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**CANADIAN PRODUCE MARKETING  
ASSOCIATION**

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**GENERAL OPERATING BY-LAW NO. 1**

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**BY-LAW NO. 1**

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

**CANADIAN PRODUCE MARKETING ASSOCIATION**

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## **BY-LAW NO. 1**

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

### **CANADIAN PRODUCE MARKETING ASSOCIATION**

(the "Corporation")

**BE IT ENACTED** as a by-law of the Corporation as follows:

#### **SECTION I** **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 Corporations Act*, R.S.C. 1970, c. C-32, including any regulations made pursuant thereto, and any statute or regulations substituted therefor, as amended from time to time;
- (b) "board" means the board of directors of the Corporation and "director" means a member of the board;
- (c) "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;
- (d) "letters patent" means the letters patent as amended from time to time including any letters patent of continuance in the event of subsequent substitution of the Act;
- (e) "meeting of members" includes an annual meeting of members and a special meeting of members;
- (f) "Operating Rules and Procedures" means the rules and procedures approved in accordance with this by-law;
- (g) "responsibly connected person" includes an individual owner, partner, member, officer, director or holder of more than 10% of the outstanding stock of a business, and any individuals who function in an executive or managerial capacity; and

- (h) "special meeting of members" means a special meeting of all members entitled to vote at an annual meeting of members and a meeting of any category or categories of members entitled to vote on the question at issue.

## **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, body corporate, and a natural person;
- (d) words importing the masculine gender include the feminine and neuter genders and
- (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.

## **1.03 Language**

This by-law may be reproduced and translated in both the English and French languages. In that event and in the event of any conflict or inconsistency between the two, the English version shall prevail.

## **SECTION II** **GENERAL**

### **2.01 Head Office**

The national head office of the Corporation shall be in the City of Ottawa, in the Province of Ontario subject to change by by-law sanctioned by at least 2/3 of the votes cast at a special meeting of members.

### **2.02 Corporate Seal**

The corporate seal of the Corporation shall be such as the board of directors may by resolution from time to time approve.

### **2.03 Fiscal Year**

The fiscal year of the Corporation shall be October 31<sup>st</sup> or as otherwise determined by the board of directors.

### **2.04 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 or directors or by any two (2) staff members appointed by the board by resolution. 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.

### **2.05 Banking**

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 of directors may designate, appoint or authorize from time to time by resolution. The banking business or any part thereof shall be transacted by an officer or officers of the Corporation and/or other persons as the board of directors may by resolution from time to time designate, direct or authorize.

### **2.06 Auditors**

The members shall at each annual meeting appoint an auditor to audit the accounts of the Corporation for report to members. The auditor shall hold office until the next following annual meeting provided, however, the board may fill any casual vacancy in the office of the auditor. The remuneration of the auditor shall be fixed by the board of directors. The auditor may not be a director, officer or employee of the Corporation, unless the consent of all members has been obtained.

### **2.07 Operating Rules and Procedures**

The board of directors may prescribe Operating Rules and Procedures not inconsistent with the by-laws relating to the management and operation of the Corporation and other matters provided for in this by-law as they may deem expedient.

## **SECTION III MEMBERS**

### **3.01 Membership Categories**

There shall be seven (7) categories of members in the Corporation, namely, Active members, Active Branch members, Associate members, Associate Branch members,

Educational members, Honorary members and Reciprocal No-Fee members.

Admission into membership in the Corporation shall be subject to the applicant being accepted into membership in the sole and absolute discretion of the board of directors or alternatively, in the sole and absolute discretion of any committee or officer appointed by the board with authority to admit the members of the Corporation. The procedure relating to admission of members may be further described in the Operating Rules and Procedures. It is a condition of membership in the Corporation that members meet and continue to meet the criteria for membership described in the by-laws and that they comply with the letters patent, by-laws, policies and Operating Rules and Procedures of the Corporation.

All terms of membership shall be annual (except that of Honorary members) and shall be subject to continued qualification as members and payment of dues where required in accordance with these by-laws and the Operating Rules and Procedures.

