

THE FINANCIAL ADVISORS ASSOCIATION OF CANADA

By-LAW No. 2

For approval by the membership at the 2019 AGM – June 26, 2019

BE IT ENACTED as the General By-laws of The Financial Advisors Association of Canada (the “Association”) as follows:

BY-LAW NO. 2

ARTICLE I
INTERPRETATION

1.01 **Definitions**

In these By-laws, unless the context otherwise requires:

- a. “Association” means the corporation without share capital formed under the laws of Canada under the name The Financial Advisors Association of Canada (“TFAAC”);
- b. “Board” means the TFAAC Board of Directors;
- c. “Chapters” means such chapters, if any, of the Association as are established by the directors, as set out in these by-laws;
- d. “Code of Professional Conduct and Disciplinary Procedures” means such Code of Professional Conduct and Disciplinary Procedures, if any, of the Association as is established by the directors, as set out in these by-laws;
- e. “Committees” means committees of the Board, advisory committees or other committees, if any, established by the Directors, as set out in these by-laws;
- f. “Conferences” means such conferences, if any, of the Association as are established by the Board, as set out in these by-laws;
- g. “Director(s)” means an individual(s) on the TFAAC Board;
- h. “Officers” means officers of the Board and corporate officers, as the case may be;
- i. “Policies” means rules, regulations, guidelines, directives, conditions, procedures or terms established by the Board, pursuant to these by-laws;
- j. “Special Act” means Bill S-21, being an Act passed by the Senate on November 4, 2003, said Act identified as An Act to amalgamate the Canadian Association of

Insurance and Financial Advisors and The Canadian Association of Financial Planners under the name The Financial Advisors Association of Canada.

- k. “Public Director” means a Director appointed by the TFAAC Board from the Public at large.

1.02 **Interpretation**

- a. The insertion of headings in the division of this By-law into articles, sections and subsections are for the convenience of reference only, and shall not affect the construction or interpretation of this By-law;
- b. In these By-laws and in all other by-laws of the Association hereafter passed, unless the context otherwise requires, words importing the singular number or the masculine gender shall include the plural number or the feminine gender, as the case may be, and vice-versa, and references to persons shall include partnerships and corporations.

ARTICLE II
CORPORATE SEAL

- 2.01 The seal, an impression whereof is stamped in the margin hereof, shall be the seal of the Association.

ARTICLE III
HEAD OFFICE

- 3.01 a. Until changed in accordance with the Act, the Head Office of the Association shall be in the City of Toronto, in the Province of Ontario.
- b. The Association may establish such other offices and agencies as the Board may from time to time determine.

ARTICLE IV
CONDITIONS OF MEMBERSHIP

4.01 Limitations and Approval of Membership

Membership in the Association shall be limited to persons interested in furthering the objects of the Association and shall include any person whose application for admission as a member has received the approval required by these by-laws.

4.02 Application for Membership

The Board may from time to time prescribe such forms of application for membership as they deem appropriate in the circumstances. No person shall be admitted as a member of the Association unless an application has been accepted by the Board or by the person, if any, designated by the Board from time to time to accept applications. Any application for membership, and any application for renewal of membership, may be refused by the Board, in its sole discretion. Any applicant for membership or renewal of membership, in the Association may have specific fees and/or other requirements set by the Board from time to time, for granting of membership and/or renewal of membership, and if the applicable applicant does not meet such requirements or submit such fees, membership may be refused and/or not renewed.

4.03 Categories of Membership

The Board may establish different categories of members and subcategories or sub-classifications of categories of members and the rules, conditions and terms attached to them, including any fees or dues payable by members. The rules, conditions and terms shall be set out in the Board Policy on Membership, as amended from time to time.

4.04 Code of Professional Conduct and Disciplinary Procedures

Code of Professional Conduct

The Code of Professional Conduct sets out a list of principles that a member is expected to abide by in his/her business activities and in his/her liaison between clients and suppliers of financial products and services.

Disciplinary Procedures

The Disciplinary Procedures are for the purpose of determining if the conduct of a member has breached the Code of Professional Conduct

Amendments to the Code of Professional Conduct and/or rules and regulations dealing with the Disciplinary Procedures requires the approval of the board and a majority of the members.

Enforcement

Enforcement of the Code of Professional Conduct has been delegated to the bodies constituted pursuant to the Disciplinary Procedures.

Continuing Obligations

Each member shall be required to adhere to and comply with the following Continuing Obligations, being:

- a. these By-laws;
- b. the Code of Professional Conduct and Disciplinary Procedures as approved by the Board of Directors and the members , as the same may be from time to time;
- c. the rules and regulations, including those set out within the associations Code of Professional Conduct and Disciplinary Procedures prescribed from time to time by the Board; and
- d. the payment of fees and dues hereunder.

