

BY-LAW NO. 1

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

**CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE
ASSOCIATION CANADIENNE DES INSTITUTIONS FINANCIÈRES EN ASSURANCE**

(the “Corporation”)

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this by-law and all other by-laws of the Corporation hereafter passed, unless the context otherwise requires:

“**Act**” means the *Canada Not-for-profit Corporations Act* S.C. 2009, c. 23 including the regulations made pursuant to the Act, and any statute or regulations that may be substituted therefor, as amended from time to time;

“**Annual Financial Statements**” means the comparative financial statements of the Corporation, as prescribed by the Act, the report of the public accountant, if any, and any further information respecting the financial position of the Corporation and the results of its operations required by the articles or the by-laws;

“**Annual Meeting**” means an annual meeting of members of the nature described in Section 3.1;

“**articles**” means the articles of continuance of the Corporation and any other articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation from time to time in force and effect;

“**Associate**” has the meaning given to it in Section 2.2;

“**board**” means the board of directors of the Corporation;

“**by-law**” means this by-law and any other by-law of the Corporation as amended and which are, from time to time, in force and effect;

“**Chair**” means the chair of the board;

“**committee**” means a committee established by the board pursuant to Section 6.1 or, where the context permits, a subcommittee of such committee;

“**Declared Incapable**” means:

- (a) an individual who has been found under any applicable law as being incapable of managing his or her property or who has been declared to be incapable by a court of competent jurisdiction; or
- (b) an individual in respect of whom the Corporation has obtained a letter from a physician who is licensed to practice medicine in one or more of the provinces or territories of Canada declaring such person to be incapable of managing property;

“director” means a member of the board and **“directors”** includes Foundation Directors and Regular Directors, as applicable;

“entity” refers to a corporation, partnership, trust or unincorporated organization but excludes an individual;

“Executive Director” means the officer referred to in Section 7.2(c);

“Executive Operations Committee” means the committee referred to in Section 8.1;

“Foundation Directors” has the meaning given to it in Section 4.3(a);

“Foundation Members” means the members referred to in Section 2.1(a);

“meeting of members” includes an Annual Meeting or a Special Meeting;

“members” includes Foundation Members and Regular Members, as applicable;

“ordinary resolution” means a resolution passed by a majority of votes cast on that resolution;

“public accountant” means the person from time to time appointed pursuant to Section 11.6;

“Regular Directors” has the meaning given to it in Section 4.3(b);

“Regular Members” means the members referred to in Section 2.1(b);

“regulations” means the regulations made under the Act, as amended, restated or in effect from time to time;

“Secretary” means the secretary of the board;

“Special Meeting” means a meeting of members other than an Annual Meeting;

“special resolution” means a resolution passed by a majority of not less than two-thirds of the votes cast on that resolution; and

“Vice-Chair” means the vice-chair of the board.

1.2 Interpretation

In the interpretation of this by-law, words in the singular include the plural and vice-versa, words in one gender include all genders, and “person” includes an individual, body corporate, partnership, trust and unincorporated organization. The division of this By-law into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. Unless otherwise provided, each reference to an Article or a Section is to the corresponding article or section of this by-law. Whenever the words “include”, “includes” or “including” are used in this By-law and in all other By-laws hereafter passed, unless the context otherwise requires, such words shall be deemed in each instance to be followed by the words “without limitation.”

Other than as specified above, words and expressions defined in the Act have the same meanings when used in these by-laws.

ARTICLE 2 MEMBERS

2.1 Classes of Members

Pursuant to the articles, there shall be two classes of members in the corporation as follows:

- (a) *Foundation Members* — Foundation Members shall consist of entities:
 - (i) that are involved, directly or indirectly, in the business of insurance in Canada;
 - (ii) that are controlled by a bank as that term is defined in the the *Bank Act* (Canada);
 - (iii) that have an interest in furthering the purposes of the Corporation; and
 - (iv) for which an application for admission as Foundation Members has been accepted by a two-thirds majority of the Foundation Directors then in office;

provided that, as of the date that this by-law comes into force, the following shall be deemed to be Foundation Members: RBC Insurance Holdings Inc., CIBC Life Insurance Company Limited, Toronto Dominion Life Insurance Company, ScotiaLife Financial Services Inc., Bank of Montréal, BMO Insurance, and National Bank Life Insurance Company.

If there is a change in control of a Foundation Member such that it is no longer controlled by a bank, the Foundation Member shall be deemed to be a Regular Member as of the date of the change in control of that Foundation Member. For

greater certainty, upon the amalgamation of two or more Foundation Members, they shall become a single Foundation Member.

Each Foundation Member shall be entitled to receive notice of all meetings of members, to be represented at and to vote at all meetings of members, to nominate one director for election to the board in accordance with Section 4.3(a) and, in addition, shall have any other rights that may be ascribed to the Foundation Members in the articles or by-laws.

- (b) *Regular Members* — Regular Members shall consist of entities:
- (i) that are involved, directly or indirectly, in the business of insurance in Canada;
 - (ii) that have an interest in furthering the purposes of the Corporation; and
 - (iii) for which an application for admission as Regular Members has been accepted by the board;

provided that, as of the date that this by-law comes into force, the following shall be deemed to be Regular Members: Amex Bank of Canada, American Bankers Insurance Company of Florida, Canadian Premier Life Insurance Company, Desjardins Financial Security Life Assurance Company.

