

**CANADIAN ASSOCIATION OF DEFENCE
AND SECURITY INDUSTRIES /
ASSOCIATION DES INDUSTRIES CANADIENNES
DE DÉFENSE ET DE SÉCURITÉ**

BY-LAW

(Amended March 29, 2017)

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**CANADIAN ASSOCIATION OF DEFENCE AND SECURITY INDUSTRIES /
ASSOCIATION DES INDUSTRIES CANADIENNES DE DÉFENSE ET DE SÉCURITÉ**

BY-LAW

(Amended March 29, 2017)

ARTICLE 1 - INTERPRETATION

- 1.1 **Definitions.** In this by-law, unless the context otherwise requires:
- (a) “**Act**” means the *Canada Not-for-profit Corporations Act*, as from time to time amended, and every statute that may be substituted for it and, in the case of such substitution, any references in this by-law to provisions of the Act shall be read as references to the substituted provisions in the new statute or statutes;
 - (b) “**Articles**” means the articles of continuance of the Corporation, as amended;
 - (c) “**by-law**” means this by-law, as amended;
 - (d) “**Corporation**” means Canadian Association of Defence and Security Industries / Association des Industries Canadiennes de défense et de sécurité;
 - (e) “**Member**” means a person having a membership in the Corporation in good standing; and
 - (f) “**person**” includes an individual person, a body corporate, corporation, company, partnership, syndicate, trust, unincorporated organization and unincorporated association.
- 1.2 **Other Definitions.** Other terms are defined in the context in which they appear and shall have the meanings there indicated.
- 1.3 **Interpretation.** In this by-law, 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*. Whenever the terms “include”, “includes” or “including” are found in this by-law, they shall be deemed to be followed by the words “without limitation”.
- 1.4 **Headings.** The headings used throughout this by-law are inserted for reference purposes only and are not to be considered in construing the terms and provisions of this by-law or to be deemed in any way to clarify, modify or explain the effect of such terms or provisions.
- 1.5 **Conflict with By-laws.** To the extent of any conflict between the provisions of this by-law and the provisions of either the Act or the Articles, the provisions of the Act, or the Articles shall govern.

- 1.6 **Invalid Provisions.** The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.

ARTICLE 2 - CORPORATE SEAL

- 2.1 **Corporate Seal.** The seal, an impression of which is stamped in the margin hereof, shall be the seal of the Corporation.

ARTICLE 3 - MEMBERS

- 3.1 **Membership Category.** Membership in the Corporation shall be limited to the persons described below interested in furthering the purposes of the Corporation and shall consist of any such person whose application for admission as a Member has received the approval of the Corporation based on the eligibility criteria established by the board of Directors (the “**Board**”) from time to time. Membership shall be limited to one (1) category being the corporate members (the “**Members**”). Membership shall be open to corporations, partnerships and other legal entities other than individual persons. Members shall be entitled to receive notice of, attend and vote at all meetings of the Members. Each Member shall be represented by an individual person selected by the Member from time to time. Each Member shall advise the Corporation in writing of the name of its representative, from time to time.
- 3.2 **Membership Fees.** Membership fees shall be fixed by resolution of the Board from time to time. Membership fees shall be payable annually in advance within thirty (30) days of the commencement of the then current financial year of the Corporation. The resignation or removal of a Member shall not entitle the Member to a refund or rebate of membership fees previously paid. The resignation or removal of a Member shall not reduce or extinguish the obligation of such Member to pay any membership fees then outstanding.
- 3.3 **Resignation.** Any Member may withdraw from the Corporation by delivering a written resignation to the Corporation and depositing a copy of the same with the Secretary.
- 3.4 **Removal.** Any Member may be removed as a Member as follows:
- (a) by an affirmative vote of at least two-thirds (2/3) of the votes cast at a meeting of the Members, provided that the Member proposed for removal shall be granted an opportunity to be heard at such meeting; or
 - (b) by an affirmative vote of the Board if it determines that (i) the past or present conduct of the Member has been, is, or is likely to be, detrimental to the Corporation, or (ii) it is in the best interests of the Corporation to remove the Member, provided that the Board, in its sole discretion, may grant the Member proposed for removal an opportunity to be heard at such meeting.
- 3.5 **Membership Not Transferable.** The interest of a Member in the Corporation is not, directly or indirectly, transferable.