4.05 **Suspension and Termination**

In accordance with the policies prescribed by the Board from time to time, membership of any member who does not comply with the Code of Conduct and Disciplinary Procedures or as a result of a decision made by the decision making authority pursuant to the Disciplinary Procedures as a result of a breach of the association's Code of Professional Conduct, may be suspended or terminated. The directors may suspend or terminate the membership of any member who does not comply with the Continuing Obligations. Membership in the Association will automatically terminate if the member dies, becomes bankrupt, is convicted of a criminal charge or if the existence of the member is terminated for any other reason.

4.06 **Reinstatement**

In accordance with the Policy prescribed by the Board from time to time, the Board may reinstate the membership in the Association, either on a conditional or unconditional basis, of any person whose membership has been suspended or terminated.

4.07 **Resignation**

A member may resign such person's membership in the Association by delivery, addressed to the Association at its head office such person's written resignation; provided that such resignation shall not relieve the member so resigning of the obligation to pay any fees or dues or any charges thereto for accrued and unpaid. Notwithstanding anything herein contained, the Board shall not be obligated to accept such resignation.

4.08 **Membership Fees and Dues**

The Board may assess membership fees and dues on members from time to time and in such manner and upon such terms as the Board may determine from time to time. For greater certainty, and without limiting the generality of the foregoing, no member shall be entitled to a refund of such fees and dues, once received and paid, notwithstanding that his or her membership may have been subsequently suspended or terminated in accordance with these By-laws. The Secretary shall notify the members of the dues and fees that are payable by them. If such dues and fees are not paid within thirty (30) days of the date of such notice, or by such other date or dates as may be provided for by the Board through an installment (i.e. monthly) payment plan, the members who are in default shall thereupon automatically cease to be members, provided that they may be reinstated upon the payment of all unpaid dues and fees.

4.09 **Transferability of Membership**

A member's membership in the Association is not transferable.

4.10. **Honorary Membership**

The Board may from time to time confer Honorary Member status on any person for such period of time as the Board deems appropriate, but any person so designated shall not be considered a member of the Association.

ARTICLE V
CHAPTERS

5.01 **Establishment**

The directors shall establish such Chapters of the Association as they deem appropriate from time to time, on such rules, conditions and terms as they deem appropriate for the establishment, continuation and termination of such chapters. The rules, conditions and

terms shall be set out in the Board Policy on the Establishment of Chapters, as may be amended from time to time.

ARTICLE VI **CONFERENCES**

6.01 **Establishment**

The directors shall establish such Conferences of the Association as they deem appropriate from time to time on such rules, conditions and terms as they deem appropriate for the establishment, continuation and termination of such Conferences. The rules, conditions and terms shall be set out in the Board Policy on the Establishment of Conferences, as may be amended from time to time.

ARTICLE VII **MEMBERS MEETINGS**

7.01 **Annual Meeting**

The annual meeting of members shall be held at such time in each year and such place as the Board may determine for the following purposes:

- a. reviewing and considering the report of the Board and of any committees which issue a separate report;
- b. receiving and considering the balance sheet as at the most recently completed fiscal year end, together with the statement of income and expenditures for such fiscal period;
- c. receiving and considering the report of the auditors and appointing the auditors for the ensuing year;
- d. electing Directors; and
- e. transacting any other business that may be properly brought before the meeting.

The members may resolve that a particular meeting of members be held outside of Canada.

7.02 **Special Meetings**

The Board or at least 5 percent of the members of the Association entitled to vote at such meeting of the Association shall have the power to call a special meeting of members at any time.

7.03 **Notice of Meeting**

Notice of time and place of each meeting of members shall be given in the manner provided in Article 20.01 and shall be given at least twenty-eight (28) days and not more than sixty (60) days before the time fixed for the holding of such meeting, to each director, to the auditors and to each member who is entitled to such notice and who at the close of business on the record date is entered in the record of the Association as a member of the Association. Notice of any special meeting shall state the business to be transacted at such meeting in sufficient detail to permit each member to form a reasonable judgment thereon. Any person entitled to notice may in any manner waive notice or otherwise consent to a meeting of members.

7.04 **List of Members Entitled to Notice**

For any meeting of members, the Association shall prepare a list of members entitled to receive notice of such meeting arranged in alphabetical order. This list shall be prepared on the date set in accordance with Article 7.05 hereof and shall be available for examination by any member during regular business hours at the place where the record is kept or at the meeting.