If there is a change in control of a Regular Member, the Regular Member may be removed as a Regular Member.

Each Regular Member shall be entitled to receive notice of and to attend all meetings of members, and to vote at all meetings of members except on matters expressly reserved to the Foundation Members in the articles or the by-law, and each Regular Member shall have the right to nominate one director for election to the board accordance with Section 4.3(b).

2.2 Associates

The Board may, from time to time, designate certain persons with the status of “**Associate**” of the Corporation. For greater certainty, Associates are not a class or group of membership in the Corporation.

2.3 Membership Fees

The membership fees payable by the Foundation Members and the Regular Members shall from time to time be fixed by resolution of the board. A notice of the fees payable at any time shall be sent to each member by the Secretary promptly before the due date.

2.4 Termination for Non-Payment

If membership fees are levied by the board, the membership of any member who is in arrears may be terminated by or under the authority of the board if such arrears of fees are not paid within 90 days of the due date set out in the notice referred to in Section 2.3. Any such former member may re-apply for membership in the Corporation.

2.5 Resignation

Members may resign at any time by resignation in writing delivered to the Corporation, in which case such resignation shall be effective on the date specified in the resignation or the date received, whichever is later. A member shall remain liable for payment of any assessment or other sum levied or which became payable by the member to the Corporation prior to such resignation.

2.6 Discipline of Members

The Foundation Members shall have authority to, by special resolution, suspend or expel any member from the Corporation for any one or more of the following grounds:

- (a) violating any provision of the articles, by-laws, or written policies of the Corporation;
- (b) carrying out any conduct which may be detrimental to the Corporation as determined by the Foundation Members in their sole discretion; or
- (c) for any other reason that the Foundation Members in their sole and absolute discretion considers to be reasonable, having regard to the purpose of the Corporation.

In the event that the Foundation Members determine, by special resolution, that a member should be expelled or suspended from membership in the Corporation, the Executive Director, or such other officer as may be designated by the Foundation Members, shall provide 20 days' notice of suspension or expulsion to the member and shall provide reasons for the proposed suspension or expulsion. The member may make written submissions to the Executive Director, or such other officer as may be designated by the Foundation Members, in response to the notice received within such 20 day period. In the event that no written submissions are received by the Executive Director, the Executive Director, or such other officer as may be designated by the Foundation Members, may proceed to notify the member that the member is suspended or expelled from membership in the Corporation. If written submissions are received in accordance with this Section, the Foundation Members will consider such submissions in arriving at a final decision and shall notify the member concerning such final decision within a further 20 days from the date of receipt of the submissions. The decision of the Foundation Members shall be final and binding on the member, without any further right of appeal.

2.7 Termination of Membership

A membership in the Corporation is terminated when:

- (a) the member is dissolved or otherwise ceases to exist;
- (b) the member fails to maintain any qualifications for membership described in Section 2.1;
- (c) the member resigns in accordance with Section 2.5;
- (d) the member is terminated or removed in accordance with Section 2.4 or 2.6;
- (e) the Corporation is liquidated or dissolved under the Act.

Subject to the articles, upon any termination of membership, the rights of the member, including any rights in the property of the Corporation, automatically cease to exist.

ARTICLE 3 MEETINGS OF MEMBERS

3.1 Annual Meetings

An Annual Meeting shall be held at least once in every calendar year no later than six months after the end of the Corporation's preceding fiscal year. At every Annual Meeting, in addition to any other business that may be transacted, the Annual Financial Statements shall be presented to the members, the board shall be elected, the public accountant shall be appointed for the next ensuing year and the remuneration of the public accountant shall be fixed or the board shall be authorized to fix such remuneration.

3.2 Special Meetings

The board, the Chair or the Vice-Chair shall have power to call a meeting of members at any time. The board shall call a Special Meeting on written requisition of members holding not less than five percent of votes that may be cast at a meeting of members.

3.3 Place of Members' Meetings

A meeting of members shall be held at the registered office of the Corporation or at any place within Canada on such day in each year and at such time as the board may determine.

3.4 Notice of Meetings

Written notice of the time and place of each meeting of members shall be given to each director, the public accountant and each member entitled to vote at such meeting and whose name is entered in the register of members at the close of business on the record date for notice (which shall be 21 to 60 days before the date of the meeting) or, if no

record date for notice is fixed, at the close of business on the day preceding the day on which notice is given.

Notice of the time and place of a meeting of members shall be given to each member entitled to vote at the meeting by the following means:

- (a) by mail, courier or personal delivery to each member entitled to vote at the meeting, during a period of 21 to 60 days before the day on which the meeting is to be held; or
- (b) by telephonic, electronic or other communication facility to each member entitled to vote at the meeting, during a period of 21 to 35 days before the day on which the meeting is to be held.

Notice of any meeting of members where special business will be transacted must contain sufficient information to permit the members to form a reasoned judgment on the decision to be taken and shall state the text of any special resolution to be submitted to the meeting. Notice of each meeting of members must remind members of the right to vote by proxy.

