal interest, gain or benefit in an actual or proposed contract, business transaction, financial arrangement or other matter with the Corporation as described in Section 7.16(a) above, whether permitted by law or not, shall declare their interest therein at the first opportunity at a meeting of the Board.

(b) Material Interest

In this Section, “material” shall mean that the Director in question, directly or indirectly, is personally receiving a material benefit or gain of some kind, either financially or otherwise, with the determination of materiality in such circumstances to be determined by the Board from time to time.

(c) Procedure Where Disclosure

The chairperson of Board meetings shall request any Director who has made a disclosure referred to in Section 7.16(a) to absent himself or herself during the discussion of the matter, with such action being recorded in the minutes. The Director shall not vote on any resolution to approve such contract except as provided by the Act.

(d) Consequences of Contravention

In the event that the Board proceeds with a contract, business transaction, financial arrangement, or other matter, in which a Director has a direct or indirect personal interest, gain or benefit in contravention of this Section, such Director shall be required to immediately resign from the Board, failing which he or she shall be deemed to have resigned from the Board upon the passing of a Board resolution to that effect.

### **7.17 Confidentiality**

Every Director, Officer, committee member, employee and volunteer, shall respect the confidentiality of matters brought before the Board or before any committee of the Board, or any matter dealt with in the course of employment or involvement of such person in the activities of the Corporation.

## **SECTION 8** **OFFICERS**

### **8.01 Appointment**

The Board may designate the offices of the Corporation, appoint Officers on an annual or more frequent basis, specify their duties and, subject to the Act, delegate to such Officers the power to manage the affairs of the Corporation. A Director may be appointed to any office of the Corporation. A Director may be appointed to any office of the Corporation. All Officers must be Directors as a qualification requirement thereof, unless this By-law otherwise provides. Two or more offices may be held by the same person other than the Chair and the Vice-Chair positions. Two or more offices may be held by the same person other than the Chair of the Board and Vice-Chair of the Board positions.

### **8.02 Description of Offices**

Unless otherwise specified by the Board (which may, subject to the Act, modify, restrict or supplement such duties and powers), the offices of the Corporation, if designated and if Officers are appointed thereto, shall have the following duties and powers associated therewith, as well as such other duties and powers as the Board may specify from time to time:

- (a) **Chair of the Board** - The chair of the Board shall be a Director. The chair of the Board shall, when present, preside at all meetings of the Board, committees of Directors, if any, and the Members.
- (b) **Vice-Chair of the Board** - The vice-chair of the Board, if one is to be appointed, shall be a Director. The vice-chair of the Board shall function in place of the chair of the Board if the latter is absent or is unable to perform the duties of office. The vice-chair of the Board shall carry out such other duties, which may be assigned by the Chair of Board from time to time.
- (c) **Executive Director** - If appointed, the chief executive officer of the Corporation shall be responsible for implementing the strategic plans and policies of the Corporation. The chief executive officer shall, subject to the authority of the board, have general supervision of the affairs of the Corporation. The chief executive officer shall be entitled to receive notice of and to attend and speak at all meetings of the Board and of meetings of Members as a non-member thereof without the right to vote, save and except when the Board is discussing the position, salary or benefits of the chief executive officer.
- (d) **Secretary** – The secretary shall attend and be the secretary of all meetings of the Board, Members and committees of the Board. The secretary shall not be required to act as secretary of committees which are not committee of the Board, such as the Nominating Committee. The secretary shall enter or cause to be entered in the Corporation's minute book, minutes of all proceedings at such meetings; the secretary shall give, or cause to be given, as and when instructed, notices to

Members, Directors, the public accountant and members of committees; the secretary shall be the custodian of all books, papers, records, documents and other instruments belonging to the Corporation.

- (e) **Treasurer** - The treasurer shall be responsible for the maintenance of proper accounting records in compliance with the Act as well as the deposit of money, the safekeeping of securities and the disbursement of funds of the Corporation; whenever required, the treasurer shall render to the Board an account of all such person's transactions as treasurer and of the financial position of the Corporation.

The duties of all other Officers of the Corporation shall be such as the terms of their engagement call for or the Board or the chief executive officer requires of them. The Board may from time to time and subject to the Act, vary, add to or limit the powers and duties of any Officer.

### **8.03 Term of Office**

Officers who are not employees of the Corporation shall hold their position for a period of one (1) year, or, in those cases where an Officer is appointed by the Board to fill a vacancy during the year, until the first meeting of the Board immediately following the annual general meeting. The maximum number of terms for each Officer, save and except the chief executive officer, is six (6) terms of one (1) year. Upon the completion of the maximum term, a minimum of a one (1) year is required before eligibility for re-election to be an Officer is restored. Officers who are employees of the Corporation shall hold office at the discretion of the Board.

### **8.04 Vacancy in Office**

In the absence of a written agreement to the contrary, the Board may remove, whether for cause or without cause, any Officer of the Corporation. Unless so removed, an Officer shall hold office until the earlier of the Officer's term of office expires, the Officer's successor is appointed, the Officer resigns, the Officer ceases to be a Director (if a necessary qualification of this appointment), or the Officer dies. If the office of any Officer of the Corporation shall be or become vacant, the Board may appoint a person to fill such vacancy.