7.05 **Record Date for Notice**

The Board may fix in advance a record date preceding the date of any meeting of members by not more than sixty (60) days and not less than twenty eight (28) days for the determination of members entitled to notice of the meeting. If no record date is fixed, the record date for the determination of members entitled to notice of the meeting shall be at the close of business on the day immediately preceding the day on which notice is given.

7.06. **Persons Entitled to be Present**

The only persons entitled to be present at a meeting of members shall be those entitled to notice, including duly appointed proxy holders, the directors, the auditors and any other persons determined by the Board or by consent of the meeting expressed by resolution passed at the meeting.

7.07 **Chair and Secretary**

The chair of any meeting of the members shall be the Chair and if such person is not present at such meeting, the chair shall be a Vice-Chair of the Association. If no such Officer is present within fifteen (15) minutes of the time fixed for holding such meeting, the persons present and entitled to vote shall choose a chair from among them. The secretary of the meeting shall be the Secretary of the Association. If the Secretary is not present within fifteen (15) minutes of the time fixed for holding the meeting, the chair shall appoint a person, who need not be a member, to act as secretary of the meeting.

7.08 **Quorum**

A quorum for the transaction of business at any meeting of members shall be fifty members entitled to vote thereat represented in person or by proxy.

7.09 **Right to Vote**

At any meeting of members in respect of which a list of members is prepared in accordance with Article 7.04 hereof, every person named in such list, whether in person or represented by proxy, shall be entitled to one (1) vote at such meeting. In the absence of such a list prepared as aforesaid, every person who is entitled to a vote by these By-laws, whether present in person or by proxy, shall be entitled to one (1) vote at such meeting.

7.10 **Proxy**

Every member entitled to vote at a meeting of members may appoint a proxy holder, or one (1) or more alternate proxy holders, which proxy holder or proxy holders must be a member, to attend at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing and executed by the member or such person's duly authorized attorney. The Board may specify in the notice calling a meeting of members a time (preceding the time of such meeting by not more than ten (10) calendar days) before which time the proxy to be used at such meeting shall be deposited. The proxy shall only be acted upon if, prior to the time so specified, it shall have been deposited with the Association or with an Officer or agent thereof specified in such notice, or if no such time is specified in such notice, unless it has been received by the said secretary or by the chairperson of the meeting or any adjournment thereof prior to the time of voting.

A proxy may be in the following form:

*The undersigned Member of The Financial Advisors Association of Canada
hereby appoints _____ of _____ or failing
the person appointed above, _____ of _____*

as the proxy of the undersigned to attend and act at the meeting of the Members of the Corporation to be held on the _____ day of _____, and at any adjournment or adjournments thereof in the same manner, to the same extent and with the same powers if the undersigned were present at the said meeting or such adjournment or adjournments thereof

Dated the _____ day _____ of, 20__

Signature of Member

7.11 **Votes to Govern**

At any meeting of members, every question shall, unless otherwise required by the Special Act, the By-laws or the Act, be determined by a majority of votes cast from those members entitled to vote on the question. The chair shall not be entitled to vote, save and except in the case of an equality of votes, in which case the chair of the meeting shall be entitled to a casting vote.

7.12 **Method of Voting**

- a. Subject to the Act, any question at a meeting of members shall be decided by a show of hands, unless a poll or ballot is required or demanded as hereinafter provided. Upon the show of hands, every member who is entitled to vote and is present or represented by a proxy shall have one (1) vote. Whenever a vote by a show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chair of the meeting that the vote upon the question has been carried or not carried and an entry to that effect in the minutes shall be prima facie evidence of the fact without proof of the number or the proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the question, and the result of the vote so taken shall be the decision of the members upon the said question.
- b. On any question proposed for consideration at a meeting of members, whether or not a show of hands has been taken thereon, any member entitled to vote on such question, whether present in person or represented by proxy, may require or demand a poll or ballot. A poll or ballot so demanded or required shall be taken in such manner as the chair of the meeting shall direct. The member who so requests or demands a poll or ballot may withdraw such a requirement or demand at any time prior to the taking of the poll or ballot. If a poll or ballot is taken, each member entitled to vote, whether present in person or by proxy, shall have

one (1) vote and the result of the poll or ballot so taken shall be the decision of the members upon the question.

- c. The directors are authorized to establish a Policy for electronic voting for use in connection with any meeting of members, and to establish such rules, conditions and procedures as the directors deem appropriate for such Policy,

7.13 **Adjournment**

Any meeting of members may be adjourned to a fixed time and place. If the meeting is adjourned prior to the meeting, notice of the adjourned meeting shall be given in the manner provided for in Article 20.01 hereof. At the time of the meeting, members present entitled to vote at such meeting, whether present in person or represented by proxy, and regardless of whether a quorum is present at such meeting, may adjourn the meeting to a fixed time and place, giving notice only to those members entitled to vote and present at such meeting or represented by proxy, to the directors and to the auditor.