3.5 Waiver of Notice

Any person who is entitled to notice of a meeting of members may waive notice either before or after the meeting, and attendance of the person at the meeting is a waiver of notice of the meeting, unless the person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

3.6 Chair, Secretary and Scrutineers

The Chair (or in the Chair's absence, the Vice-Chair) shall be chair of any meetings of members. If no such officer is present within 15 minutes from the time fixed for holding the meeting, the members present may elect one of their number to preside at the meeting. If the Secretary is absent, the chair of the meeting shall appoint an individual attending the meeting to act as secretary of the meeting. If desired, one or more scrutineers, who need not be members, may be appointed by a resolution or by the chair of the meeting with the consent of the meeting.

3.7 Persons Entitled to be Present at Members' Meetings

Members, directors and the public accountant are entitled to be present at a meeting of members. Any other persons may be admitted only on the invitation of the chair of the meeting or with the consent of the members entitled to vote thereat. For greater certainty, only members will have the right to speak at such meetings although others present at such meetings in accordance with the Act or the articles or by-laws shall be allowed to speak with the consent of the meeting.

3.8 Quorum at Members' Meetings

A majority of members present in person or by proxy shall constitute a quorum at any meeting of members. No business shall be transacted at any meeting of members unless a quorum is present.

3.9 Votes to Govern at Members' Meetings

Each member shall have one vote to be exercised in person or by proxy at each meeting of members. All questions shall be decided by special resolution. Any question at a meeting of members shall be decided by a show of hands or, in some other appropriate manner in the case of meetings by teleconference or other electronic means, unless a ballot vote thereon is required or demanded as hereinafter provided. At any meeting, unless a ballot is demanded, a declaration by the chair of the meeting that a resolution has been carried or carried unanimously or by a particular two-thirds majority or lost or not carried by a two-thirds majority shall be conclusive evidence of the fact.

3.10 Ballot

A ballot may be demanded before or after any vote by any person entitled to vote on the question. If a ballot is required or demanded, the ballot shall be held in such manner as the chair of the meeting shall direct. A demand for a ballot may be withdrawn at any time prior to the holding of the ballot.

3.11 Proxies

At any meeting of members, a proxy holder who has been duly appointed by a member, shall be entitled to exercise, subject to any restrictions expressed in the instrument appointing him or her, the same voting and other rights that such member appointing him or her would be entitled to exercise if present at that meeting. A proxy shall be in writing and executed by the member. A proxy may be in such form as the board from time to time prescribes or in such other form as the chair of the meeting may accept as sufficient, and shall be deposited with the secretary of the meeting before any vote is called to which the proxy pertains, or at such earlier time and in such manner as the board may prescribe. A proxy holder may not act for more than five members at any meeting of members.

3.12 Attendance by Teleconference, Videoconference or Other Electronic Means

If the notice of meeting or the board so permits, any person entitled to attend a meeting of members may participate in such meeting by teleconference, videoconference or any other electronic means that permit all participants to communicate adequately with each other during the meeting if the Corporation makes such means available. A member so participating in a meeting is deemed for the purposes of the by-laws, the articles and the Act to be present at the meeting.

3.13 Voting While Participating Electronically

A member participating in a meeting of members by any of the means set out in Section 3.12 and entitled to vote thereat may vote, and that vote may be held by teleconference, videoconference or any other electronic means that the Corporation has made available for that purpose. A member so participating in a meeting shall be provided with an opportunity to vote on all questions put before the members in a manner that:

- (a) permits their subsequent verification; and
- (b) permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how the member voted.

3.14 Written Resolution in Lieu of Meeting

Except as otherwise provided in the Act, a resolution in writing signed by all of the members entitled to vote on that resolution at a meeting of members is as valid as if it had been passed at a meeting of members. Resolutions in writing may be signed in counterpart and satisfy all the requirements of this by-law relating to meetings of members.

ARTICLE 4 DIRECTORS

4.1 Authority and Responsibility

The board shall manage or supervise the management of the activities and affairs of the Corporation, subject to the Act, the articles and the by-laws.

4.2 Number of Directors

The fixed number of directors, within the minimum and maximum numbers provided for in the articles, shall be required to be equal to the number of members. The fixed number of directors shall initially be ten directors. If, from time to time, the number of members increases or decreases, the directors and members shall pass such resolutions or by-laws as are necessary to cause the fixed number of directors to be increased or decreased accordingly to ensure the fixed number of directors is equal to the number of members.

4.3 Nomination of Directors

- (a) *Foundation Directors* — Each Foundation Member shall be entitled to nominate one individual to serve as director on the board or to fill a vacancy caused by the resignation or expiry of the term of its previous nominee. Only an individual so nominated shall be eligible to stand for election by the members. A director nominated by a Foundation Member shall be referred to in this by-law as a “**Foundation Director**”.

- (b) *Regular Directors* — Each Regular Member shall be entitled to nominate one individual to serve as director on the board or to fill a vacancy caused by the resignation or expiry of the term of its previous nominee. Only an individual so nominated shall be eligible to stand for election by the members. A director nominated by a Regular Member shall be referred to in this by-law as a “**Regular Director**”.

4.4 Qualification

In order to serve as a director, an individual must:

- (a) be 18 years of age or older;
- (b) not be Declared Incapable;
- (c) not be an undischarged bankrupt; and
- (d) be duly nominated in accordance with Section 4.3.