### **8.05 Remuneration of Officers**

The remuneration of any Officers appointed by the Board shall be determined in accordance with Section 6.12.

### **8.06 Agents and Attorneys**

Subject to the By-laws, the Board may authorize any Officer from time to time to appoint agents or attorneys for the Corporation in or out of Canada with such powers of management, administration or otherwise as the Board considers fit.

### **8.07 Disclosure (Conflict of Interest)**

- (a) An Officer who is a Director shall have the same duty to disclose such Officer's interest in a material contract or transaction or proposed material contract or transaction with the Corporation, as is imposed upon Directors pursuant to the provisions of the Act and the By-laws set out in Section 7.16.
- (b) An Officer who is not a Director shall have the same duty to disclose such Officer's interest in a material contract or transaction or proposed material contract or transaction with the Corporation, as is imposed upon Directors pursuant to the provisions of the Act and the By-laws set out in Section 7.16.

## **SECTION 9 PROTECTION OF DIRECTORS, OFFICERS AND OTHERS**

### **9.01 Duties of Directors and Officers**

Every Director and Officer in exercising such person's powers and discharging such person's duties shall act honestly and in good faith with a view to the best interests of the Corporation and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Every Director and Officer of the Corporation shall comply with the Act, the Regulations, Articles, By-laws and policies of the Corporation.

### **9.02 Limitation of Liability**

No Director or Officer (with "Director(s)" and "Officer(s)" in this Section 9.02 to include former Directors and former Officers) shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the money of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the money, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on the Director or Officer's part, or for any other loss, damage or misfortune which shall happen in the execution of such person's duties of office, unless the same are occasioned by the Director or Officer's own wilful neglect or default or otherwise result from the Director or Officer's failure to act in accordance with the Act and the Regulations.

### **9.03 Indemnity of Directors and Officers**

Subject to the Act, the Corporation shall indemnify a Director or Officer of the Corporation, a former Director or Officer of the Corporation or another individual who

acts or acted at the Corporation's request as a Director or Officer or in a similar capacity of another entity, and such person's heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by such person in respect of any civil, criminal, administrative or investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity if,

- (a) the individual acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as Director or Officer or in a similar capacity at the Corporation's request; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that his or her conduct was lawful.

The Corporation shall indemnify such person in all such other matters, actions, proceedings and circumstances as may be permitted by the Act or the law. Nothing in this by-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this By-law.

#### **9.04 Insurance**

Subject to the Act, the Corporation may purchase and maintain insurance for the benefit of any person entitled to be indemnified by the Corporation pursuant to the immediately preceding Section as the Board may determine from time to time against any liability incurred by the individual:

- (a) in the individual's capacity as a Director or an Officer of the Corporation; or
- (b) in the individual's capacity as a director or an officer, or in a similar capacity, of another entity, if the individual acts or acted in that capacity at the Corporation's request;

#### **9.05 Advances**

The Corporation may advance money to a Director, an Officer or other individual for the costs, charges and expenses of a proceeding for which indemnity is provided by the Corporation pursuant to the Act or this By-law. The individual shall repay the money if the individual does not fulfil the conditions set out in Section 9.03(a) and Section 9.03(b).

### **SECTION 10 NOTICES**

#### **10.01 Method of Giving Notices**



Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served), other than notice of a meeting of Members or a meeting of the Board, pursuant to the Act, the Articles, the By-laws or otherwise to a Member, Director, Officer, member of a committee of the board, or the public accountant shall be sufficiently given:

- (a) if delivered personally to the person to whom it is to be given or if delivered to such person's address as shown in the records of the Corporation or in the case of notice to a Director to the latest address as shown in the last notice that was filed by the Corporation in accordance with the Act and received by Corporations Canada; or
- (b) if mailed to such person at such person's recorded address by prepaid ordinary or air mail; or
- (c) if sent to such person by telephonic, electronic or other communication facility at such person's recorded address for that purpose; or
- (d) if provided in the form of an electronic document in accordance with the Act.

A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any facsimile, email or other electronic means, shall be deemed to have been given when it is received by the addressee or when the notice enters the information system designated by the addressee, whichever is earlier. The secretary may change or cause to be changed the recorded address of any Member, Director, Officer, public accountant, or member of a committee of the board in accordance with any information believed by the secretary to be reliable. The declaration by the secretary that notice has been given pursuant to this By-law shall be sufficient and conclusive evidence of the giving of such notice. The signature of any Director or Officer of the Corporation to any notice or other document to be given by the Corporation may be written, stamped, type-written or printed or partly written, stamped, type-written or printed.

### **10.02 Computation of Time**

Where a given number of days' notice or notice extending over a period is required to be given under the By-laws, the day of service, posting or other delivery of the notice shall not, unless it is otherwise provided, be counted in such number of days or other period.

