

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

Canadian Federation of Aircraft Maintenance Engineer Associations

(the "Corporation")

CONTENTS

1. General	8. Meetings of Members
2. Directors	9. Meetings of Shareholders
3. Meetings of Directors	10. Shares
4. Remuneration and Indemnification	11. Dividends
5. Officers	12. Notices
6. Membership	13. Execution of Documents
7. Membership Dues and Discipline	14. Effective Date

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

1. GENERAL

- 1.01 **Definitions** - In this by-law and all other by-laws of the Corporation, unless the context otherwise requires:
- (a) "**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, as amended from time to time;
 - (b) "**articles**" means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation;
 - (c) "**board**" means the board of directors of the Corporation and "director" means a member of the board;
 - (d) "**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;
 - (e) "**Corporation**" means this Corporation;
 - (f) "**Federation**" means the "Canadian Federation of AME Associations";
 - (g) "**meeting of members**" includes an annual meeting of members or a special meeting of members; "special meeting of members" includes a meeting of any class or classes of members and a special meeting of all members entitled to vote at an annual meeting of members;
 - (h) "**meeting of shareholders**" means any meeting of shareholders, whether annual or special; and "special meeting of shareholders" means a special meeting of all shareholders entitled to vote at an annual meeting of shareholders and a meeting of any class or classes of shareholders entitled to vote on the question at issue;
 - (i) "**ordinary resolution**" means a resolution passed by a majority of not less than 50% plus 1 of the votes cast on that resolution;
 - (j) "**proposal**" means a proposal submitted by a member of the Corporation that meets the requirements of section 163 (Shareholder Proposals) of the Act;
 - (k) "**person**" includes an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative;
 - (l) "**Regulations**" means the regulations made under the Act, as amended, restated or in effect from time to time;
 - (m) "**recorded address**" means, in the case of a shareholder, his address as recorded in the shareholders' register; and, in the case of joint shareholders, the address appearing in the shareholders' register in respect of such joint holding or the first address so appearing if there are more than one; and, in the case of a director, officer, auditor or member of a committee of the board, his latest address recorded in the records of the Corporation;
 - (n) "**special resolution**" means a resolution passed by a majority of not less than two-thirds (2/3) of the votes cast on that resolution; and
 - (o) "**unanimous shareholder agreement**" shall have the meaning ascribed to such term under the Act.
- 1.02 **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.

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

- 1.03 **Corporate Seal** – The seal, an impression of which is stamped in the margin of this document, shall be the seal of the corporation. The secretary of the Corporation shall be the custodian of the corporate seal.
- 1.04 **Financial Year End** – The financial year end of the Corporation shall be December 31 in each year.
- 1.05 **Banking Arrangements** – The Directors shall by resolution determine the bank or trust company in which the funds of the Federation shall be deposited. The signing officers of the Federation shall be the President and any two (2) of the Board of Directors.
- 1.06 **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. Instead of sending the documents, the Corporation may send a summary to each member along with a notice informing the member of the procedure for obtaining a copy of the documents themselves free of charge. The Corporation is not required to send the documents or a summary to a member who, in writing, declines to receive such documents.