4.5 Term of Office

Directors shall be elected at an Annual Meeting to hold office for a term expiring not later than the close of the third Annual Meeting following their election or until their successors are elected or appointed. There is no limit on the number of terms a director may serve, provided that he or she continues to be qualified to sit on the board.

4.6 Consent to Serve

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

- (a) the individual was present at the meeting when the election took place and did not refuse to hold office as a director; or
- (b) the individual was not present at the meeting when the election took place and:
 - (i) consented to hold office as a director in writing before the election or within 10 days after the day on which the election took place; or
 - (ii) has acted as a director after the election.

4.7 Resignation

Any director who wishes to resign from the board prior to the expiry of his or her term of office shall deliver a written resignation to the Chair or Secretary and such resignation shall be effective at the time of receipt of such written resignation by the Chair or Secretary or at the time specified therein, whichever is later.

4.8 Removal of Directors

The members may, by ordinary resolution passed at a special meeting of which notice specifying the intention to pass such resolution has been given, remove any director before the expiration of his or her term of office, and may elect any individual who meets the qualifications set out in Section 4.4 in place of such director for the remainder of the term of such director.

4.9 Written Statement

A director may submit to the Chair a written statement giving reasons for resigning, or if a meeting is called for the purpose of removing him or her, for opposing his or her removal or replacement. Where the Chair receives such a statement, the Chair shall immediately:

- (a) give notice to the members of the statement; and
- (b) send a copy of the statement to the Director appointed by the Minister pursuant to section 281 of the Act (Appointment of Director).

4.10 Vacation of Office

A director ceases to hold office when the director dies, resigns, is removed from office in accordance with Section 4.8, or no longer fulfils all of the qualifications to be a director set out in Section 4.4, as determined in the sole discretion of the board.

4.11 Vacancies

If a majority of the fixed number of directors is then in office, vacancies may be filled by the remaining directors, if such directors determine it appropriate (except for vacancies resulting from a failure to elect the minimum number of directors provided for in the articles); provided however, that pursuant to Section 4.3, a vacancy may only be filled by the directors with an individual who has been nominated by the member that nominated the director who caused the vacancy. If there is not a majority of the fixed number of directors in office, or if there has been a failure to elect the minimum number of directors provided for in the articles, the remaining directors shall forthwith call a Special Meeting to fill the vacancies, provided that if the directors fail to call such a meeting or if there are no directors then in office, the meeting may be called by any member. A director appointed or elected to fill a vacancy holds office for the unexpired term of his or her predecessor.

4.12 Confidentiality and Duty of Loyalty

Every director owes a duty of loyalty and confidentiality to the Corporation, regardless of the member that nominated him or her. Every director, officer, committee member, employee and volunteer, shall respect the confidentiality of matters brought before the board or before any committee of the board. Employees and volunteers shall also keep

confidential matters that come to their attention as part of their employment or volunteer activities.

4.13 Remuneration of Directors

Directors shall receive no remuneration for acting as such but may, at the discretion of the board, be reimbursed their reasonable expenses properly incurred in the performance of their duties, including their travel and other expenses properly incurred by them in attending meetings of the board, of any committee thereof, or of the members or otherwise properly incurred by them in connection with carrying out the activities of the Corporation. Nothing herein contained shall be construed to preclude any director from serving the Corporation as an officer or in any other capacity and receiving compensation therefor.

ARTICLE 5 MEETINGS OF DIRECTORS

5.1 Place of Board of Directors Meetings

Meetings of the board may be held at any place in or outside of Canada as the board may, from time to time, determine.

5.2 Calling of Meetings of Board of Directors

Meetings of the board may be called by the Chair, the Vice-Chair or any two directors.

5.3 Notice of Meeting of Board of Directors

Notice of the time and place for the holding of a meeting of the board shall be given to every director in the manner provided in Section 12.1 not less than one business day before the time when the meeting is to be held. Notice of an adjourned meeting is not required if the time and place of the adjourned meeting is announced at the original meeting. Unless the by-law otherwise provides, no notice of meeting need specify the purpose or the business to be transacted at the meeting except that a notice of meeting of directors shall specify any matter referred to in subsection 138(2) (Limits on Authority) of the Act that is to be dealt with at the meeting. No notice is required to be given in order to conduct business at the board meeting held immediately following the Annual Meeting, provided that a quorum is present.

5.4 Regular Meetings of the Board of Directors

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, but no other notice shall be required for any such regular meeting except where subsection 136(3) (Notice of Meeting) of the Act requires the purpose thereof or the business to be transacted to be specified in the notice.

5.5 Meetings Without Notice

A meeting of the board may be held at any time without notice if all directors are present in person or if those who are not present, either before or after the meeting, waive notice or otherwise consent in writing or by e-mail or other means of recorded electronic communication addressed to the secretary to such meeting being held, and at such meeting any business may be transacted which the Corporation, at a meeting of the board, may transact.

5.6 Attending by Teleconference, Videoconference and Other Electronic Means

If all of the directors present at or participating in the meeting consent, any director may attend a meeting of the board by teleconference, videoconference and other electronic means as permit all persons participating in the meeting to communicate adequately with each other during the meeting, and a director participating in the meeting by those means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the board and of the committee held while a director holds office.