ARTICLE 4 - BOARD OF DIRECTORS

- 4.1 **Number and Qualification.** The property and business of the Corporation shall be managed by the Board which shall be composed of not less than three (3) and not more than twenty (20) directors (the “**Directors**”). The number of Directors shall be fixed by the Members from time to time. Directors shall be individuals, at least eighteen (18) years of age and have power under law to contract. A Director need not be a Member of the Corporation.
- 4.2 **Term of Directors.** The Directors shall be elected at an annual meeting of the Members for a term of three (3) years or until their successors are elected by the Members. All Directors shall be eligible for re-election for a maximum of two (2) terms of office. For greater certainty, a person appointed by the Board to fill a vacancy on the Board pursuant to Section 4.3 shall be deemed to have completed one (1) term of office, notwithstanding that the remainder of the term of office of the Director who is replaced is less than three (3) years. Notwithstanding any other provision of this by-law, the Board may, from time to time, following consultation with the Nominating Committee, determine that any particular term of office of any person proposed for election as a Director by the Members, shall be less than (3) years in order to ensure, to the greatest degree practicable, as determined by the Board, that one-third (1/3) of the Board is elected in each year. Notwithstanding the foregoing, in exceptional circumstances, as determined by the Board in its sole discretion, the Board may abrogate the foregoing limitations to permit a Director who would otherwise be ineligible for re-election under this Section to be re-elected as a Director for an additional term of one (1) year or until his or her successor is elected in order to permit such Director to serve as Chair during such additional term.
- 4.3 **Vacation of Office of Director.** The office of a Director shall be automatically vacated:
- (a) if the Director resigns from office by delivering a written resignation to the Secretary in which case, the resignation becomes effective at the time the resignation is sent to the Secretary or at the time specified in the resignation, whichever is later;
 - (b) if the Director has been declared incapable by a court in Canada or in another country;
 - (c) if the Director has the status of a bankrupt;
 - (d) if at a special general meeting of the Members, a resolution is passed by a majority of the votes cast on that resolution by the Members present at such meeting that the Director be removed from office; or
 - (e) if the Director dies,

provided that if any vacancy shall occur for any reason contained in this Section 4.3, the Board by majority vote may fill the vacancy, except a vacancy resulting from an increase in the number or the minimum or maximum number of Directors provided for in the

Articles or a failure to elect the number or minimum number of the Directors provided for in the Articles or this by-law or if a vacancy occurs as a result of any of the foregoing reasons which is not filled by the Board. The Directors remaining in office may exercise all the powers of the Board provided that a quorum of Directors is elected or remains in office as the case may be.

- 4.4 **Resignation.** A retiring Director whose resignation stipulates that it is not to be effective until a certain meeting of the Board or Members shall remain in office until the dissolution or adjournment of the meeting at which the resignation is to be effective.
- 4.5 **Remuneration.** The Directors shall serve as such without remuneration and no Director shall directly or indirectly receive any profit from his/her position as such, provided that a Director may be paid reasonable expenses incurred by the Director in the performance of the Director's duties. Nothing contained herein shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

