

June 2017

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

ASSOCIATION OF WORKERS' COMPENSATION
BOARDS OF CANADA/L'ASSOCIATION DES COMMISSIONS
DES ACCIDENTS DU TRAVAIL DU CANADA

(the "**Corporation**")

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(the “Corporation”)

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

ARTICLE I
INTERPRETATION

1.1 Definitions. In this by-law and all other by-laws and resolutions of the Corporation, unless the context otherwise requires:

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

“**Articles**” means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation;

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

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

“**director**” means an individual elected or appointed to the Board;

“**meeting of Members**” includes an annual meeting of Members and a special meeting of Members;

“**Member**” means a member of the Corporation;

“**officer**” means any of the individuals appointed pursuant to this By-law as an officer of the Corporation;

“**ordinary resolution**” means a resolution passed by a majority of the votes cast on that resolution, meaning half of the votes, plus one;

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

“**special business**” has the meaning set out in Sections 4.2 and 4.3;

“**special meeting of Members**” means a special meeting of all Members entitled to vote at an annual meeting of Members called to consider special business; and

“**Special Resolution**” means a resolution passed by not less than two-thirds (2/3) of the votes cast on that resolution.

1.2 Interpretation. In the interpretation of this By-Law, unless the context otherwise requires, the following rules shall apply:

- (a) except where specifically defined in this By-Law, words, terms and expressions appearing in this By-Law, shall have the meaning ascribed to them under the Act;
- (b) words importing the singular number only shall include the plural and vice versa;
- (c) the word “person” shall mean an individual, body corporate, a partnership, a trust, a joint venture or an unincorporated association or organization;
- (d) the headings used in the By-Law are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions of the By-Law or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions; and
- (e) except where specifically stated otherwise, or as otherwise required by the Act, references to actions being taken “in writing” or similar terms shall include electronic communication and references to “address” or similar terms shall include e-mail address. It is the intent of the Corporation to use electronic communication whenever possible.

ARTICLE II GENERAL

2.1 Registered Office. The registered office of the Corporation shall be situated in the City of Toronto or as otherwise determined by the Board.

2.2 Corporate Seal. The Corporation may, but need not, have a corporate seal. If adopted, the seal shall be in the form approved from time to time by the Board, and the Secretary of the Corporation (or, in the event there is no Secretary appointed, any officer) shall be the custodian of the corporate seal.

2.3 Fiscal Year. The fiscal year of the Corporation shall end on December 31st of each year or as otherwise determined by the Board.

2.4 Execution of Documents. Deeds, transfers, assignments, contracts, obligations and other documents and instruments (“**Documents**”) in writing requiring execution by the Corporation may be signed by any two (2) of its officers or directors or by any combination thereof or as otherwise authorized by the Board. The Board may also from time to time pass resolutions authorizing execution of the Documents and/or directing the manner in which and the person or persons by whom Documents generally and/or a particular Document or type of Document shall be executed. Any person authorized to sign any Document may affix the corporate seal to the Document.

2.5 Banking. The banking business of the Corporation shall be transacted at such bank, trust company or other firm or corporation carrying on a banking business in Canada or elsewhere as the Board may designate, appoint or authorize from time to time by ordinary 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 may by ordinary resolution from time to time designate, direct or authorize.

2.6 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.

ARTICLE III MEMBERS

3.1 Entitlement. Membership in the Corporation shall be available only to the authority responsible for administering workers' compensation legislation in each province and territory of Canada who have applied for and been accepted as a Member by ordinary resolution of the Board or in such other manner determined by the Board from time to time.

3.2 Membership Conditions. Subject to the Articles, there shall be one class of Members in the Corporation. As set out in the Articles, each Member shall be entitled to receive notice of, attend and vote at all meetings of Members and each such Member shall be entitled to one (1) vote at such meetings.

3.3 Termination of Membership. The rights of a Member lapse and cease to exist when the membership terminates for any of the following reasons:

- (a) the Member resigns, withdraws or, in the case of a corporation, is dissolved;
- (b) the Member is expelled or the Member's membership is otherwise terminated in accordance with the Articles or the By-Law;
- (c) the Member's term of membership expires; or
- (d) the Corporation is liquidated or dissolved pursuant to 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. No membership due will be returned to a previous Member upon termination of such Member's membership.

3.4 Resignation. Any Member may resign as a Member by delivering a written resignation to the Chair, or other senior officer, in which case such resignation shall be effective from the date specified in the resignation.

3.5 Membership Dues. The Board may require Members to make contributions or pay dues or fees to the Corporation and may determine the manner in which the contribution is to be made or the dues or fees are to be paid.

ARTICLE IV MEETINGS OF MEMBERS

4.1 Place of Meetings. Meetings of the Members may be held at any place within Canada determined by the Board or, if permitted under the Articles or if all of the Members entitled to vote at such meeting so agree, outside Canada.