5.7 Voting While Participating Electronically

A Director participating in the meeting by any of the means set out in Section 5.6 may vote, and that vote may be held by teleconference, videoconference or any other electronic means that the Corporation has made available for that purpose.

5.8 Quorum at Board Meetings

A majority of the fixed number of directors shall be necessary to constitute a quorum for the transaction of business at any meeting of the board.

5.9 Chair and Secretary of Board Meetings

The Chair, or in his or her absence, a Vice-Chair, or in the absence of both the Chair and a Vice-Chair, a director chosen from among those present, shall act as the chair at all meetings of the board. The Secretary, or his or her delegate, shall act as secretary at all meetings of the board.

5.10 Votes to Govern at Meetings of the Board of Directors

Each director is authorized to exercise one vote. At all meetings of the board, unless otherwise required by the Act, every question shall be voted on and decided by special resolution. A director may, at any time before the meeting is terminated, request to have recorded in the minutes of the meeting the number or proportion of the votes recorded in favor of or against any resolution or other proceeding in respect of any question. No person may act for an absent director at a meeting of the directors.

5.11 Show of Hands

Unless a director demands a ballot, each motion shall be voted upon by a show of hands or, in the case of meetings by teleconference or other electronic means, by the procedure for recording votes designated by resolution of the board or the chair of the meeting. Each director shall have one vote on each motion. Whenever a vote shall have been taken upon a question, unless a vote by ballot is demanded, a declaration by the chair of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be sufficient evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the board upon the said question.

5.12 Vote by Ballot and Recorded Votes

Prior to a vote on a question, a director may demand a vote by ballot. A vote by ballot so demanded shall be taken in such manner as the chair of the meeting shall direct. In the case of meetings by teleconference or other electronic means, the vote may be taken by facsimile transmission or another method of communication which produces a paper record. A demand for a vote by ballot may be withdrawn at any time prior to the taking of the vote by ballot. Upon a vote by ballot, each director present in person and entitled to vote shall have one vote and the result of the vote by ballot shall be the decision of the board upon the said question.

5.13 Resolutions in Writing

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

ARTICLE 6 COMMITTEES OF THE BOARD OF DIRECTORS

6.1 Committees

The board may constitute such committee or committees as it deems necessary or advisable, from time to time, and subject to the Act (including the limitations on delegations set out therein), each for such purpose and with such powers as may be prescribed or delegated by the board. Any member of any such committee may be removed from a committee at any time at the discretion of the board. Membership in each committee shall not be restricted to persons who are directors, provided that if an audit committee is established, it shall be composed of not less than three directors, a majority of whom are neither officers nor employees of the Corporation or any of its affiliates. The public accountant shall be entitled to attend each meeting of the audit committee, if such committee is established, and to call a meeting of that committee. The board shall have the power to disband any committee which it creates.

6.2 Advisory Bodies and Working Groups

The board may from time to time appoint such advisory bodies and working groups as it may deem advisable. The advisory bodies and working groups shall act in an advisory capacity to the board on such matters and for such term as the board shall consider necessary or desirable. Members of advisory bodies or working groups shall be selected by the board and shall have no administrative, operational or legal responsibilities or obligations to the Corporation and shall not be entitled to vote in respect of any resolution placed before the board. Any advisory body or working group member may be removed by resolution of the board of directors.

6.3 Procedure

Unless otherwise required by the Act, this by-law or as determined by the board, each committee, advisory body and working group shall have the power to fix its quorum at not less than a majority of its members, to elect its chair and to regulate its procedure. Meetings of committees may be held at any place in or outside Canada. Members of committees, advisory bodies and working groups shall serve without remuneration but shall be entitled to be paid their reasonable expenses incurred in the performance of their duties.

ARTICLE 7 OFFICERS

7.1 Appointment of Officers

The directors shall select annually officers of the Corporation. Except for the Executive Director, officers shall hold their position for a period of one year, or, in those cases where an officer is appointed by the board to fill a vacancy during the year, until the first meeting of the board immediately following the annual general meeting.

The 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. An individual may hold more than one office.

7.2 Description of Offices

Unless otherwise specified by the board (which may, subject to the Act modify, restrict or supplement such duties and powers), the offices of the Corporation, if designated and if officers are appointed, shall have the following duties and powers associated with their positions:

- (a) Chair: The Chair shall, if present, preside at all meetings of the board and of the members, be an *ex officio* member of all committees appointed by the board, sign all instruments which require his or her signature in accordance with the by-laws or otherwise, represent the Corporation at public or official functions, and have

such other powers and duties as may from time to time be assigned to him or her by the board. The Chair must be a Foundation Director.