2. DIRECTORS

- 2.01 **Number of Directors** – The board shall consist of the number of directors specified in the articles. If the articles provide for a minimum and maximum number of directors, the board shall be comprised of the fixed number of directors as determined from time to time by the members by ordinary resolution or, if the ordinary resolution empowers the directors to determine the number, by resolution of the board. In the case of a soliciting corporation the minimum number of directors may not be fewer than three (3), at least two of whom are not officers or employees of the Corporation or its affiliates.
- 2.02 **Resident Canadians** – A majority of the directors and of any committee of the directors shall be resident Canadians as defined in the Act.
- 2.03 **Qualifications** – No person shall be qualified for election as a director if he is less than 18 years of age; if he is of unsound mind and has been so found by a court in Canada or elsewhere; if he had the status of a bankrupt.
- 2.04 **Election and Term** – The election of directors shall take place at the first meeting of shareholders and at each succeeding annual meeting at which an election of directors is required. The directors shall hold office for an expressly stated term, which shall expire not later than the close of the third annual meeting of shareholders following the election. A director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of shareholders following his election. Incumbent directors, if qualified, shall be eligible for re-election. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.
- 2.05 **Vacation of Office** – A director ceases to hold office when he dies, he is removed from office by the shareholders; he ceases to be qualified for election as a director; or his written resignation is sent or delivered to the Corporation, or if a time is specific in such resignation, at the time so specified, whichever is later.
- 2.06 **Vacancies** – Subject to the provisions of the Act, a quorum of the board may fill a vacancy in the board, except a vacancy resulting from an increase in the number or minimum number of directors from failure to elect the number or minimum number of directors required by the articles. If there is not a quorum of directors, or if there has been a failure to elect the number or minimum number of directors required by the articles, the directors then in office shall forthwith call a special meeting of shareholders to fill the vacancy, and, if they fail to do so or if there are no directors then in office, the meeting may be called by any shareholder.
- 2.07 **Committees of the Board of Directors** – The board may from time to time appoint any committee or other advisory body, as it deems necessary or appropriate for such purposes and, subject to the Act, with such powers as the board shall see fit. Any such committee may formulate its own rules of procedure, subject to such regulations or directions as the board may from time to time make. Any committee member may be removed by resolution of the board of directors.

3. MEETINGS OF DIRECTORS

- 3.01 **Place of Meetings** – Meetings of the board of directors may be held at any place in or outside Canada.
- 3.02 **Quorum** – A majority of the number of directors or minimum number of directors required by the articles constitutes a quorum of directors, and, notwithstanding any vacancy among the directors, a quorum of directors may exercise all the powers of the directors.
- 3.03 **Resident Canadians** – Directors shall not transact business at a meeting of directors unless a majority of the directors present are resident Canadians.
- 3.04 Notwithstanding Section 3.03, directors may transact business at a meeting where a majority of resident Canadian directors is not present if,
- (a) a resident Canadian director who is unable to be present approves in writing or by telephone or other communication facilities the business transacted at the meeting; and

- (b) a majority of resident Canadian directors would have been present had that director been present at the meeting.
- 3.05 **Calling of Meetings** – Meetings of the board shall be held from time to time at such place, at such time and on such day as the chairman of the board, the managing director, the president or any two directors may determine, and the secretary shall call meetings when so directed or authorized. Notice of the time and place of every meeting so called shall be given to each director not less than 48 hours before the time when the meeting is to be held, except that no notice of a meeting shall be necessary if all the directors are present or if those absent have waived notice of or otherwise signified their consent to the holding of such a meeting. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified, including any proposal to:
- (a) submit to the shareholder any question or matter requiring approval of the shareholders;
 - (b) fill a vacancy among the directors or in the office of an auditor;
 - (c) issue securities;
 - (d) declare dividends;
 - (e) purchase, redeem or otherwise acquire shares of the Corporation;
 - (f) pay a commission for the sale of the shares;
 - (g) approve a management proxy circular;
 - (h) approve a take-over bid circular or directors' circular;
 - (i) approve any annual financial statements; or
 - (j) adopt, amend or repeal by-laws.
- 3.06 **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 if subsection 136(3) (Notice of Meeting) of the Act requires the purpose thereof or the business to be transacted to be specific in the notice.
- 3.07 **First Meeting of New Board** – Each newly elected board may without notice hold its first meeting following a meeting of shareholders at which such board is elected, provided that a quorum of directors is present.
- 3.08 **Votes to Govern at Meetings of the Board of Directors** - At all meetings of the board, every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the chair of the meeting in addition to an original vote shall have a second or casting vote.
- 3.09 **Disclosure of Interests in Contracts** – Every director or officer of the Corporation who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, or is a director or officer of or has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation shall disclose in writing to the Corporation or request to have entered in the minutes of a meeting of directors the nature and extent of his interest at the time and in the manner required by the Act. Any such contract or proposed contract shall be referred to the board or shareholders for approval even if such contract is one that in the ordinary course of the Corporation's business would not require approval by the board or the shareholders, and a director interested in a contract so referred to the board shall not vote on any resolution to approve the same except as provided by the Act.
- 3.10 **Notice of Meeting of Board of Directors** – Notice of any meetings of Directors shall be delivered, telephoned or electronic means delivered to each Director not less than ten (10) days before the meeting is to take place, or shall be sent to each Director not less than twenty (20) days before the meeting is to take place. The statutory declaration of the President that notice has been given pursuant to this policy and procedures manual shall be sufficient and conclusive evidence of the giving of such notice. The Board may appoint a day or days in any month or months for regular meetings at an hour to be named and for such regular meeting no notice need be sent. A Directors' may also be held, without notice, immediately following the Annual Meeting of the Federation. The Directors may consider or transact any business either special or general at any Directors' meeting.
- 3.11 **Waiver of Notice** – A director may in any manner waive a notice of a meeting of directors; and attendance of a director at a meeting of directors is a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transactions of any business on the grounds that the meeting is not lawfully called.
- 3.12 **Participation by Telephone** – A director may, if all the directors of the Corporation consent, participate in a meeting of directors or of a committee of directors by means of such telephone or other communications facilities as permit all persons participating at the meeting to hear each other, and a director participating in such a meeting is deemed to be present at the meeting.