ARTICLE 5 - POWERS OF BOARD OF DIRECTORS

- 5.1 **Management.** The Board shall manage or supervise the management of the activities and affairs of the Corporation in all things and make or cause to be made for the Corporation, in its name, any kind of contract which the Corporation may lawfully enter into and, except as otherwise specifically provided herein, shall exercise all such other powers and do all such other acts and things as the Corporation is by its Articles or otherwise authorized to exercise and do. Without restricting the generality of the foregoing, the Board shall have power to authorize expenditures on behalf of the Corporation from time to time.
- 5.2 **Finances.** The Board shall take such steps as it may deem requisite to enable the Corporation to acquire, accept, solicit or receive legacies, gifts, grants, settlements, bequests, endowments, payments and donations of any kind whatsoever for the purpose of furthering the purposes of the Corporation. The Board shall have the power to enter into a trust arrangement with a trust company for the purpose of creating a trust fund in which the capital and interest may be made available for the benefit of promoting the interest of the Corporation in accordance with such terms as the Board may determine.
- 5.3 **Employees.** The Board may appoint such agents and hire such employees as it shall deem necessary from time to time and, subject to the Act, such persons shall have such authority and shall perform such duties as determined by the Board. The Board may delegate by resolution to an Officer or Officers the right to hire and pay salaries to employees. The president of the Corporation (the "**President**") shall be retained as an employee of the Corporation by the Board on such terms as the Board deems appropriate. Such terms and conditions of employment of the President shall be set out in a written employment agreement entered into between the President and the Corporation. The President shall be entitled to receive notice of and to attend meetings of the Board, the Executive Committee and all other committees of the Board except where the business of the Board, Executive Committee or any other committee of the Board will involve

matters in respect of which the President would be in conflict. For greater certainty, the President is not a Director of the Corporation and is not entitled to vote at any meetings of the Board, Executive Committee or any other committee of the Board.

5.4 **Remuneration.** The Board may fix a reasonable remuneration for all of the Officers, agents, employees and committee members of the Corporation.

5.5 **Borrowing.** The Board may from time to time:

- (a) borrow money on the credit of the Corporation;
- (b) issue, reissue, sell, pledge or hypothecate debt obligations of the Corporation;
- (c) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

The Board may delegate such powers to the Officers or the Directors to such extent and in such manner as the Board may, by resolution, determine. Nothing herein limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted, or endorsed by or on behalf of the Corporation.

ARTICLE 6 - OFFICERS

6.1 **Officers.** The officers of the Corporation shall be a chair (the “**Chair**”), a secretary (the “**Secretary**”), a comptroller (the “**Comptroller**”), the President and any other officers as the Board may by resolution determine (individually, an “**Officer**” and collectively, the “**Officers**”). The Chair shall be elected by the Board from among the Directors. The Secretary need not be elected from among the Directors. If the Board so determines, the President may also act as Secretary. The President shall be retained as an employee of the Corporation pursuant to Section 5.3 and the Comptroller shall be retained as an employee pursuant to an employment agreement.

6.2 **Appointment.** The Officers, other than the President and Comptroller, shall be elected by resolution of the Board at the first meeting of the Board following an annual meeting of the Members.

6.3 **Term.** The Officers elected by resolution of the Board in accordance with Section 6.2 shall hold office for a term of one (1) year from the date of appointment or until their successors are appointed. Each of the President and the Comptroller shall hold such positions in accordance with the respective employment agreements contemplated herein. Any Officer, other than the President and Comptroller, may be removed by resolution of the Board at any time. Removal of the President or the Comptroller shall be subject to

the applicable employment agreement and common law. All Officers shall be eligible for reappointment.