- (b) Vice-Chair: The board may assign the Vice-Chair any of the powers and duties that are by any provision of this by-law assigned to the Chair. The Vice-Chair will act as the Chair in the absence of the Chair and shall have such other duties as may be assigned to him or her by the board. The Vice-Chair must be a director.
- (c) Executive Director: The board may from time to time appoint an Executive Director. The Executive Director, if appointed, shall be responsible for implementing the strategic plans and policies of the Corporation. The Executive Director shall, subject to the authority of the board, have general supervision of the affairs of the Corporation. The Executive Director shall be entitled to be paid remuneration for his or her services, such remuneration to be fixed by the board.
- (d) Secretary: The Secretary, or his or her delegate, shall give or cause to be given notice of all meetings of the board and of the members, have custody of the seal, minute books, registers and other corporate documents of the Corporation, cause to be kept a record of the minutes of all meetings of the board and its committees, attend to correspondence and shall have such other duties as may from time to be assigned to him or her by the board. The Secretary shall serve as chair of the Executive Operations Committee. The Secretary shall not be a director but shall be required to be an employee or officer of a Foundation Member or an affiliate thereof.
- (e) Treasurer: The treasurer shall have general supervision of the financial affairs of the Corporation, shall have custody of the financial books of the Corporation, shall report on the financial statements of the Corporation at each meeting of the board, and shall have such other duties as may from time to be assigned to him or her by the board. The treasurer shall not be a director or a member of the Executive Operations Committee but shall be required to be an employee or officer of a Foundation Member or Regular Member, or an affiliate thereof.

7.3 Powers and Duties of Officers

The powers and duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the board or Executive Director requires of them. The board may from time to time and subject to the Act, vary, add to or limit the powers and duties of any officer.

7.4 Vacancy in Office

The board in its discretion may remove, for cause or without cause, any officer of the Corporation, without prejudice to such officer's rights under any employment contract or otherwise at law. 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 appointment) or
- (d) such officer's death.

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.

7.5 Remuneration of Officers

Subject to applicable law, the officers may be paid such remuneration for their services as the board may from time to time determine. They shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in the exercise of the duties of their respective offices. The remuneration of any employees or agents shall be such as the terms of their engagement call for or as the board or the Chair may specify.

ARTICLE 8 EXECUTIVE OPERATIONS COMMITTEE

8.1 Executive Operations Committee

The board may, from time to time, appoint a committee known as the Executive Operations Committee. The individual who, from time to time, is appointed as Secretary shall serve as chair of the Executive Operations Committee. Each member may appoint one or more representatives to serve on the Executive Operations Committee, subject to the representatives so designated being confirmed by the board or by the Chair if so delegated by resolution of the board. A director is not permitted to sit on the Executive Operations Committee for as long as he or she hold office as a director of the Corporation. The board may specify the duties of and, in accordance with this by-law and subject to the Act, delegate to the Executive Operations Committee such powers to manage the business and affairs of the Corporation as would ordinarily be delegated to the officers of the Corporation. For greater certainty, the Executive Operations Committee is not a committee of the board.

8.2 Sub-Committees, Rules of Procedure

The Executive Operations Committee may from time to time appoint any sub-committee or ad-hoc committee, as it deems necessary or appropriate. The Executive Operations Committee will formulate rules of procedure and ensure that the majority of sub-committee members are Executive Operations Committee members. The chair of any sub-committee or ad-hoc committee must be a member of the Executive Operations Committee.

ARTICLE 9
PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

9.1 Limitation of Liability

Every director and officer in exercising his powers and discharging his duties shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject thereto, no director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or other individual acting in a similar capacity, or for joining in any receipt or other act for conformity, or for any loss, damage or expense to the Corporation arising from the insufficiency or deficiency of title to any property acquired by or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation are invested, or for any loss, damage or expense arising from the bankruptcy, insolvency, act or omission of any person, firm or corporation with whom or which any monies, securities or other property of the Corporation are lodged or deposited, or for any loss, damage or expense occasioned by any error of judgment or oversight on such director's, officer's or other individual's part, or for any other loss, damage or expense related to the performance or non-performance of the duties of his or her respective office or in relation thereto unless the same shall happen by or through his or her own wrongful and wilful act or through his or her own wrongful or wilful neglect or default.

9.2 Indemnity

Subject to the limitations contained in the Act, but without limiting the right of the Corporation to indemnify any individual under the Act or otherwise to the full extent permitted by law, the Corporation shall, from time to time and at all times, indemnify each director or officer or former director or officer (and each such director's, officer's or other individual's respective heirs, executors, administrators, or other legal personal representatives and his or her estate and effects), or another individual who acts or acted at the Corporation's request as a director or an officer or in a similar capacity of another entity), 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 provided that the individual to be indemnified:

- (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, had reasonable grounds for believing that the individual's conduct was lawful.

9.3 Advance of Costs

The Corporation may advance money to a director, an officer or other individual for the costs, charges and expenses of a proceeding referred to in Section 9.2. The individual shall repay the money if the individual does not fulfil the conditions of Section 9.2(a) and (b).

9.4 Insurance

The Corporation may purchase and maintain insurance for the benefit of an individual referred to in Section 9.2 against any liability incurred by the individual in the individual's capacity as a director or an officer, or in the individual's capacity as a director or an officer, or in a similar capacity, of another entity, if the individual acts or acted in that capacity at the Corporation's request.

9.5 Indemnities Not Limiting

The provisions of this Article 9 shall be in addition to and not in substitution for or limitation of any rights, immunities and protections to which an individual is otherwise entitled.

ARTICLE 10 DISCLOSURE OF INTEREST

10.1 Disclosure of Interest

A director or an officer shall disclose to the Corporation, in writing or by requesting to have it entered into the minutes of meetings of the directors or of committees, the nature and extent of any interest that the director or officer has in the 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 an 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.