- 3.13 **Adjournment** – Notice of an adjourned meeting of directors is not required to be given if the time and place of the adjourned meeting is announced at the general meeting.
- 3.14 **Delegation** – Directors may appoint from their number a managing director who is a resident Canadian or a committee of directors and delegate to such managing director or committee any of the powers of the directors. If directors appoint a committee of directors, a majority of members of the committee must be resident Canadians.
- 3.15 **Resolution in Lieu of Meeting** – A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or committee of directors, is as valid as if it had been passed at a meeting of directors or committee of directors. A copy of every such resolution shall be kept with the minutes of the proceedings of the directors or committee of directors.
- 3.16 **One Director Meeting** – If the Corporation has only one director, that director may constitute a meeting.

4. REMUNERATION AND INDEMNIFICATION

- 4.01 **Remuneration** – Subject to any unanimous shareholder agreement, the directors shall be paid such remuneration as may from time to time be determined by the board. Nothing herein shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor. In addition, directors shall be paid such sums in respect of their out-of-pocket expenses incurred in attending board, committee or shareholder meetings or otherwise in respect of the performance by them of their duties as the board may from time to time determine.
- 4.02 **Limitation of Liability** – Every director and officer of the corporation, 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 to the foregoing, no director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the monies of the insolvency or tortious act of any person with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto, unless the same are occasioned by his own willful neglect or default; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act or from liability for any breach thereof.
- 4.03 **Indemnity of Directors and Officers** – Subject to the provisions of the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation, or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his 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 him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of such corporation or body corporate if,
- (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and
 - (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

5. OFFICERS

- 5.01 **Appointment** – Subject to the provisions of the Act, the articles or any unanimous shareholder agreement, the board may from time to time appoint a president, one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Save for the chairman of the board and the managing director, an officer may but need not be a director and one person may hold more than one office.
- 5.02 **Term, Remuneration and Removal** – The terms of employment and remuneration of all elected officers elected or appointed by the board (including the president) shall be determined from time to time by resolution of the board. The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify him from receiving such remuneration as may be determined. All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the board at any time with or without cause.
- 5.03 **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) **Chairman of the Board** - The board may from time to time also appoint a chairman of the board who shall be a director. If appointed, the board may assign to him any of the powers and duties that are by any provisions of this by-law capable of being assigned to the

president; and he shall, subject to the provisions of the Act, have such other powers and duties as the board may specify. During absence or disability of the chairman of the board, his duties shall be performed and his powers exercised by the president.