The following classes of members are hereby established:

(a) Active Members

- (i) Active membership shall be available to businesses involved in the production, packing, processing, storing, transportation and marketing of fresh and processed fruits, vegetables, nuts and floral products who have applied for and been accepted into Active membership in the Corporation.
- (ii) Only representatives of Active members and Active Branch members may hold office as directors of the Corporation.
- (iii) Each Active member shall notify the Corporation in accordance with the Operating Rules and Procedures regarding the name and contact particulars of its official representative who will act as the single point of contact between the member and the Corporation, as well as any changes in the name and contact particulars.
- (iv) Each Active member is entitled to receive notice of, attend and vote at all meetings of members and each Active member shall be entitled to one (1) vote at meetings of the members of the Corporation.

(b) Active Branch Members

- (i) Active Branch membership shall be available to branch offices of Active members, where the company's business address is different than the head office address of the Corporation that has applied for and been accepted into Active membership in the Corporation. The company's trading name and activities must be the same as the Active member.

- (ii) Only representatives of Active members and Active Branch members may hold office as directors of the Corporation.
  - (iii) Each Active Branch member shall notify the Corporation in accordance with the Operating Rules and Procedures regarding the name and contact particulars of its official representative who will act as the single point of contact between the member and the Corporation, as well as any changes in the name and contact particulars.
  - (iv) Each Active Branch member is entitled to receive notice of, attend and vote at all meetings of members and each Active Branch member shall be entitled to one (1) vote at meetings of the members of the Corporation.
- (c) Associate Members
- (i) Associate membership shall be available to businesses involved in providing goods or services to the fresh fruit and vegetable supply chain other than those eligible for active membership, such as packaging, salad dressing, communication or printing companies who have applied for Associate membership in the Corporation.
  - (ii) Each Associate member shall notify the Corporation in accordance with the Operating Rules and Procedures regarding the name and contact particulars of its official representative who will act as the single point of contact between the member and the Corporation, as well as any changes in the name and contact particulars.
  - (iii) An Associate member is not entitled to receive notice of, attend or vote at any meeting of the members. The board of directors may extend an invitation to Associate members to attend a members' meeting but they shall have no vote.
- (d) Associate Branch Members
- (i) Associate Branch membership shall be available to branch offices of Associate members, where the company's business address is different than the head office address of the Corporation that has applied for and been accepted into Associate membership in the Corporation. The company's trading name and activities must be the same as the Associate member.
  - (ii) Each Associate Branch member shall notify the Corporation in accordance with the Operating Rules and Procedures regarding the name and contact particulars of its official representative who will act as the single point of contact between the member and the Corporation, as well as any changes in the name and contact particulars.

- (iii) An Associate Branch member is not entitled to receive notice of, attend or vote at any meeting of the members. The board of directors may extend an invitation to Associate Branch members to attend a members' meeting but they shall have no vote.

(e) Educational Members

- (i) Educational membership shall be subdivided into two (2) subcategories of membership, one subcategory being available to educational institutions at the university or college level and the other subcategory being available to registered students of those institutions. Educational members must be interested in furthering the objects of the Corporation and meet such further criteria as may be determined by the board.
- (ii) Each Educational member shall notify the Corporation in accordance with the Operating Rules and Procedures regarding the name and contact particulars of its official representative who will act as the single point of contact between the member and the Corporation, as well as any changes in the name and contact particulars.
- (iii) An Educational member is not entitled to receive notice of, attend or vote at any meeting of the members. The board of directors may extend an invitation to Educational members to attend a members' meeting but they shall have no vote.

(f) Honorary Members

- (i) Honorary membership shall be available to all CPMA Lifetime Achievement Award winners and past chairs of the board. The membership applies to the individual only and is not transferable to any organization that the individual is associated with. In addition, the board of directors may by resolution designate and approve any other person who has made an outstanding contribution to the Corporation as an Honorary member of the Corporation.
- (ii) Honorary members may continue as such without the requirement for annual payment of dues.
- (iii) An Honorary member is not entitled to receive notice of, attend or vote at any meeting of the members. The board of directors may extend an invitation to Honorary members to attend a members' meeting but they shall have no vote.

(g) Reciprocal No-Fee Members

- (i) Reciprocal No-Fee membership shall be available to parallel national and regional organizations in Canada and other countries which offer no fee membership to the Corporation and that meet any other criteria that may be

determined by the board.

- (ii) Each Reciprocal No-Fee member shall notify the Corporation in accordance with the Operating Rules and Procedures regarding the name and contact particulars of its official representative who will act as the single point of contact between the member and the Corporation, as well as any changes in the name and contact particulars.
- (iii) A Reciprocal No-Fee member is not entitled to receive notice of, attend or vote at any meeting of the members. The board of directors may extend an invitation to Reciprocal No-Fee members to attend a members' meeting for information purposes.