7.14 **Meeting by Teleconference and Other Electronic Means**

- a. If a majority of the members of the Association consent (either at a meeting of members by simple resolution or by consents signed individually by a majority of the members), a meeting of members of the Association may be held by teleconference.
- b. The members of the Association may meet by other electronic means that permits each member to communicate adequately with each other, provided that:
 - i. The Board has passed a resolution addressing the mechanics of holding such a meeting and dealing specifically with how security issues should be handled and the procedure for establishing a quorum and recording votes;
 - ii. Each member has equal access to the specific means of communication to be used; and
 - iii. Each member has consented in advance to meeting by electronic means using the specific means of communication proposed for the meeting.

7.15 **Minutes of Meetings and Availability**

The Secretary of the Association or such other designated person shall prepare and retain all minutes of the meetings of the general membership of the Association. Such minutes shall be available to the members of the Association whereby such minutes are posted on a member only website not later than 90 days after the applicable meeting.

ARTICLE VIII
BOARD OF DIRECTORS

8.01 **Number of Directors**

The property and business of the Association shall be managed by a Board. Until changed in accordance with applicable laws and any provisions in the By-laws, the Board shall be comprised of not less than seven (7) and no more than 12 Directors. The number of Directors between seven (7) and 12 shall be determined from time to time by a majority of the Directors at a meeting of the Directors duly called for the purpose of determining the number of Directors to be elected.

8.02 **Composition of the Board**

- a. Each of the following individuals shall automatically become a Director of the Association (the “Mandatory Directors”), subject to each of them meeting the qualifications contained in Article 8.03 below:
 - i. the Past Chair;
 - ii. the Chair;
 - iii. the chair of the Chapter Leadership Council
 - iv. the chair of the Board of Trustees of The Institute of Chartered Life Underwriters of Canada

- b. Save and except for the Chair and Past Chair, the Mandatory Directors represent the Chapter Leadership Council and The Institute of Chartered Life Underwriters of Canada, and shall have been duly elected as chair of said business units. The Chapter Leadership Council and The Institute of Chartered Life Underwriters of Canada may request in writing that an individual other than the chair of such business unit be the Mandatory Director representing such business unit. If the Chair considers it advisable and in the best interests of the Association, the Chair may approve in writing such individual as the Mandatory Director to represent such business unit.

- c. The remaining directors shall be elected at the annual meeting of the Association (the “Directors at Large”).

8.03 **Qualifications of the Board of Directors**

Directors must be individuals, at least 18 years of age, with power under law to contract. The Directors shall be voting members, save and except for any Public Directors appointed by the Board who need not be members of Advocis.

8.04 **Term**

- a. The term of each Mandatory Director, other than the Chair and Past Chair, shall be for that period of time until such Mandatory Director ceases to be a director, or until such time when a new chair next succeeds to the position of the chair of the applicable business unit of the Association, whichever shall first occur.
- b. All Directors at Large shall be elected by the membership for a term of two (2) years excepting 2006 when three (3) Directors shall stand for a one year term.
- c. An elected Director cannot be elected or serve for more than six (6) consecutive years plus any years served as Chair or Past Chair.
- d. The term of the Past Chair shall be for that period of time until the Past Chair ceases to be a director, resigns as Past Chair, or until such time when a Chair next succeeds to the position of Past Chair, whichever shall first occur. .
- e. The term of the Chair shall be for that period of time until the Chair ceases to be a Director, resigns as Chair or until such time when a Vice-Chair next succeeds to the position of Chair, whichever shall first occur.
- f. The term of any Director elected at the 2004 or 2005 annual meeting of the Association for a term which would otherwise continue beyond the 2006 or 2007 annual meeting of the Association shall automatically end immediately before the 2006 annual meeting of the Association.

8.05 **Ceasing to be a Director**

The office of a Director shall be automatically vacated:

- a. if at a special general meeting of members, a resolution is passed by two-thirds (2/3) of those members (having a vote) present at the meeting that such person be removed from office;
- b. if, at a Board meeting called for that purpose, a resolution is passed by two-thirds of the Directors of the Association that such person is removed from office;
- c. if such Director has resigned such person's office by delivering a written resignation to the secretary of the Association;

- d. if such Director is found by a court to be of unsound mind;
- e. on such Director's death;
- f. if such Director becomes bankrupt or suspends payment or compounds with such person's creditors; and/or
- g. if such Director ceases to be a member of TFAAC and/or such Director's membership in TFAAC is suspended, save and except any Public Director appointed by the Board;

provided that if any vacancy shall occur for any reason in this paragraph contained, the Board, by majority vote, may, by appointment, fill the vacancy with a member of the Association to complete the balance of the term caused by the vacancy.