- (b) **Managing Director** - The board may from time to time appoint a managing director who shall be a resident Canadian and a director. If appointed, he shall be the chief executive officer and, subject to the authority of the board, shall have general supervision of the business and affairs of the Corporation; and he shall, subject to the provisions of the Act, have such other powers and duties as the board may specify. During the absence or disability of the president, or if no president has been appointed, the managing director shall also have the powers and duties of that office.
- (c) **President** - The President shall be the chief operating officer of the Corporation and if no managing director has been appointed and, subject to the authority of the board, shall have the general supervision of the business and affairs of the Corporation and shall have such other powers and duties as the board may specify. During the absence or disability of the managing director, or if no managing director has been appointed, the president shall also have the powers and the duties of that office.
- (d) **Vice-President** - The board may from time to time appoint one or more vice-presidents. A vice-president so appointed shall have such powers and such duties as the board or the chief executive officer may prescribe.
- (e) **Secretary** - The board may from time to time appoint a secretary. The secretary shall attend all meetings of the directors, shareholders and committees of the board and shall enter or cause to be entered in books kept for that purpose minutes of all proceedings at such meetings; he shall give, or cause to be given, when instructed, notices required to be given to shareholders, directors, auditors and members of committees; he shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation; and shall perform such other duties as may from time to time be prescribed by the board.
- (f) **Treasurer** - The board may from time to time appoint a treasurer. The treasurer shall keep, or cause to be kept proper accounting records as required by the Act; he shall deposit or cause to be deposited all monies received by the Corporation in the Corporation's bank account; he shall, under the direction of the board, supervise the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the board, whenever required, an account of all his transactions as treasurer and of the financial position of the Corporation; and he shall perform such other duties as may from time to time be prescribed by the board.
- (g) **Other Officers** - The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the board requires of them. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by each assistant, unless the board otherwise directs.

5.04 **Variation of Duties** - From time to time and subject to the provisions of the Act, the board may vary, add to or limit the powers and duties of any officer.

5.05 **Agents and Attorneys** - The board shall have power from time to time to appoint agents or attorneys for the Corporation in or outside of Canada with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

5.06 **Fidelity Bonds** - The board may require such officers, employees and agents of the Corporation as it deems advisable to furnish bonds for the faithful performance of their duties, in such form and with such surety as the board may from time to time prescribe.

5.07 **Conflict of Interest** - An officer shall disclose his interest in any material contract or transaction or proposed material contract or transaction with the Corporation in accordance with section 3.09 herein.

5.08 **Vacancy in Office** - In the absence of a written agreement to the contrary, the board may remove, whether for cause or without cause, any officer of the Corporation. Unless so removed, an officer shall hold office until the earlier of:

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

6. MEMBERSHIP

6.01 **Classes of Membership** - There shall be the following classes of membership in the Federation:

- (a) Association Membership
- (b) Individual Membership

6.02 Membership Conditions – Subject to the articles, there shall be two classes of members in the Corporation, namely, Association members and Individual members. The board of directors of the Corporation may, by resolution, approve the admission of the members of the Corporation. Members may also be admitted in such other manner as may be prescribed by the board by ordinary resolution. The following conditions of membership shall apply:

(a) Association Membership

- i. To qualify for Association Membership, the applicant must be an active AME Association, duly incorporated in the Dominion of Canada.
- ii. Each Association member shall be entitled to one (1) voting Director, who shall be designated as a member of the Board of Directors.

(b) Individual Membership

- i. To qualify as an Individual member, the member must be a voting member of an active AME Association in Canada.

Pursuant to subsection 197(1) (Fundamental Change) of the Act, a special resolution of the members is required to make any amendments to this section of the by-laws if those amendments affect membership rights and/or conditions described in paragraphs 197(1)(e), (h), (l) or (m).

6.03 Notice of Meeting of Members – 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.

Pursuant to subsection 197(1) (Fundamental Change) of the Act, a special resolution of the members is required to make any amendment to the by-laws of the Corporation to change the manner of giving notice to members entitled to vote at a meeting of members.