### **3.02 Transition of Existing Memberships**

All Active members, Active Branch members, Associate members, Associate Branch members and Reciprocal No-Fee members as of the effective date of ministerial approval of this by-law shall automatically be transitioned as Active members, Active Branch members, Associate members, Associate Branch members and Reciprocal No-Fee members respectively under this by-law and shall be entitled to all of the privileges and obligations of membership duly provided by this by-law.

### **3.03 Membership Dues**

Members shall be notified in writing of the membership dues, if any, at any time payable by them which shall be paid in accordance with the requirements set forth in the Operating Rules and Procedures.

### **3.04 Membership Transferability**

The interest of a member in the Corporation is not transferable except that a member may apply to transfer its membership from one category of membership to another in accordance with the requirements provided in the Operating Rules and Procedures.

### **3.05 Membership Qualifications**

Members must meet and continue to meet the following continuing membership qualifications in order to maintain membership in the Corporation:

- (a) must meet the requirements for membership and the applicable membership criteria provided under Section 3.01 of these by-laws and in the Operating Rules and Procedures;
- (b) must not have been convicted of any criminal offence;
- (c) must pay the applicable membership dues by the due date and as required by the Operating Rules and Procedures;

- (d) must not have become bankrupt or suspended the payment of debts generally or compounded with creditors or made an authorized assignment or been declared insolvent or made an arrangement under the *Companies' Creditors Arrangement Act*, R.S., c. C-25, s. 1 as amended from time to time, or a proposal under the *Bankruptcy and Insolvency Act*, R.S. 1985, c. B-3, s. 1; 1992, c. 27, s.2, as amended from time to time, or made a similar arrangement or proposal or sought similar protection under any equivalent statute in any other country, province or state;
- (e) must not have suspended the operations of a business (sole proprietorship, partnership, corporation or otherwise) without fully meeting its financial obligations;
- (f) all responsibly connected persons to the member must also meet the requirements specified in clauses 3.05 (b), (d) and (e) above.

### **3.06 Automatic Disqualification**

Membership in the Corporation shall automatically terminate upon the member receiving notice from the president that the member or any responsible connected person to the member no longer meets any one or more of the continuing membership qualifications described above.

### **3.07 Expulsion of Members**

Subject to Section 3.06, the president shall have authority to suspend or expel any member from the Corporation for any one or more of the following grounds:

- (a) for violating any provision of the letters patent, by-laws, policies or Operating Rules and Procedures of the Corporation;
- (b) if the member ceases to hold a membership issued by the Fruit and Vegetable Dispute Resolution Corporation (or its successor) or is expelled by such organization and the president determines in such officer's sole discretion that such expulsion or ceasing to hold such membership is detrimental to the interests of the other members of the Corporation;
- (c) if the member ceases to hold a license issued under the Canada Agricultural Products Act Licensing and Arbitration Regulations or the Perishable Agricultural Commodities Act of the United States, as amended or its license is suspended or revoked and the president determines in such officer's sole discretion that ceasing to hold such license or having the license suspended is detrimental to the interests of the other members of the Corporation; and
- (d) for any other reason, including conduct of any responsibly connected person to the member, that the president in his or her sole and absolute discretion considers

to justify any such suspension or expulsion, having regard to the objects of the Corporation.

In the event that the president determines that a member should be expelled from membership in the Corporation under this section, the president shall provide twenty (20) days notice of expulsion to the member and shall provide reasons for the proposed expulsion. The member may make written submissions to the president in response to the notice received within such twenty (20) day period. In the event that no written submissions are received by the president, the president may proceed to notify the member that the member is expelled from membership in the Corporation. Where written submissions are received in accordance with this section, the president will consider such submissions in arriving at a final decision and shall notify the member concerning such final decision within a further ten (10) days from the date of receipt of the submissions. The president's decision shall be final and binding on the member, without any further right of appeal.

### **3.08 Removal by Members**

A member may be removed as a member of the Corporation if at a special meeting of members, a resolution is passed to remove the member by at least two-thirds (2/3) of the votes cast at the special meeting of members.

### **3.09 Resignation of Members**

Any member may resign as a member by delivering a written resignation to the president or chair of the board of the Corporation. A resignation shall be effective from the date specified in the resignation.