ARTICLE 7 - DUTIES OF OFFICERS

- 7.1 **Chair.** The Chair shall act as the chair of all Board and Executive Committee meetings and shall set the agenda thereof in consultation with the President. The Chair shall also perform such other duties as may be determined by the Board from time to time. In the absence or disability of the Chair, one of the other Directors present at the Board or Executive Committee meeting, as selected by resolution of the meeting, shall act as chair of the meeting.
- 7.2 **Comptroller.** The Comptroller shall have the custody of the funds and securities of the Corporation and shall keep or cause to be kept full and accurate accounts of all assets, liabilities, receipts and disbursements of the Corporation in the books belonging to the Corporation and shall deposit or cause to be deposited all monies, securities and other valuable effects in the name and to the credit of the Corporation in such chartered bank or trust company, or, in the case of securities, in such registered dealer in securities, as may be determined by the Board from time to time. The Comptroller shall disburse or cause to be disbursed the funds of the Corporation as may be directed by proper authority taking or causing to be taken proper vouchers for such disbursements, and shall render or cause to be rendered to the Chair of the Finance Committee and Board at regular meetings of the Finance Committee or the Board, or whenever they may require it, an accounting of all the transactions and a statement of the financial position of the Corporation. For greater certainty, the Comptroller is not a Director of the Corporation and is not entitled to vote at any meetings of the Board or any other committee of the Board.
- 7.3 **Secretary.** The Secretary shall carry on the affairs of the Corporation generally under the supervision of the other Officers, shall attend all meetings of the Board 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 specified by the Board or the Chair. The Secretary shall be custodian of the seal of the Corporation.
- 7.4 **President.** The President shall be the chief executive officer of the Corporation and shall perform all such duties as are customary for a chief executive officer of a corporation similar in size and operation to the Corporation. The President shall have the general and active management of the affairs of the Corporation, shall see that all orders and resolutions of the Board are carried into effect and shall perform such other duties as may be determined by the Board from time to time.
- 7.5 **Other Officers.** The duties of all other Officers shall be such as the terms of their appointment require or as may be determined by the Board from time to time.

ARTICLE 8 - EXECUTIVE COMMITTEE

- 8.1 **Executive Committee.** There shall be an executive committee (the “**Executive Committee**”) comprised of the Chair, the chairs of each of the Audit Committee, Compensation Committee and Nominating Committee and such other committees as the Board deems appropriate and, where the office of Secretary is held by a Director and not by the President, the Secretary. The President shall be entitled to receive notice of and, except where the President would be in a position of conflict, to attend all Executive Committee meetings but shall not be entitled to vote thereat and shall not be counted for purposes of establishing quorum. Subject to the provisions of the Act and subject to the power of the Board to restrict the powers of the Executive Committee from time to time as the Board may determine, the Executive Committee shall possess and may exercise, during intervals between meetings of the Board, all of the powers of the Board in the administration of the activities and affairs of the Corporation. Executive Committee members shall receive no remuneration for serving as such, but shall be entitled to reasonable expenses incurred in the exercise of their duties. The members of the Executive Committee shall be subject to removal by resolution of the Board at any time.
- 8.2 **Meetings.** Meetings of the Executive Committee may be held at any time and place to be determined by the members of the Executive Committee, provided that, forty-eight (48) hours written notice of such meeting shall be given, other than by mail, to each member thereof. Provided further that, if notice of any such meeting is given by mail, such notice by mail shall be sent at least fourteen (14) days prior to the meeting. A majority of members of the Executive Committee shall constitute a quorum. No error or omission in giving notice of any meeting of the Executive Committee or any adjourned meeting of the Executive Committee shall invalidate such meeting or make void any proceedings taken thereat and any member thereof may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. Sections 10.03 and 10.04 apply, together with any necessary changes, to meetings of the Executive Committee.

ARTICLE 9 - COMMITTEES

- 9.1 **Committees.** Subject to the Act, the Board may establish, by resolution, committees on such terms and conditions as the Board deems appropriate, whose members will hold their offices and receive such remuneration, if any, at the discretion of the Board or as otherwise determined by the Board. At a minimum, there shall be: (i) an audit committee (the “**Audit Committee**”), which shall be composed of not less than three (3) Directors, a majority of whom are not Officers or employees of the Corporation or any of its affiliates; (ii) a compensation committee (the “**Compensation Committee**”); and (iii) a nominating committee (the “**Nominating Committee**”).