6.04 Members Calling a Members' Meeting – Other meetings of the Members to be known as Special General Meetings, may be convened by order of a majority of the Board of Directors or upon written request of not less than three (3) Directors, which meeting may be held at any date and time and any place within the Dominion of Canada as may be decided upon by a majority of the Board of Directors.

6.05 Membership Dues – At each AGM an annual budget will be established and UNANIMOUSLY approved by all regions. This approved budget will become the basis for establishing the Annual Dues to be paid by each Member association for the subsequent year.

By December 31 of each year the Association Members of the Federation shall submit a total number of voting members to the President.

This will be used to establish their assessed per capita fees for the following year. An Invoice will be sent to the Association Member.

If fees are not paid by 1 April the Association Member is in default and thereupon automatically is suspended as a member until the dues are paid in full.

7. MEMBERSHIP DUES, TERMINATION AND DISCIPLINE

7.01 Membership Dues – At each AGM an annual budget will be established and UNANIMOUSLY approved by all regions. This approved budget will become the basis for establishing the Annual Dues to be paid by each Member association for the subsequent year.

By December 31 of each year the Association Members of the Federation shall submit a total number of voting members to the President.

This will be used to establish their assessed per capita fees for the following year. An Invoice will be sent to the Association Member.

If fees are not paid by 1 April the Association Member is in default and thereupon automatically is suspended as a member until the dues are paid in full.

7.02 Termination of Membership - A membership in the Corporation is terminated when:

- (a) the member dies, or, in the case of a member that is a corporation, the corporation is dissolved;
- (b) a member fails to maintain any qualifications for membership described in the section on membership conditions of these by-laws;

- (c) the member resigns by delivering a written resignation to the chair of the board of the Corporation in which case such resignation shall be effective on the date specified in the resignation;
- (d) the member is expelled in accordance with any discipline of members section or is otherwise terminated in accordance with the articles or by-laws;
- (e) the member's term of membership expires; or
- (f) the Corporation is liquidated or dissolved under the Act.

7.03 **Effect of Termination** – 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.

7.04 **Membership Transferability** – Membership in the Federation is not transferable and lapses and ceases to exist upon the dissolution of the Member AME Association.

Pursuant to Section 197(1) (Fundamental Change) of the Act, a special resolution of the members is required to make any amendment to add, change or delete this section of the by-laws.

7.05 **Discipline of Members** – The board shall have authority to 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 board in its sole discretion;
- (c) for any other reason that the board in its sole and absolute discretion considers to be reasonable, having regard to the purpose of the Corporation.

In the event that the board determines that a member should be expelled or suspended from membership in the Corporation, the president, or such other officer as may be designated by the board, shall provide twenty (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 president, or such other officer as may be designated by the board, in response to the notice received within such twenty (20) day period. In the event that no written submissions are received by the president, the president, or such other officer as may be designated by the board, 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 board will consider such submissions in arriving at a final decision and shall notify the member concerning such final decision within a further twenty (20) days from the date of receipt of the submissions. The board's decision shall be final and binding on the member, without any further right of appeal.

8. MEETINGS OF MEMBERS

8.01 **Persons Entitled to be Present** – The only persons entitled to be present at a meeting of members shall be those entitled to vote at the meeting, the directors and the public accountant of the Corporation and such other persons who are entitled or required under any provision of the Act, articles or by-laws of the Corporation to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or by resolution of the members.

8.02 **Chair of the Members' Meetings** – In the absence of the President, the Directors at the meeting of the Board may appoint an alternate Chairman for the meeting.

8.03 **Quorum at Members' Meetings** – The presence of all Directors in person or represented by proxy shall constitute a quorum in any meeting of the Board, and no business shall be transacted at any meeting unless the requisite quorum shall be present at the commencement of such meeting.