## **SECTION IV MEETINGS OF MEMBERS**

### **4.01 Annual Meetings**

Subject to the by-laws, the board shall call, at such date and time as it determines, an annual meeting of members for the purpose of considering the financial statements and reports of the Corporation pursuant to the Act, electing directors, appointing the auditor and transacting such other business as may properly be brought before the meeting.

### **4.02 Special Meetings**

The board of directors 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 of directors shall call a special general meeting of members on written requisition of members carrying not less than 10% of the voting rights.

#### **4.03 Place of Meetings**

Subject to compliance with Section 102 of the Act, meetings of the members may be held at any place within Canada or, if a majority of the members so agree, outside Canada.

#### **4.04 Special Business**

All business transacted at a special meeting or an annual meeting of members, except consideration of the minutes of an earlier meeting, the financial statements and the auditor's report, election of directors and reappointment of the incumbent auditor constitutes special business.

#### **4.05 Notice of Meetings**

Notice of the time and place of a meeting of members shall be provided in the manner provided in Section 10.01 of this by-law to the following:

- (a) each member entitled to vote at the meeting (which may be determined in accordance with any record date fixed by the board of directors or failing which, in accordance with the Act);
- (b) each director; and
- (c) the auditor of the Corporation

not less than fourteen (14) days before the meeting is to take place. 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 the member to form a reasoned judgment on the business and provide the text of any resolution or by-law to be submitted to the meeting.

#### **4.06 Waiving Notice**

A member and any other person entitled to attend 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.

#### **4.07 Persons Entitled to be Present**

The only persons entitled to be present at a meeting of members shall be those entitled to vote at the meeting, the directors and the auditor of the Corporation and such other persons who are entitled or required under any provision of the Act, the letters patent or by-laws of the Corporation to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or with the consent of the meeting.

#### **4.08 Chair of the Meeting**

In the event that the chair of the board and both of the two vice-chairs 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.

#### **4.09 Quorum**

A quorum at any meeting of the members (unless a greater number of members are required to be present by the Act) shall be five (5) Active members and/or Active Branch members present at the meeting. For the purpose of determining quorum, a member may be present in person, or, if authorized under Section 4.10, by telephonic and/or by other electronic means.

#### **4.10 Participation at Meetings by Telephone or Electronic Means**

Any person entitled to attend a meeting of members may participate in the meeting using telephonic, electronic or other communications facility permitting all participants to communicate adequately with each other during the meeting provided that:

- (a) the board of directors of the Corporation has passed a resolution addressing the mechanics of holding such a meeting and dealing specifically with how security issues should be handled, the procedure for establishing quorum and recording votes;
- (b) the Corporation makes available such a communication facility or the person in question has access to such a communication facility; and
- (c) each person has consented in advance to meeting by such means and a written consent pursuant to this section may be given before or after the meeting to which it relates and may be a "blanket" consent, relating to all meetings of the members.

A person participating by telephonic, electronic or other communication facility may vote by any such means if the 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 a particular member or group of members voted. A person participating in the meeting by any such means shall be deemed to have been present at that meeting.

#### **4.11 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. 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.

#### **4.12 Votes to Govern**

At all meetings of the members, every question shall be determined on a show of hands by a majority of votes unless otherwise specifically provided by the Act or by this by-law. In case of an equality of votes, the chair of the meeting in addition to an original vote shall have a second or casting vote.

#### **4.13 Show of Hands**

Subject to the Act and this by-law, except where a ballot is demanded, voting on any question proposed for consideration at a meeting of members shall be by show of hands, and 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.

#### **4.14 Ballots**

For any question proposed for consideration at a meeting of members, either before or after a vote by show of hands has been taken, the chair of the meeting, or any member may demand a ballot, in which case the ballot shall be taken in such manner as the chair directs and the decision of the members on the question shall be determined by the result of such ballot.

### **SECTION V** **DIRECTORS**

#### **5.01 Powers**

Subject to the Act and the letters patent, the board of directors shall manage or supervise the management of the activities and affairs of the Corporation.

#### **5.02 Number**

There shall be a minimum of three (3) directors of the Corporation. The precise number of directors of the Corporation from time to time shall be determined by the directors in accordance with the requirements of the by-laws and Operating Rules and Procedures.