ARTICLE 10 - MEETINGS OF THE BOARD OF DIRECTORS

- 10.1 **Meetings - Number and Notice.** 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. Provided further

that, if notice is given by mail, such notice shall be mailed at least fourteen (14) days prior to the meeting. Notice of the meeting of the Board shall specify any matter referred to in Section 138(2) of the Act that is to be dealt with at the meeting. No notice of a meeting of the Board shall be required if all Directors are present, and attendance of a Director at a meeting of the Board is a waiver of notice of the meeting, except if the Director 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. No error or omission in giving notice of any meeting of the Board or any adjourned meeting of the Board 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. The President may, and the Secretary shall, upon written requisition of not less than a majority of the Directors, call a meeting of the Board. There shall be at least four (4) meetings per year of the Board. The President is not a Director, but shall be entitled to receive notice of and, except where the President would be in a position of conflict, to attend all Board meetings but shall not be entitled to vote thereat and shall not be counted for purposes of establishing quorum.

- 10.2 **Quorum.** A majority of the number of Directors fixed from time to time shall constitute a quorum at any meeting of the Board.
- 10.3 **Voting.** Each Director shall be entitled to exercise one (1) vote at each meeting of the Board on each issue which properly comes before the Board. Except as expressly provided herein and unless otherwise expressly provided by the Act, at all meetings of the Board, every question shall be determined by a majority of votes cast at the meeting. Unless a ballot is demanded, a declaration by the chair of the meeting that a resolution has been carried or defeated and an entry to that effect in the minutes shall be, in the absence of evidence to the contrary, proof of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 10.4 **Participation by Electronic Means.** If all members of the Board consent thereto in advance, generally or in respect of a particular meeting, a Director may participate in a meeting of the Board by means of a telephonic, an electronic or other communication facility that permits all persons participating in the meeting to communicate with one another, and a Director participating in such a meeting by such means is deemed to be present at the meeting. The Secretary shall ensure each particular meeting is handled in a secure fashion. Quorum shall be established by the Secretary at the beginning of each particular meeting by verbal roll call, where appropriate, or by such other reasonable measures as determined by the Secretary to accurately confirm attendance by the Directors at the meeting. Each vote cast by a Director participating by telephonic, electronic or other communication facility shall be recorded in the minutes by the Secretary.

ARTICLE 11 - MEETINGS OF THE MEMBERS

- 11.1 **Meetings.** Meetings of the Members shall be either an annual meeting or a special meeting. The annual or any special meeting of Members shall be held at the registered office of the Corporation or at any place in Canada and on such date as the Board may determine, but in any case, with respect to the annual meeting, not (i) more than fifteen (15) months after the holding of the last preceding annual meeting, and (ii) later than six (6) months after the end of the Corporation's preceding financial year.
- 11.2 **Quorum.** Five (5) Members represented in person at any meeting of the Members shall constitute a quorum at any such meeting.
- 11.3 **Business at Annual Meeting.** At every annual meeting of the Members, in addition to any other business that may be transacted, the report of the Board, the financial statements and the report of the public accountant shall be presented and public accountant appointed for the ensuing year. The Members may consider and transact any business which the Members under applicable law are so authorized to transact, at any meeting of the Members.
- 11.4 **Special Meeting.** The Board shall have the power to call, at any time, a special meeting of the Members. The Board shall call a special meeting of the Members on the written requisition of five percent (5%) of the Members.
- 11.5 **Notice.**
- (a) Notice of the time and place of a meeting of Members shall be given to each Member who, at the close of business on the record date for notice or if no record date for notice is fixed, at the close of business on the preceding day on which the notice is given, is entitled to receive notice, by the following means:
 - (i) by mail, courier or personal delivery to each such Member, during a period of twenty-one (21) to sixty (60) days before the day on which the meeting is to be held; or
 - (ii) by telephonic, electronic or other communication facility to each such Member, during a period of twenty-one (21) to thirty-five (35) days before the day on which the meeting is to be held.
 - (b) Notice of any annual meeting shall include a statement informing the Members that the comparative financial statements, report of the public accountant, and any other documents required by the Act, are available at the registered office of the Corporation and that the Members may, upon request, obtain a copy of those financial statements and other documents free of charge at the registered office or by prepaid mail.