8.04 **Votes to Govern at Members' Meetings** – Every resolution submitted to any meeting of Directors shall be decided in the first instance by a show of hands and in the case of an equality of votes, the Chairman of the meeting shall both on a show of hands and at a poll be entitled to declare a tie vote. In the event of a tie vote, the Chairman will cast the deciding vote.

At any meeting, unless a poll is demanded, a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of that fact.

If at any meeting, a poll is demanded on the election of a Chairman, or on a question of adjournment, it shall be taken forthwith without adjournment. If a poll is demanded on any other question, it shall be taken in such a manner and either at one or after adjournment as the Meeting Chairman directs. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

8.05 **Participation by Electronic Means at Members' Meetings** – Participation at meetings of members may not be by telephonic, electronic or other communication facility.

8.06 **Members' Meeting Held Entirely by Electronic Means** – Meetings of members may not be held entirely by telephonic, an electronic or other communication facility.

- 8.07 **Place of Members' Meeting** – Subject to compliance with section 159 (Place of Members' Meetings) of the Act, meetings of the members may be held at any place within Canada determined by the board or, if all of the members entitled to vote at such meeting so agree, outside Canada.
- 8.08 **Proposals Nominating Directors at Annual Members' Meetings** – Subject to the Regulations under the Act, any proposal may include nominations for the election of directors if the proposal is signed by not less than 5% of members entitled to vote at the meeting at which the proposal is to be presented.
- 8.09 **Cost of Publishing Proposals for Annual Members' Meetings** – The member who submitted the proposal shall pay the cost of including the proposal and any statement in the notice of meeting at which the proposal is to be presented unless otherwise provided by ordinary resolution of the members present at the meeting.

9. MEETINGS OF SHAREHOLDERS

- 9.01 **Annual Meetings** – The annual meeting of shareholders of the Corporation shall be held at such time and on such day in each year as the board may from time to time determine, for the purpose of receiving the reports and statements required by the Act to be laid before the annual meeting, electing directors, appointing auditors and for the transaction of such other business as may properly be brought before the meeting.
- 9.02 **Special Meetings** – The directors may at any time call a special meeting of shareholders, for the transaction of any business which may properly be brought before such a meeting of shareholders. All business transacted at an annual meeting of shareholders, except consideration of the financial statements, auditor's report, election of directors and re-appointment of the incumbent auditor, is deemed to be special business.
- 9.03 **Place of Meetings** – Meetings of shareholders shall be held at the registered office of the Corporation, or at such other place within Canada as the directors from time to time determine, or if all the shareholders entitled to vote at the meeting so agree, at some place outside Canada.
- 9.04 **Notice of Meetings** – Notice of the time and place of each meeting of shareholders shall be sent not less than 21 days and not more than 50 days before the date of the meeting to the auditor of the Corporation, to each director, and to each person whose name appears on the records of the Corporation at the close of business on the day next preceding the giving of the notice as a shareholder entitled to vote at the meeting. Notice of a meeting of shareholders shall state:
- (a) the nature of the business to be transacted at the meeting in sufficient detail to permit the shareholders to form a reasoned judgment thereon; and
 - (b) the text of any special resolution or by-law to be submitted to the meeting.
- A shareholder and any other person entitled to attend a meeting of shareholders may in any manner and at any time waive notice of or otherwise consent to a meeting of shareholders.
- 9.05 **Persons Entitled to be Present** – The only persons entitled to attend a meeting of shareholders shall be those entitled to vote thereat, the directors and the auditor of the Corporation and others who although not entitled to vote are entitled or required under any provision of the Act or by-laws of the Corporation to be present at the meeting. Any other persons may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.
- 9.06 **Quorum** – Subject to the provisions of the Act, the holders of a majority of the shares entitled to vote at a meeting of shareholders present in person or by proxy constitute a quorum for the transaction of business at any meeting of shareholders.
- 9.07 **One Shareholder Meeting** – If the Corporation has only one shareholder, or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting.
- 9.08 **Right to Vote** – At any meeting of shareholders, unless the articles otherwise provide, each share of the Corporation entitles the holder thereof to one vote at a meeting of shareholders, subject to the provisions of the Act.
- 9.09 **Joint Shareholders** – Where two or more persons hold the same share or shares jointly, any one of such persons present at a meeting of shareholders may in the absence of the others vote the shares but, if two or more of such persons who are present in person or by proxy, vote, they shall vote as one on the shares jointly held by them.
- 9.10 **Proxies** – Every shareholder entitled to vote at a meeting of shareholders may, by means of a proxy, appoint a proxyholder or one or more alternate proxyholders who are not required to be shareholders to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by the proxy. A proxy shall be in writing and executed by the shareholder or by his attorney authorized in writing and shall conform with the requirements of the Act. The board may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting by not more than 48 hours exclusive of non-business days, before which time the proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specific in such notice or, where no time is specified such notice, the proxy has been received by the secretary of the Corporation or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