#### **5.03 Qualifications**

Each director shall be an individual who is not less than 18 years of age. No person who has been found by a court in Canada or elsewhere to be incapable or who has the status of a bankrupt shall be a director. If a director acquires the status of a bankrupt or becomes incapable and is so found, such person shall thereupon cease to be a director. A director need not be a member of the Corporation but must be a representative of an Active member or Active Branch member.

#### **5.04 Composition of Board**

The board of directors of the Corporation shall be comprised of:

- (a) representatives of the Canadian produce industry (both regional and provincial) who must also represent Active members or Active Branch members;
- (b) international produce industry representation;
- (c) all past chairs of the Corporation who are active in the produce industry who will be invited to be directors of the Corporation.

The nominating committee shall be responsible for preparing a slate of directors for election by the members which complies with these by-laws and Operating Rules and Procedures.

#### **5.05 Election and Term**

Subject to the provisions of this by-law, directors shall be elected by the members at a meeting of members in accordance with the report of the nominating committee. The directors shall hold office so that half of the directors elected in 2007 shall hold office for one (1) year and the remaining half shall hold office for two (2) years, or until their respective successors are elected (the "Initial Terms"). Upon expiry of the Initial Terms, directors shall be elected for terms of two (2) years from the date of the meeting at which they are elected until the second annual meeting next following or until the director's successor is elected. Thereafter, at each annual meeting of members, a number of directors equal to the number of directors retiring shall be elected by the members to serve terms of two (2) years each, it being the intention that directors shall be elected and shall retire in rotation. Directors shall be eligible for re-election without limitation.

#### **5.06 Vacancy in Office**

A director ceases to hold office when the director dies, resigns, is removed from office by the members, or becomes disqualified to serve as director.

#### **5.07 Resignation**

A director may resign from office by giving a written resignation to the Corporation and such resignation becomes effective when received by the Corporation or at the time specified in the resignation, whichever is later.

#### **5.08 Removal**

Subject to the Act, 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.

## **5.09 Vacancies**

Subject to Section 5.08 above and to the provisions of the Act, a vacancy on the board may be filled for the remainder of its term by a qualified individual by resolution of a quorum of the board. If there is not a quorum of directors or if a vacancy results from the failure to elect the number of directors required to be elected at any meeting of members, the directors then in office shall forthwith call a special meeting of members to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any member.

## **5.10 Remuneration and Expenses of Directors**

The board of directors may provide for the payment of an honorarium to directors in its discretion. Directors may be reimbursed for reasonable expenses incurred by them in the performance of their duties as directors of the Corporation.

# **SECTION VI** **COMMITTEES**

## **6.01 Executive Committee**

The executive committee shall be comprised of the chair of the board, the first vice-chair, the second vice-chair, the immediate past-chair, the chairs of the standing committees and as deemed appropriate, a director of the Corporation appointed by the board. The president and executive vice-president of the Corporation shall be members of the executive committee, *ex-officio*, with no vote. The executive committee shall have full powers of the board of directors between meetings of the board unless otherwise directed by resolution of the board of directors. A quorum at any meeting of the executive committee shall be a majority of its members. Subject to the by-laws and any resolution of the board of directors, the executive committee may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit and may from time to time adopt, amend or repeal rules or procedures in this regard. Executive committee members shall be subject to removal by resolution of the board of directors.

## **6.02 Nominating Committee**

The members of the nominating committee shall be the same individuals as the members of the executive committee. The nominating committee shall carry out its duties in accordance with any applicable requirements of the by-laws and Operating Rules and Procedures. The committee will:

- (a) solicit names of potential candidates for the board in order to meet the requirements as to board composition in section 5.04 of these by-laws and prepare a slate of one or more candidates for each director's office which will be vacant and for which an election is to be held at the annual general

meeting. In recommending candidates for election to the board of the Corporation, the nominating committee will endeavor to ensure that the candidates have the attributes necessary to govern the Corporation in accordance with the Corporation's policies and governance practices, including its Operating Rules and Procedures;

- (b) recruit qualified individuals to serve as officers of the Corporation on an annual basis and provide a report to the board of directors for this purpose;
- (c) monitor the terms of all directors and officers to ensure that upcoming vacancies are identified on a timely basis and that the Corporation renews itself in an orderly way. The nominating committee will make recommendations to the board of directors of names of persons to fill vacancies on the board, in officer positions and on committees that occur throughout the year;
- (d) make recommendations to the board of directors at its request on matters relating to nominations, including board and committee terms of reference, orientation and training, and succession planning; and
- (e) fulfil such other duties, including following such procedural requirements in carrying out its mandate as may be directed by the board of directors by resolution or as provided in any policy documents of the board, including the Operating Rules and Procedures.