- (c) Notice of any meeting where special business will be transacted shall (i) state the nature of that business in sufficient detail to permit a Member to form a reasoned judgment on the business, and (ii) state the text of any resolution to be submitted to the meeting requiring an affirmative vote of not less than two-thirds (2/3) of the votes cast on that resolution by the Members. For purposes of this Section, all business transacted at a special meeting or annual meeting of Members, except consideration of the financial statements, public accountant's report, election of Directors and re-appointment of the incumbent public accountant, is "special business". The Directors, the public accountant and any other person or persons designated by the Board, will be entitled to receive notice of every meeting of the Members, and to attend and be heard thereat, but except as provided herein, will not be entitled to vote at any such meeting.
- (d) No error or omission in giving notice of any meeting of Members or any adjourned meeting of Members, shall invalidate such meeting or make void any proceedings taken thereat and the Members may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. Notice of any meeting of Members at which Directors are to be elected shall include a slate of nominees recommended by the Nominating Committee. Except for those nominees put forward by the Members in accordance with the proposal process prescribed by the Act, the slate of nominees recommended by the Nominating Committee will be the only nominees put forward for election as Directors.

11.6 **Voting.** Except as expressly provided herein and unless otherwise expressly provided by the Act, at all meetings of the Members, every question shall be determined by a majority of votes cast by the Members at the meeting. Unless a ballot is demanded, a declaration by the chair of the meeting that a resolution has been carried or defeated and an entry to that effect in the minutes shall be, in the absence of evidence to the contrary, proof of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

11.7 **Participation by Electronic Means.** Any person entitled to attend a meeting of Members may participate in the meeting by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the Corporation makes available such a communication facility. A person participating in a meeting by such means is deemed for the purposes of the Act to be present at the meeting. The Secretary shall ensure each particular meeting is handled in a secure fashion. Quorum shall be established by the Secretary at the beginning of each particular meeting by verbal roll call, where appropriate, or by such other reasonable measures as determined by the Secretary to accurately confirm attendance of the Members at the meeting. Except where a ballot is demanded, each vote cast by a Member participating by means of a telephonic, electronic or other communication facility shall be recorded in the minutes by the Secretary. Where a ballot is demanded, each vote cast by a Member shall be gathered in a manner that permits (i)

its subsequent verification, and (ii) the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each Member voted.

ARTICLE 12 - NOTICE

- 12.1 **Address for Notice.** For the purpose of sending notice to a Member, Director or an Officer for any meeting or otherwise, the address of the Member, Director or Officer shall be the last address recorded on the books of the Corporation.

ARTICLE 13 - INDEMNITY AND INSURANCE

- 13.1 **Indemnity.** Subject to the provisions of the Act and to Section 13.4, the Corporation shall indemnify a Director or Officer of the Corporation, a former Director or Officer of the Corporation or another individual who acts or acted at the Corporation's request as a Director or Officer, or an individual acting in a similar capacity, of another entity, and his or her 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 the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity.
- 13.2 **Advance of Costs.** Subject to the provisions of Section 13.4, the Corporation shall advance moneys to a Director, Officer or other individual for the costs, charges and expenses of a proceeding referred to in Section 13.1. The individual shall repay the moneys if the individual does not fulfill the conditions of Section 13.3.
- 13.3 **Limitation.** The Corporation may not indemnify an individual under Section 13.1 unless the individual:
- (a) acted honestly and in good faith with a view to the best interests of the Corporation, or, as the case may be, to the best interests of the other entity for which the individual acted as Director or Officer or in a similar capacity at the Corporation's request; and
 - (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that their conduct was lawful.
- 13.4 **Indemnification in Derivative Actions.** The Corporation shall, with the approval of a court, indemnify an individual referred to in Section 13.1, or advance moneys under Section 13.2, in respect of an action by or on behalf of the Corporation or other entity to procure a judgement in its favour, to which the individual is made a party because of the individual's association with the Corporation or other entity as described in Section 13.1 against all costs, charges and expenses reasonably incurred by the individual in connection with such action, if the individual fulfills the conditions set out in Section 13.3.