10.2 Time of Disclosure for Director

The disclosure required by Section 10.1 shall be made, in the case of a director:

- (a) at the meeting at which the proposed contract or transaction is first considered;
- (b) if the director was not, at the time of the meeting referred to in Section 10.2(a), interested in the proposed contract or transaction, at the first meeting after the director becomes so interested;

- (c) if the director becomes interested after the contract or transaction is made, at the first meeting after the director becomes so interested; or
- (d) if an individual who is interested in the contract or transaction later becomes a director, at the first meeting after the individual becomes a director.

10.3 Time of Disclosure for Officer

The disclosure required by Section 10.1 shall be made, in the case of an officer who is not a director:

- (a) immediately after the officer becomes aware that the contract, transaction, proposed contract or proposed transaction is to be considered or has been considered at a meeting;
- (b) if the officer becomes interested after the contract or transaction is made, immediately after the officer becomes so interested; or
- (c) if an individual who is interested in the contract or transaction later becomes an officer, immediately after the individual becomes an officer.

10.4 Time of Disclosure for Director or Officer

If the material contract or material transaction, whether entered into or proposed, is one that, in the ordinary course of the Corporation's activities, would not require approval by the directors or members, a director or an officer shall, immediately after he or she becomes aware of the contract or transaction, disclose in writing to the Corporation, or request to have entered in the minutes of the meetings of directors or of committees, the nature and extent of his or her interest.

10.5 Voting

A director who is required to make a disclosure under Section 10.1 shall not vote on any resolution to approve the contract or transaction unless the contract or transaction:

- (a) is for indemnity or insurance pursuant to Article 9; or
- (b) is with an affiliate, as such term is understood for the purposes of the Act; or
- (c) relates primarily to the director's remuneration as a director, an officer, an officer, an employee, an agent or a mandatary of the corporation or an affiliate.

10.6 Continuing Disclosure

For the purposes of this Section, a general notice to the directors declaring that a director or an officer is to be regarded as interested, for any of the following reasons, in a contract or transaction made with a party, is a sufficient declaration of interest in relation to the contract or transaction:

- (a) the director or officer is a director or an officer, or acting in a similar capacity, of a party referred to in Section 10.1(b) or (c);
- (b) the director or officer has a material interest in the party; or
- (c) there has been a material change in the nature of the director's or the officer's interest in the party.

10.7 Access to Disclosures

The members may examine the portions of any minutes of meetings of directors or any minutes of meetings of Committees that contain disclosures contemplated by Section 10.1, and of any other documents that contain those disclosures, during the Corporation's usual business hours.

10.8 Avoidance Standards

A contract or transaction for which disclosure is required under Section 10.1 is not invalid, and a director or officer is not accountable to the Corporation or its members for any profit realized from the contract or transaction, because of the director's or officer's interest in the contract or transaction or because the director was present or was counted to determine whether a quorum existed at the meeting of directors or of committee that considered the contract or transaction, if:

- (a) disclosure of the interest was made in accordance with Section 10.1;
- (b) the Directors approved the contract or transaction; and
- (c) the contract or transaction was reasonable and fair to the Corporation when it was approved.

ARTICLE 11 AFFAIRS OF THE CORPORATION

11.1 Financial Year

The financial year of the Corporation shall end on the last day of December 31st in each year or on such other date as the board may from time to time by resolution determine.

11.2 Execution of Instruments

Except for documents executed in the usual and ordinary course of the Corporation's business, which may be signed by the Chair, the following are the only persons authorized to sign any document on behalf of the Corporation:

- (a) any two directors or any one officer with any one director, provided that no individual shall execute, acknowledge or verify any instrument in more than one capacity; or

- (b) any individual or individuals appointed by the board to sign a specific document or specific type of document or generally on behalf of the Corporation.

Any document so signed may, but need not, have the corporate seal applied, if there is one.

11.3 Electronic Signatures

The signature of any person authorized to sign on behalf of the Corporation, may, if specifically authorized by resolution of the board, be written, printed, stamped, engraved, lithographed or otherwise mechanically reproduced. Anything so signed shall be as valid as if it had been signed manually, even if that person has ceased to hold office when anything so signed is issued or delivered, until revoked by resolution of the board.

11.4 Banking Arrangements

The banking business of the Corporation shall be transacted at such bank, trust company or other firm or corporation carrying on a banking business in Canada or elsewhere as the board of directors may designate, appoint or authorize from time to time by resolution. The banking business or any part of it 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.

11.5 Annual Financial Statements

The Corporation shall send to the members a copy of the annual financial statements and other documents referred to in subsection 172(1) (Annual Financial Statements) of the Act or a copy of a publication of the Corporation reproducing the information contained in the documents 21 to 60 days before the annual meeting. The Corporation may, instead of sending copies or a summary of the Annual Financial Statements to the Members, notify the members that the Annual Financial Statements are available at the registered office of the Corporation and any member may, on request, obtain a copy free of charge at the registered office or by prepaid mail. The Corporation is not required to send the documents or a summary to a member who, in writing, declines to receive such documents.