A quorum for the conduct of business at any meeting is a majority of the members of the committee, not including those who are on leave, have resigned, or have been removed, but have not yet been replaced. Nominating committee members shall be subject to removal by resolution of the board of directors.

### **6.03 Other Committees**

The board may, by resolution, establish or repeal standing committees and *ad hoc* committees of the Corporation at its discretion. The board of directors shall appoint the members of each committee and the chairs of such committees. The mandate, work, procedural rules and reporting requirements applying to each of the standing committees of the Corporation shall be detailed in the Operating Rules and Procedures. Any committee member may be removed by resolution of the board of directors.

## **SECTION VII** **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**

Unless sent by mail, forty-eight (48) hours notice of a meeting of the board of directors shall be given to each director. Notice of any such meeting that is sent by mail shall be served in the manner specified in Section 10.01 of this by-law not less than fourteen (14) days (exclusive of the day on which the notice is delivered or sent but inclusive of the date for which the notice is given) before the meeting is to take place. Notwithstanding the foregoing, notice of a meeting shall not be necessary if all of the directors are present, and none objects to the holding of the meeting, or if those absent have waived notice of or have otherwise signified their consent to the holding of such meeting. Notice of an adjourned meeting is not required if the time and place of the adjourned meeting is announced at the original meeting.

## **7.04 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.

## **7.05 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.

## **7.06 Quorum**

Fifteen (15) directors shall form a quorum for the transaction of business. For the purpose of determining quorum, a director may be present in person, or, if authorized under Section 7.07 below, by teleconference and/or by other electronic means.

## **7.07 Participation at Meeting by Telephone**

The directors of the Corporation may meet by teleconference provided that either a majority of the directors consents to meeting by teleconference or meetings by teleconference have been approved by resolution passed by the board of directors at a meeting of the directors of the Corporation. A written consent pursuant to this section may be given before or after the meeting to which it relates and may be a "blanket" consent, relating to all meetings of the board and/or committees of the board.

#### **7.08 Participation at Meeting by other Electronic Means**

The directors may, if all are in agreement and have provided their written consent, participate in a board meeting using such electronic or other means permitting all participants to communicate adequately with each other during the meeting provided that:

- (a) the board of directors of the Corporation has passed a resolution addressing the mechanics of holding such a meeting and dealing specifically with how security issues should be handled, the procedure for establishing quorum and recording votes; and
- (b) each director has equal access to the specific means of communication to be used.

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 written consent pursuant to this section may be given before or after the meeting to which it relates and may be a "blanket" consent, relating to all meetings of the board and/or committees of the board.

#### **7.09 Chair of the Meeting**

In the event that the chair of the board and both of the two vice-chairs of the board are absent, the directors who are present shall choose one of their number to chair the meeting.

#### **7.10 Votes to Govern**

Each director is authorized to exercise one (1) vote. At all meetings of the board, every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the chair of the meeting in addition to an original vote shall have a second or casting vote.

#### **7.11 Disclosure of Interest**

A director or officer of the Corporation shall disclose in writing to the Corporation or request to have entered in the minutes of meetings of directors or committees of directors, the nature and extent of any interest that the director or officer has in any material contract or material transaction whether made or proposed, with the Corporation if the director or officer:

- (a) is a party to the contract or transaction,
- (b) is a director or officer, or an individual acting in a similar capacity, of a party to the contract or transaction or
- (c) has a material interest in a party to the contract or transaction.

Disclosure shall be made at the time and in the manner required by the Act, and a director or officer so having an interest in a contract or transaction shall, unless expressly permitted by the Act, not vote on any resolution to approve the contract or transaction.

## **SECTION VIII** **OFFICERS**

### **8.01 President and Executive Vice-President**

The board of directors may engage a president and/or an executive vice-president of the Corporation who shall hold office in accordance with the terms of their respective contracts of engagement with the Corporation. The president and executive vice-president shall be *ex-officio* non-voting members of all committees of the Corporation. They shall have full power to manage and direct the business and affairs of the Corporation as authorized by the board of directors, and to employ and discharge agents and employees of the Corporation. The president and executive vice-president shall conform to all lawful orders given by the board of directors of the Corporation and shall at all reasonable times give to the board all information it may require regarding the affairs of the Corporation. Any duties of the Secretary of the Corporation may be delegated by the board of directors to the president and/or executive vice-president. The president and executive vice-president may resign from their respective positions by delivering a written resignation to the chair of the Corporation.