8.06 **Remuneration**

The Board shall serve as such without remuneration and no Director shall directly or indirectly receive any profit from such position, save and except for the Chair and Public Director, who may be paid an honorarium; provided that a Director may be paid reasonable expenses incurred by such person in the performance of such Director's duties. Nothing herein contained shall be construed to preclude any Director from serving the Association as an Officer, employee or in any other capacity and receiving compensation there for.

8.07 **Retiring Director**

A retiring Director shall remain in office until the dissolution or adjournment of the meeting at which such Director's retirement is accepted and such Director's successor is elected.

ARTICLE IX
POWERS OF THE BOARD OF DIRECTORS

9.01 **Power of the Board of Directors**

The Board of Directors of the Association may administer the affairs of the Association in all things and make or cause to be made for the Association, in its name, any kind of contract which the Association may lawfully enter into and save as hereinafter provided, generally, may exercise all such other powers, including the power to authorize expenditures, secure such borrowing against the property of the Association and employ such employees and do all such other acts and things as the Association is by its Special Act or otherwise authorized to exercise and do.

9.02 **Borrowing**

The Board is hereby authorized, from time to time:

- a. To borrow money upon the credit of the Association from any bank, corporation, firm or person, upon such terms, covenants and conditions at such times, in such sums, to such an extent and in such manner as the Board, in its discretion, may deem expedient;
- b. To limit or increase the amount to be borrowed;
- c. To issue or cause to be issued bonds, debentures or other securities of the Association and to pledge or sell the same for such sums, upon such terms, covenants and conditions and at such prices as may be deemed expedient by the Board; and
- d. To secure any such bond, debentures or other securities, or any other present or future borrowing or liability of the Association, by mortgage, hypothec, charge or pledge of all or any currently owned or subsequently acquired real and personal, moveable and immoveable, property of the Association and the undertaking and rights of the Association.

From time to time, the Board may authorize any Director, Officer or employee of the Association or any other person to make arrangements with reference to the monies borrowed or to be borrowed as aforesaid and as to the securities to be given there for, with power to vary or modify such arrangements, terms and conditions and to give such additional security for any monies borrowed or remaining due by the Association as the Board may authorize and generally to manage, transact and settle the borrowing of money by the Association.

9.03 **Legacies, Gifts and Grants**

The Board shall take such steps as they may deem requisite to enable the Association to acquire, accept, solicit or receive legacies, gifts, grants, settlements, bequests,

endowments and donations of any kind whatsoever for the purpose of furthering the objects of the Association.

9.04 **Agents and Employees**

The Board may appoint such agents and engage such employees as it shall deem necessary from time to time and such person shall have such authority and perform such duties as shall be prescribed by the directors at the time of such appointment.

9.05

ARTICLE X
BOARD OF DIRECTORS MEETINGS

10.01 **Meetings**

Meetings of the Board may be held at any time and place to be determined by the Board provided that forty-eight (48) hours written notice of such meeting shall be given, other than by mail, to each Director. Notice by mail shall be sent at least fourteen (14) days prior to the meeting. A Director may waive notice of such meeting, or otherwise consent to a meeting of the Board without the requirement of the said forty-eight (48) hours written notice. There shall be at least one (1) meeting per year of the Board. No error or omission in giving notice of any meeting of the Board or any adjourned meeting of the Directors of the Association shall invalidate such meeting or make void any proceedings taken thereat and any Director may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat.

10.02 **Voting**

- a. Each Director is authorized to exercise one (1) vote at all meetings of the Board. The Director serving as chair of a meeting of the Board shall not be entitled to vote, save and except in the case of an equality of votes, in which case the chair shall be entitled to a casting vote, save and except in respect of a vote for the election of the chair.
- b. Any matter within the powers of the Board in the administration of the affairs of the Association shall be decided upon by the approval of a majority of the Directors attending at a meeting of Directors duly called and properly constituted.

10.03 **Meeting by Teleconference and Electronic Means**

- a. The Board may meet by teleconference provided that either a majority of the Board consents to a meeting by teleconference or meetings by teleconference have been approved by resolution passed by the Board at a meeting of the Board.