- 9.11 **Scrutineers** – At each meeting of shareholders one or more scrutineers may be appointed by a resolution of the meeting or by the chairman with the consent of the meeting to serve at the meeting. Such scrutineers need not be shareholders of the Corporation.
- 9.12 **Votes to Govern** – Unless otherwise required by the Act, or the articles or by-laws of the Corporation or a unanimous shareholder agreement, all questions for the consideration of the shareholders at a meeting shall be decided by a majority of the votes cast thereon. In case of an equality of votes either upon a show of hands or upon a poll, the chairman of the meeting *shall not* be entitled to a second or casting vote.
- 9.13 **Show of Hands** – Subject to the provisions of the Act, at all meetings of shareholders every question shall be decided by a show of hands unless a ballot thereon be required by the chairman or be demanded by a shareholder or proxyholder present and entitled to vote. Upon a show of hands every person present and entitled to vote, has one vote regardless of the number of shares he represents. After a show of hands has been taken any question, the chairman may require or any shareholder or proxyholder present and entitled to vote may demand a ballot thereon. Whenever a vote by show of hands shall have been taken upon a question unless a ballot thereon be so required or demanded, a declaration by the chairman 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 prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the question. A demand for a ballot may be withdrawn at any time prior to the taking of the ballot.
- 9.14 **Ballots** – If a ballot is required by the chairman of the meeting or is demanded and the demand is not withdrawn, a ballot upon the question shall be taken in such a manner as the chairman of the meeting directs.
- 9.15 **Advertisement** – The chairman of a meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place.

10. SHARES

- 10.01 **Allotment** – Subject to the provisions of the Act, the articles and any unanimous shareholder agreement, the board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation at such time and to such persons and for such consideration as the board shall determine, provided that no share shall be issued until it is fully paid as provided by the Act.
- 10.02 **Share Certificates** – Every holder of one or more shares of the Corporation is entitled, at his option, to a share certificate, or to a non-transferable written acknowledgment of his right to obtain a share certificate, showing the number and class or series of shares held by him as shown on the records of the Corporation. Share certificates and acknowledgments of a shareholder's right to a share certificate, respectively, shall be in such form or forms as the board shall from time to time approve. Any share certificate shall be signed in accordance with Section 13.01 of this by-law and need not be under the corporate seal; provided that certificates representing shares in respect of which a transfer agent or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent or registrar. If authorized by resolution of the directors, the corporate seal of the Corporation and the signature of one of the signing officers, or in the case of share certificates representing shares in respect of which a transfer agent or registrar has been appointed, the signatures of both signing officers may be printed or otherwise mechanically reproduced upon share certificates.
- 10.03 **Replacement of Share Certificates** – The directors may by resolution prescribe, either generally or in a particular case, the conditions upon which a new share certificate may be issued to replace a share certificate which has been defaced, lost, stolen or destroyed.
- 10.04 **Securities Records** – The directors may from time to time appoint an agent to maintain the central securities register for the shares of the Corporation and if deemed advisable one or more branch securities registers.