### **8.02 Other Officers and Duties**

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. An officer may, but need not be, a director unless this by-law otherwise provides. Two or more offices may be held by the same person.

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:

- (a) **Chair of the Board** - The chair of the board, if one is to be appointed, shall be a director. The chair of the board, if any, shall, when present, preside at all meetings of the board of directors, committees of directors, if any, and the members.
- (b) **Vice-Chair of the Board** - The vice-chair of the board or if more than one, the vice-chairs of the board, if appointed, shall be directors. If the chair of the board is absent or is unable or refuses to act, the vice-chairs of the board, if any, shall, when present, preside at all meetings of the board of directors, committees of

directors, if any, and the members. Where there is a first and second vice-chair, they shall each fulfill the duties of the chair where required according to any policy established in this regard by the Operating Rules and Procedures.

- (c) **Immediate Past-Chair** – The immediate past-chair shall be a member of the executive and nominating committees and shall carry out such further duties as the board may prescribe.
- (d) **Secretary** - The secretary, when in attendance, shall be the secretary of all meetings of the board, members and committees of the board and, whether or not the secretary attends, 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 auditor and members of committees; the secretary shall be the custodian of the corporate seal as well as 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 requires of them.

### **8.03 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:

- (a) the officer's successor being appointed,
- (b) the officer's resignation,
- (c) such officer ceasing to be a director (if a necessary qualification of this appointment) or
- (d) such officer's death,

whichever shall first occur. If the office of any officer of the Corporation shall be or become vacant, the directors may, by resolution, appoint a person to fill such vacancy.

**SECTION IX**  
**PROTECTION OF DIRECTORS, OFFICERS AND OTHERS**

**9.01 Limitation of Liability**

Except as otherwise provided in the Act, no director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person including any person with whom or which any moneys, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of the director's or officer's respective office or trust or in relation thereto unless the same shall happen by or through the director's or officer's own wilful neglect or default.

**9.02 Indemnity of Directors and Officers**

Subject to the Act, the Corporation may 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 action or other proceeding in which the individual is involved because of that association with the corporation or other entity if,

- (a) such person 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, such person had reasonable grounds for believing that the conduct was lawful.

The Corporation may 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.

### **9.03 Insurance**

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.

## **SECTION X** **NOTICES**

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

Any notice, communication or other document required to be given by the Corporation to a member, director, officer, or auditor of the Corporation pursuant to the Act, the letters patent or by-laws or otherwise shall be sufficiently given to such person if:

- (a) delivered personally, in which case it shall be deemed to have been given when so delivered,
- (b) delivered to such person's recorded address by courier or other similar means, in which case it shall be deemed to have been given when so delivered,
- (c) mailed to such person at their recorded address by prepaid ordinary mail, in which case it shall be deemed to have been given on the fifth day after it is deposited in a post office or public letter box, or
- (d) to such person by electronic means such as e-mail or facsimile, in which case it shall be deemed to have been given when it is so transmitted without subsequent error notification,

at such person's latest address as shown in the records of the Corporation and to the auditor at its business address, or if no address be given therein then to the last address of such member or director known to the Secretary.

### **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 Omissions and Errors**

The accidental omission to give any notice to any member, director, officer, member of a committee of the board or auditor, or the non-receipt of any notice by any such person 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.

**10.04 Waiver of Notice**

Any member, director, officer, member of a committee of the board or auditor 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 XI  
BY-LAWS**

**11.01 By-laws**

The board of directors may from time to time enact by-laws relating in any way to the Corporation or to the conduct of its affairs, including, but not limited to, by-laws providing for applications for supplementary letters patent, 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 at least two-thirds (2/3) of the votes cast at a meeting of the members duly called for the purpose of considering same and the repeal or amendment of by-laws not embodied in the letters patent shall not be enforced or acted upon until the approval of the Minister of Industry in respect thereof has been obtained.

**ENACTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

\_\_\_\_\_

Chair

\_\_\_\_\_

Secretary