- b. The Board may meet by other electronic means that permits each director to communicate adequately with each other, provided that:
 - i. the Board have passed a resolution addressing the mechanics of holding such a meeting and dealing specifically with how security issues should be handled and the procedure for establishing a quorum and recording votes;
 - ii. a majority of Directors have equal access to the specific means of communication to be used; and
 - iii. a majority of Directors have consented in advance to meeting by electronic means using the specific means of communication proposed for the meeting.

10.04 **Quorum**

A majority of Directors in office, from time to time shall constitute a quorum for meetings of the Board. Any meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the by-laws of the Association.

10.05 **Indemnity**

Every Director or Officer or other person who has undertaken or is about to undertake any liability on behalf of the Association or any company controlled by it and their heirs, executors and administrators, and estate and effects, respectively, shall from time to time and at all times, be indemnified and saved harmless out of the funds of the Association, from and against:

- a. all costs, charges and expenses which such Director, Officer or other person sustains or incurs in or about any actions, suit or proceedings which is brought, commenced or prosecuted against such individual, or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by such individual, in or about the execution of the duties of such person's office or in respect of any such liability;
- b. all other costs, charges and expenses which such individual sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by such person's own willful neglect or default.

10.06 **Protection of Directors and Officers**

Any Director or Officer shall not be liable for any act, receipt, neglect or default of any other Director, Officer or employee or for any loss, damage or expense happening to the Association through any deficiency of title to any property acquired by the Association or for any deficiency of any security upon which any moneys of the Association shall be invested or for any loss or damage arising from bankruptcy, insolvency or tortious act of any person including any person with whom any moneys, securities or effects shall be deposited or for any loss, conversion, or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Association or for any other loss, damage or misfortune which may happen in the execution of the duties of such person's respective office or trust unless such occurrence is as a result of such person's own willful neglect or default.

The Board shall not be responsible for any contract or transaction entered into in the name of the Directors, except such contracts or transactions that are submitted to and authorized by the Board. If any Director or Officer shall be employed by the Association or shall have an interest in a person who is employed by the Association, such Director or Officer shall not be disentitled from receiving remuneration from such employment.

10.07 **Conflicts of Interest**

- a. Any Director of the Association who:
 - i. is a party to a material contract or proposed material contract with the Association; or
 - ii. is a Director or Officer of or has a material interest in any body corporate or business firm which is a party to a material contract or proposed material contract with the Association,

shall disclose in writing or have entered in the minutes, the nature and extent of such Director's interest in such material contract or proposed material contract with the Association.

- b. The disclosure required by a. above, shall be made:
 - i. at the meeting at which a proposed contract is first considered;
 - ii. if the Director was not then interested in a proposed contract, at the first meeting after said Director becomes so interested; or
 - iii. if the Director becomes interested after a contract is made at the first meeting held after the Director becomes so interested.

- c. A Director referred to in subparagraph a. above is liable to account for any profit made on the contract by the Director or by a corporate entity or business firm in which the Director has a material interest, unless:
- i. the Director disclosed his interest in accordance with subparagraphs a. or b. above;
 - ii. after such disclosure the contract was approved by the Board; and
 - iii. the contract was reasonable and fair to the Association at the time it was approved; and

provided that a Director who has made a declaration of such Director's interest in a contract or a proposed contract and has not voted in respect of such contract contrary to the prohibition contained in subparagraph d. below, if such prohibition applies, is not accountable to the Association or any of its members or creditors by reason only of such director holding that office or of the fiduciary relationship thereby established, for any profit realized by such contract.

- d. A Director referred to in subparagraph a.i. above shall not vote on any resolution to approve the contract, unless the contract is:
- i. an arrangement by way of security for money lent to or obligations undertaken by such Director for the benefit of the Association; or
 - ii. one relating primarily to such Director's remuneration as an Officer or employee of the Association.
- e. For the purposes of this Article X, a general notice to the Directors by a Director declaring that said Director is a Director or Officer of or has a material interest in a body corporate or business firm and is to be regarded as interested in any contract made therewith, is a sufficient declaration of interest in relation to any contract so made.
- f. A contract is not void by reason only of the failure of a Director to comply with the provisions of this Article X, but the court may upon the application of the Association, set aside a contract in respect of which a director has failed to comply with the provisions of this Article X, and the court may make any further order it thinks fit.

ARTICLE XI
OFFICERS

11.01 **Officers**

The Officers of the Association shall be a Chair, Vice-Chair, Secretary, Treasurer, President, Chief Executive Officer and Corporate Secretary and any such other Officers as the Board may determine by resolution. Any two (2) offices may be held by the same person. Save and except for the President, Chief Executive Officer, and Corporate Secretary, each Officer must be a Director and a member of the Association. Mandatory and Elected Directors, other than the Chair and Past Chair, may also be an Officer of the Association.