11. DIVIDENDS

- 11.01 **Declaration** – Subject to the provisions of the Act, the articles or to any unanimous shareholder agreement, the directors may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.
- 11.02 **Payment** – A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class in respect of which it has been declared, and mailed by ordinary mail postage prepaid to such registered holder at his last recorded address, unless such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid shall satisfy and discharge all liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold, unless such cheque be not paid on presentation.
- 11.03 **Non-Receipt of Cheque** – In the event of the non-receipt of any cheque for a dividend by the person to whom it is so sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in a particular case.

12. NOTICES

- 12.01 **Method of Giving Any Notice** – Any notice, communication or other document to be given by the Corporation to a shareholder, director, officer or auditor or a member of a committee of the board of the Corporation under any provision of the articles or by-laws or otherwise shall be sufficiently given if delivered personally to the person to whom it is to be given, or if delivered to his recorded address, or if mailed by prepaid post in a sealed envelope addressed to him at his recorded address or if sent to him at his recorded address by means of any prepaid transmitted or recorded communication. The secretary may change the address on the records of the Corporation of any shareholder in accordance with any information believed by him to be reliable. A notice, communication or document so delivered shall be deemed to have been given when it is delivered personally or at the address aforesaid; a notice, communication or document so mailed shall be deemed to have been given when it is deposited in a post office or public letter box; and a notice so sent by means of transmitted or recorded communication, shall be deemed to have been given when it is delivered to the appropriate communication company or agency or its representative for dispatch.
- 12.02 **Computation of Time** – In computing the date when notice must be given under any provision of the articles or by-laws requiring a specified number of days' notice of any meeting or other event, the date of giving the notice shall be excluded and the date of the meeting or other event shall be included.
- 12.03 **Omissions and Errors** – The accidental omission to give any notice to any shareholder, director, officer or auditor or the non-receipt of any notice by any shareholder, director, officer or auditor or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.
- 12.04 **Notice to Joint Shareholders** – All notices with respect to any shares registered in more than one name may, if more than one address appears on the records of the Corporation in respect of such joint holding, be given to such joint shareholders at the first address so appearing, and notice so given shall be sufficient notice to all the holders of such shares.
- 12.05 **Persons Entitled by Death or Operation of Law** – Every person who by operation of law, by transfer or the death of a shareholder or otherwise becomes entitled to shares, is bound by every notice in respect of such shares which has been duly given to the registered holder from whom he receives title prior to his name and address being entered on the records of the Corporation (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.
- 12.06 **Waiver of Notice** – Any shareholder (or his duly appoint proxy), director, officer or auditor or member of a committee of the board may at any time waive the sending of any notice, or waive or abridge the time for any notice, required to be given under the Act, the articles or by-laws of the Corporation or otherwise and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board or a committee of the board which may be given in any manner.
- 12.07 **Signatures to Notices** – The signatures to any notice to be given by the Corporation may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.
- 12.08 **Invalidity of any Provisions of this By-law** – 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.
- 12.09 **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.

13. EXECUTION OF DOCUMENTS

- 13.01 **Signing Officers** – Deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring execution by the Corporation may be signed by two persons, one of whom holds the office of chairman of the board, managing director, president, vice-president or director and the other of whom holds one of the said offices or the office of secretary or treasurer, assistant secretary or assistant treasurer, director or any other office created by by-law or by the board. Notwithstanding this, the board may at any time and from time to time direct the manner in which and the person or persons by whom any particular deed, transfer, contract or obligation or any class of deeds, transfers, contracts or obligations may be signed.
- 13.02 **Seal** – Any person authorized to sign any document may affix the corporate seal thereto.

14. EFFECTIVE DATE

- 14.01 **Effective Date** – This by-law shall come into force when enacted by the directors, subject to the provisions of the Act.

CERTIFIED to be By-Law No. 1 of the Corporation, as enacted by the directors of the Corporation by resolution on ____ day of _____, 20____ and confirmed by the directors of the Corporation by resolution on the ____ day of _____, 20____.

Dated as of the ____ day of _____, 20____.

Per: _____

Name: _____

Title: _____