If required by the Act, a copy of the Annual Financial Statements shall be sent to the Director appointed by the Minister to exercise the powers of the Director under the Act at least 21 days before the date fixed for the Annual Meeting.

11.6 Public Accountant and Level of Financial Review

The members shall, by special resolution at each annual meeting, appoint a public accountant to hold office until the next annual meeting and if an appointment is not so made, the public accountant in office will continue in office until a successor is appointed. The public accountant must conduct an audit of the Corporation's financial statements and must meet the qualifications in the Act, including being independent of the Corporation and its affiliates, as well as the directors and officers of the Corporation

and its affiliates. The board shall, if there is a quorum of directors in office, immediately fill any vacancy arising in the office of the public accountant.

The remuneration of the public accountant may be fixed by special resolution of the members, or if not so fixed, shall be fixed by the board.

11.7 Books and Records

The board shall see that all necessary books and records of the Corporation required by the By-laws or the Act or by any other applicable statute or law are regularly and properly kept.

11.8 Operating Policies

The board may adopt, amend, or repeal by resolution such operating policies that are not inconsistent with the by-laws of the Corporation relating to such matters as terms of reference of committees, duties of officers, board code of conduct and conflict of interest as well as procedural and other requirements relating to the by-laws as the board may deem appropriate from time to time. Any operating policy adopted by the board will continue to have force and effect until amended, repealed, or replaced by a subsequent resolution of the board.

ARTICLE 12 NOTICES

12.1 Method of Giving Notice

Any notice (which term includes any communication or document), other than notice of a meeting of members or a meeting of the board of directors, to be given (which term includes sent, delivered or served) pursuant to the Act, the articles, the by-laws or otherwise to a member, director, officer or member of a committee of the board or to the public accountant shall be sufficiently given:

- (a) if delivered personally to the person to whom it is to be given or if delivered to such person's address as shown in the records of the Corporation or in the case of notice to a director to the latest address as shown in the last notice that was sent by the Corporation in accordance with Director;
- (b) if mailed to such person at such person's recorded address by prepaid ordinary or air mail;
- (c) if sent to such person by telephonic, electronic or other communication facility at such person's recorded address for that purpose; or
- (d) if provided in the form of an electronic document in accordance with part 17 of the Act.

A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given on the third day after it was mailed; and a notice so sent by any 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. If any notice sent to a member pursuant to this Section 12.1 is returned on two consecutive occasions because the member cannot be found, the Corporation is not be required to send any further notices or other documents to the member until the member informs the Corporation in writing of the member's new address. The Secretary or Chair may change or cause to be changed the recorded address of any member, director, officer, public accountant or member of a committee of the board in accordance with any information believed by the secretary or the Chair to be reliable. The statutory declaration by the Secretary or the Chair that notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of the giving of such notice.

12.2 Omissions and Errors

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

12.3 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 day of the meeting or other event shall be included.

12.4 Waiver of Notice

Any member, director, officer or the public accountant may waive any notice required to be given to such person under any provision of the Act, the by-laws or otherwise and such waiver, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in giving such notice.

ARTICLE 13 EFFECTIVE DATE AND REPEAL

13.1 By-Laws, Amendment or Repeal

- (a) The directors may, by resolution, make, amend or repeal any by-law that regulates the activities or affairs of the Corporation. Subject to the Act and the articles, any such by-law, amendment or repeal shall be effective from the date of the resolution of directors until the next meeting of members where it may be confirmed, rejected or amended by the Foundation Members by special resolution. If the by-law, amendment or repeal is confirmed or confirmed as

amended by the members entitled to vote thereon it remains effective in the form in which it was confirmed. The by-law, amendment or repeal ceases to have effect if it is not submitted to the Foundation Members at the next meeting of members or if it is rejected by the Foundation Members at the meeting. If a by-law, amendment or repeal ceases to have effect, a subsequent resolution of the directors that has substantially the same purpose or effect is not effective until it is confirmed, or confirmed as amended, by the members entitled to vote thereon. Notwithstanding the foregoing:

- (i) by-laws shall not be effective until they are confirmed by the members entitled to vote thereon if same is provided for in the Act; and
 - (ii) Regular Members shall have the right to vote on by-laws where such right to vote is provided for in the Act.
- (b) If there are no Foundation Members remaining, the phrase “Foundation Members” in Section **Error! Reference source not found.** shall be read as “Foundation and Regular Members”.

13.2 Effect of Invalidity or Repeal of By-laws

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. The repeal of any by-law in whole or part shall not in any way affect the validity of any act done or right, privilege, obligation or liability acquired or incurred thereunder prior to such repeal.

13.3 Enactment

This by-law shall come into force and effect following its approval by the board and confirmation by the members, and upon the continuance of the Corporation under the Act. Upon this by-law coming into force and effect all prior by-laws of the Corporation shall thereby be repealed. All officers and persons acting under any by-law so repealed shall continue to act as if appointed under the provisions of this by-law and all resolutions of the members or the board or a committee of the board with continuing effect passed under any repealed by-law shall continue to be good and valid except to the extent inconsistent with this by-law or until amended or repealed.

MADE by the board on the <@> day of <@>, 2014.

<@>, Chair

<@>, Secretary

CONFIRMED by the members on the <@> day of <@>, 2014.

<@>, Chair

<@>, Secretary