11.02 **Past Chair as Officer**

Unless such person does not meet the requirements to be a Director, is removed as Director pursuant to these By-laws, or declines to succeed to the office of the Past Chair, the Chair shall become Past Chair upon the expiration of the Chair's term in office. The Past Chair shall also be an Officer of the Board for a period of one (1) year after ceasing to be the Chair, or for such longer period until a Chair succeeds the then Past Chair.

11.03 **Appointment of Officers**

Officers shall be appointed by a resolution of the Board.

11.04 **Term**

The Officers of the Association shall (except for the President and Chief Executive Officer, and Corporate Secretary) hold office for one (1) year from the date of appointment or until their successors are appointed in their stead. Officers (other than the President and Chief Executive Officer, and Corporate Secretary) shall be subject to removal by resolution of the Board at any time.

11.05 **Duties of Officers**

- a. the Chair shall preside at all meetings of the Association and of Directors.
- b. the Vice-Chair shall assist the Chair, and, in the absence or disability of the Chair, perform the duties and exercise the powers of the Chair and shall perform such other duties as shall from time to time be imposed upon the Vice-Chair by the Board.

- c. the Treasurer shall have the custody of the funds and securities of the Association and shall keep full and accurate accounts of all assets, liabilities, receipts and disbursements of the Association in the books belonging to the Association and shall deposit all monies, securities and other valuable effects in the name and to the credit of the Association in such chartered bank or trust company or, in the case of securities, in such registered dealer in securities as may be designated by the Board from time to time. Such person shall disburse the funds of the Association as may be directed by proper authority taking proper vouchers for such disbursements, and shall render to the Chair and Directors at the regular meeting of Board, or whenever they may require it, an accounting of all the transactions and a statement of the financial position of the Association. The Treasurer shall also perform such other duties as may from time to time be directed by the Board.
- d. the Secretary may be empowered by the Board, upon resolution of the Board, to carry out the Secretary's affairs of the Association generally under the supervision of the Officers thereof and shall attend all meetings and act as clerk thereof and record all votes and minutes of all proceedings in the books to be kept for that purpose. The Secretary shall give or cause to be given notice of all meetings of the Members and of the Board, and shall perform such other duties as may be prescribed by the Board. The Secretary shall be custodian of the seal of the Association, which shall be delivered only when authorized by a resolution of the Board to do so and to such person or persons as may be named in the resolution. The Secretary shall sign with the President and Chief Executive Officer or other signing Officers of the Association, such certificates requiring his or her signature. In addition to the foregoing, the Secretary shall have such other powers and duties as are assigned from time to time by the Board.
- e. The President and Chief Executive Officer shall be responsible for the management of the Association in accordance with the policies established by the Board and shall have such powers and duties as are assigned from time to time by the Board.
- f. The Corporate Secretary shall assist the Secretary and have such other powers and duties as are assigned from time to time by the Board. Unless the Secretary instructs the Corporate Secretary otherwise, the Corporate Secretary shall perform all of the duties of the Secretary, other than those requiring the signature of the Secretary.
- g. The duties of all other Officers of the Association shall be such as the terms of their engagement call for or the Board requires of them.

ARTICLE XII
COMMITTEES

- 12.01 The Board may appoint committees whose members will hold their offices at the will of the Board. The Board shall determine the duties of such committees and may fix any remuneration to be paid. Such committees shall include an Audit Committee and Board of Stewards for the Century Initiative.

ARTICLE XIII
EXECUTIVE COMMITTEE

13.01 **Number and Authority**

There shall be an Executive Committee composed of up to six (6) directors and shall include the offices of Chair, Vice Chair, Secretary and Treasurer and such other appointees as recommended by the Nominations Committee and approved by the Board. The Executive Committee shall have such authority to act on behalf of the Board at such times as the Board shall determine and as shall be set out in the Board Terms of Reference on Executive Committee authority.

The Past Chair shall be a member of the Executive Committee subject to their serving as a Business Unit Chair.

13.02 **Meetings**

Meetings of the executive committee shall be held at any time and place to be determined by the members of such committee provided that forty-eight (48) hours written notice of such meeting shall be given, other than by mail, to each member of the committee. Notice by mail shall be sent at least fourteen (14) days prior to the meeting. Fifty percent of the members of such committee plus one (1) shall constitute a quorum. An executive committee member may waive notice of such meeting, or otherwise consent to a meeting of the executive committee without the required written notice. No error or omission in giving notice of any meeting of the executive committee or any adjourned meeting of the executive committee of the Board shall invalidate such meeting or make void any proceedings taken thereat and any member of such committee may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat.