- 13.5 **No Restrictions.** The Corporation will also indemnify the individuals referred to in Section 13.1 in any other circumstances that the Act permits or requires. Nothing in this by-law will limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this by-law.
- 13.6 **Directors' and Officers' Liability Insurance.** The Corporation shall, at all times, maintain in force such Directors and Officers liability insurance as may be approved by resolution of the Board.

ARTICLE 14 - ASSOCIATES

- 14.1 **Associates.** The Corporation may, from time to time, admit persons, other than individual persons, as associates of the Corporation ("**Associates**") based on the eligibility criteria established by the Board from time to time. Associates shall remain Associates for such term as the Board may from time to time determine and be entitled to receive such information from the Corporation as the Board may from time to time determine. For greater certainty, Associates are not Members of the Corporation, and Associates may be removed by an affirmative vote of the Board if it determines that (a) the past or present conduct of an Associate has been, is, or is likely to be detrimental to the Corporation, or (b) it is in the best interests of the Corporation to remove the Associate.

ARTICLE 15 - EXECUTION OF DOCUMENTS

- 15.1 **Execution of Documents.** Contracts, documents or any other instruments in writing requiring the signature of the Corporation shall be executed in accordance with the policies adopted by the Board from time to time. For greater certainty, the Board shall have power from time to time by resolution to appoint any individual or individuals who shall be empowered on behalf of the Corporation to sign specific contracts, documents or instruments in writing or specific types of contracts, documents or instruments in writing. The Board may give the Corporation's power of attorney to any registered dealer in securities for the purposes of the transferring of and dealing with any securities owned by the Corporation. The seal of the Corporation may be affixed to contracts, documents and instruments in writing to be signed by the Corporation by any Director, Officer or individual or individuals entitled to sign the same whether pursuant to this by-law, any policy or by resolution of the Board. **REGISTERED OFFICE**
- 16.1 **Registered Office.** The registered office of the Corporation shall be in the City of Ottawa, in the Province of Ontario.

ARTICLE 17 - FINANCIAL YEAR

- 17.1 **Financial Year.** Unless otherwise determined by resolution of the Board, the financial year-end of the Corporation shall be December 31.

ARTICLE 18 - AMENDMENT OF BY-LAWS

- 18.1 **Amendment of By-laws.** The by-laws of the Corporation may be repealed or amended by by-law enacted by the Board and sanctioned by an affirmative vote of two-thirds (2/3) of the Members at a meeting duly called for the purpose of considering the said by-law.

ARTICLE 19 - PUBLIC ACCOUNTANT

- 19.1 **Public Accountant.** The Members shall at each annual meeting appoint a public accountant to audit the accounts of the Corporation for report to the Members at the next annual meeting. The public accountant shall hold office until the next annual meeting provided that the Board shall immediately fill any vacancy in the office of public accountant. The remuneration of the public accountant shall be fixed by the Board.

ARTICLE 20 - BOOKS AND RECORDS

- 20.1 **Books and Records.** The Board shall ensure that all books and records of the Corporation required by this by-law or by applicable law, are regularly and properly kept.

ARTICLE 21 - RULES AND REGULATIONS

- 21.1 **Rules and Regulations.** The Board may by resolution prescribe such rules and regulations not inconsistent with these by-laws relating to the management and operation of the Corporation as they deem appropriate.

ARTICLE 22 - REPEAL

- 22.1 **Repeal of Previous By-law.** All previous by-laws of the Corporation other than those relating to its arrangements with financial institutions are hereby repealed. The repeal of such by-laws shall not affect the validity of any act done or right, privilege, obligation or liability acquired or incurred thereunder or the validity of any contract or agreement made pursuant thereto.