### **10.03 Undelivered Notices**

If any notice given to a Member is returned on two consecutive occasions because such Member cannot be found, the Corporation shall not be required to give any further notices to such Member until such Member informs the Corporation in writing of his or her new address.

#### **10.04 Omissions and Errors**

The accidental omission to give any notice to any Member, Director, Officer, member of a committee of the Board or public accountant, or the non-receipt of any notice by any such person where the Corporation has provided notice in accordance with the By-laws or any error in any notice not affecting its substance shall not invalidate any action taken at any meeting to which the notice pertained or otherwise founded on such notice

#### **10.05 Waiver of Notice**

Any Member, proxyholder, Director, Officer, member of a committee of the Board or public accountant may waive or abridge the time for any notice required to be given to such person, and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of Members or of the Board or of a committee of the Board, which may be given in any manner.

### **SECTION 11 DISPUTE RESOLUTION**

#### **11.01 Mediation and Arbitration**

Disputes or controversies among Members, Directors, Officers, committee members, or volunteers of the Corporation are as much as possible to be resolved in accordance with mediation and/or arbitration as provided in Section 11.02 of this By-law, but only where the Discipline procedure provided for in Section 4.07 of this By-law (“Discipline”) has not been commenced. Where Discipline has been initiated, the mediation and/or arbitration in Section 11.02 of this By-law shall not be commenced until the Discipline has been completed.

#### **11.02 Dispute Resolution Mechanism**

In the event that a dispute or controversy among Members, Directors, Officers, committee members or volunteers of the Corporation arising out of or related to the Articles, By-laws, policies of the Corporation, or out of any aspect of the operations of the Corporation is not resolved in private meetings between the parties, then without prejudice to or in any other way derogating from the rights of such persons as set out in the Act, Regulations, Articles, By-laws or policies of the Corporation, and as an alternative to such person instituting a law suit or legal action, such dispute or controversy may be settled by a process of dispute resolution as follows:

- (a) The dispute or controversy shall be submitted to a panel of mediators whereby each party shall appoint one mediator, with the two mediators so appointed jointly appointing a third mediator. The three mediators will then meet with the parties in question to mediate a resolution between the parties. The number of mediators may be reduced from three to one or two upon agreement of the parties. The

mediation shall be conducted in accordance with the National Mediation Rules of the ADR Institute of Canada, Inc.

- (b) If the parties are not successful in resolving the dispute through mediation, then the dispute may be settled by arbitration before a single arbitrator, who shall not be any one of the mediators referred to above, in accordance with the provincial or territorial legislation governing domestic arbitrations in force in the province or territory where the registered office of the Corporation is situated or as otherwise agreed upon by the parties to the dispute. All proceedings relating to arbitration shall be kept confidential and there shall be no disclosure of any kind. The decision of the arbitrator shall be final and binding and shall not be subject to appeal on a question of fact, law or mixed fact and law.
- (c) All costs of the mediators appointed in accordance with this Section shall be borne equally by the parties to the dispute or the controversy. All costs of the arbitrators appointed in accordance with this Section shall be borne by such parties as may be determined by the arbitrator. The place of mediation and arbitration shall be where the registered office of the Corporation is located or otherwise agreed to by the parties in dispute. The language of the mediation and arbitration shall be English or otherwise agreed to by the parties in dispute.

## **SECTION 12** **AMENDMENTS**

### **12.01 Amendment of Articles**

The Articles of the Corporation may only be amended if the amendment is sanctioned by a Special Resolution of the Members. Any amendment to the Articles is effective on the date shown in the certificate of amendment.

### **12.02 Amendment of By-laws**

Subject to the Act, the Board may from time to time enact By-laws relating in any way to the Corporation or to the conduct of its affairs, and may from time to time by By-law amend, repeal or re-enact the By-laws, but no By-law shall be effective until sanctioned by a Special Resolution of the Members. A Board resolution is not required to make, amend or repeal any By-law which is made pursuant to subsection 197(1) of the Act.

## **SECTION 13** **IDENTIFICATION AND REPEAL OF FORMER BY-LAWS**

### **13.01 Repeal of Former General Operating By-law**

- (a) By-law No. 1 (that attached to the application for Letters Patent as the draft General Operating By-law of the Corporation) and By-law No. 2 (that was approved by the members on October 23, 2014 under the *Canada Not-for-Profit Corporations Act*) are hereby repealed and replaced by General Operating By-law

herein effective immediately upon the enactment of this By-law at the time of confirmation by the Members of the Corporation.

- (d) The said repeal of By-laws No. 1 and 2 shall not affect the previous operations of such By-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under the validity of any contract or agreement made pursuant to any such By-law prior to its repeal. All Officers and persons acting under such By-law so repealed shall continue to act as if appointed under the provisions of this By-law. All Board or Members' resolutions, with continuing effect, passed under such repealed By-law shall continue to be valid, except to the extent inconsistent with this By-law, and until amended or repealed.

**ENACTED** by the Directors of the Corporation this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Chair of the Board

\_\_\_\_\_  
Secretary

**CONFIRMED** by the Members of the Corporation this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Secretary