13.03 **Meetings by Telephone**

If all of the members of the executive committee present at such meeting consent, an executive committee member may participate in the meeting of the executive committee by means of telephone or other method of communication which permits all persons participating in the meeting to hear each other and the executive members participating in such meeting by such means are deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates.

ARTICLE XIV
EXECUTION OF DOCUMENTS

- 14.01 Contracts, documents or any instruments in writing requiring the signature of the Association shall be signed by any two (2) Officers of the Association or by such persons as are designated in the policies of the Association and all contracts, documents and instruments in writing so signed shall be binding upon the Association without any further authorization or formality. The Board shall have power from time to time by resolution to appoint an Officer or Officers on behalf of the Association to sign specific contracts, documents and instruments in writing. The directors may give the Association's power of attorney to any registered dealer in securities of the Association. The seal of the Association when required may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any officer or officers appointed by resolution of the Association.

ARTICLE XV
MINUTES OF THE BOARD (AND EXECUTIVE COMMITTEE)

- 15.01 The minutes of the Board (and the minutes of the executive committee) shall not be available to the general membership of the Association but shall be available to the Directors, each of whom shall receive a copy of such minutes.

ARTICLE XVI
FINANCIAL YEAR

- 16.01 Unless otherwise ordered by the Board, the fiscal year end of the Association shall be December 31.

ARTICLE XVII
AUDITORS

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

ARTICLE XVIII
BOOKS AND RECORDS

18.01 The Association shall cause a book or books to be kept by the Secretary, or some other officer of the Association especially charged with that duty, wherein shall be kept recorded:

- a. a copy of the Special Act, the By-laws and policies of the Board of the Association;
- b. the names, alphabetically arranged, of all persons who are and have been members of the Association;
- c. the address of every member of the Association;
- d. all other necessary books and records of the Association required by the Special Act, the By-laws of the Association or by any applicable statutory law; and
- e. the names and addresses of all persons who are or have been Directors of the Association, with the dates at which each became or ceased to be such Director.

18.02 The book or books of the Association shall be kept at the head office of the Association.

ARTICLE XIX
RULES AND REGULATIONS

19.01 The directors may prescribe such rules and regulations not inconsistent with this By-law relating to the management and operation of the Association as they deem expedient.

ARTICLE XX
INTERPRETATION

20.01 **Method of Giving Notice**

Any notice to a member, Director, Officer, auditor, a member of a committee or any other person shall be sufficiently given if delivered personally to the person to whom it is to be given or delivered to such person's recorded address or if mailed to such person's recorded address by pre-paid ordinary or airmail or sent to such person's recorded address by any means of pre-paid, transmitted or recorded communication. 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 the means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The Secretary may change or cause to be changed the recorded address of any member, Director, Officer, auditor or member of a committee in accordance with any information believed by such person to be reliable.

20.02 **Computation of Time**

In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the date of giving the notice shall be excluded and the date of the meeting or other event shall be included.

20.03 **Undelivered Notices**

If any notice given is returned on two (2) consecutive occasions because the person to whom it is to be given cannot be found, the Association shall not be required to give any further notices to the person to whom it is to be given until such person informs the Association in writing of the new address.

20.04 **Omissions and Errors**

The accidental omission to give any notice to any member, Director, Officer, auditor or member of a committee, or the non-receipt of any notice to any member, Director, Officer, auditor or member of a committee or any error contained in any such notice not affecting the substance of the notice shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

20.05 **Waiver of Notice**

A member (or such person's duly appointed proxy holder), Director, Officer, auditor or member of a committee may at any time waive any notice, or waive or abridge the time for any notice, required to be given to such person hereunder or otherwise and such waiver or abridgement 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 waiver of notice of a meeting of members or of the Board, which may be given in any manner.

ARTICLE XXI
AMENDMENT OF BY-LAWS

- 21.01 The By-laws of the Association not embodied in the Special Act may be repealed or amended by by-law enacted by a majority of the directors at a meeting of the Board and sanctioned by an affirmative vote of at least two-thirds (2/3) of the members at a meeting duly called for the purpose of considering the said by-law.

ARTICLE XXII
REPEAL OF GENERAL BY-LAWS

- 22.01 Upon this By-law coming into force, the General By-laws of the Association that are in effect at the time of this By-law becoming effective are repealed, provided that such repeal shall not affect the previous operation of the General By-laws 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-laws prior to their repeal. All Directors, Officers and persons acting under such General By-laws so repealed shall continue to act as if elected or appointed under the provisions of this By-law and all resolutions of the members or of the directors with continuing effect passed under such repealed by-law shall continue to be good and valid, except to the extent inconsistent with this By-law No. 2 until amended or repealed.