4.2 Annual Meetings. The Board shall call an annual meeting not later than fifteen (15) months after the last preceding annual meeting but not later than six (6) months after the end of the Corporation's preceding financial year.

The Board shall call an annual meeting of Members for the purpose of:

- (a) considering the financial statements and reports of the Corporation required by the Act to be presented at the meeting;
- (b) electing directors;
- (c) appointing, or re-appointing, a public accountant, if required under Part 12 of the Act; and
- (d) transacting such other business as may properly be brought before the meeting or is required under the Act.

Any business transacted under (d) shall constitute special business.

4.3 Special Meetings. The Board may at any time call a special meeting of Members for the transaction of any business which may properly be brought before the Members, which shall constitute special business.

4.4 Notice of Meetings. Notice of the time and place of a meeting of Members shall be sent to the following:

- (a) to each Member entitled to vote at the meeting (which may be determined in accordance with any record date fixed by the Board or failing which, in accordance with the Act);
- (b) to each director; and
- (c) to the public accountant of the Corporation, if any.

A notice shall be provided at least twenty-one (21) days prior to the meeting. A notice shall be provided in accordance with the requirements of Article XII of this By-Law. Notice of a meeting of Members at which special business is to be transacted shall state the nature of that business in sufficient detail to permit the Member to form a reasoned judgment on the business and provide the text of any Special Resolution or By-Law to be submitted to the meeting.

4.5 Waiving Notice. A person entitled to notice of a meeting of Members may in any manner and at any time waive notice of a meeting of Members, and attendance of any such person at a meeting of Members is a waiver of notice of the meeting, except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

4.6 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. The Chair and the CEO (or equivalent), or designate, of each Member shall be invited to each meeting of Members. Subject thereto, any other person may be admitted to a meeting of Members only on the invitation of the chair of the meeting or with the consent of the Members present.

4.7 Chair of the Meeting. In the event that the Chair and the First Vice-Chair are both absent, the Members who are present and entitled to vote at the meeting shall choose one of their number to chair the meeting.

4.8 Quorum. A quorum at any meeting of the Members (unless a greater number of Members are required to be present by the Act) shall be a majority of the Members. If a quorum is present at the opening of a meeting of Members, the Members present may proceed with the business of the meeting even if a quorum is not present throughout the meeting. For the purpose of determining quorum, a member may be present in person, or, if permitted, by proxy or by telephonic and/or other electronic means.

4.9 Participation at Meetings by Telephone or Electronic Means. Any person entitled to attend a meeting of Members may participate in the meeting using telephonic, electronic or other communications means that permit all participants to communicate adequately with each other during the meeting, if the Corporation makes available such a communication facility and the person in question has access to such a communication facility. A person participating in the meeting by any such means shall be deemed to have been present at that meeting. A person participating by telephonic, electronic or other communication facility may vote by any such means if the facility, when necessary, can be adapted so that the votes can be gathered in a manner that permits their subsequent verification and permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how a particular member or group of Members voted.

4.10 Meeting Held by Electronic Means. If the Board or Members call a meeting of Members, the Board or Members, as the case may be, may determine that the meeting shall be held entirely by means of a telephonic, an electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

4.11 Adjournment. The chair of the meeting may, with the consent of the meeting, adjourn the meeting from time to time to a fixed time and place and no notice of such adjournment need be given to the Members provided the adjourned meeting takes place within thirty-one (31) days of the original meeting. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

4.12 Absentee Voting. In addition to voting in person, every Member entitled to vote at a meeting of Members may vote by any of the following means:

- (a) by appointing in writing a proxyholder or one or more alternate proxyholders who need not be Members, as the Member's nominee to attend and act at the meeting in the manner and to the extent and with the authority conferred by the proxy, subject to the following requirements:
 - (i) a proxy is valid only at the meeting in respect of which it is given or at a continuation of that meeting after an adjournment;
 - (ii) a Member may revoke a proxy by depositing an instrument or act in writing executed by the Member in accordance with the process set by the Board from time to time and in compliance with the Act;
 - (iii) a proxyholder or an alternate proxyholder has the same rights as the member by whom they were appointed, including the right to speak at a meeting of Members in respect of any matter, to vote by way of ballot at the meeting, to demand a ballot at the meeting and, except where a proxyholder or an alternate proxyholder has conflicting instructions from more than one Member, to vote at the meeting by way of a show of hands;
 - (iv) the form of a proxy shall be provided by the Corporation in compliance with the Act;
- (b) by using a mailed-in ballot in the form provided by the Corporation provided that the Corporation has a system that enables the votes to be gathered in a manner that permits their subsequent verification and permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each Member voted; or
- (c) by means of a telephonic, electronic or other communication facility, if the facility enables the votes to be gathered in a manner that permits their subsequent verification and permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each Member voted.

4.13 Votes to Govern. Other than as otherwise required by the Act or this By-law, all questions proposed for consideration of the Members shall be determined by ordinary resolution of the Members. The chair of the meeting shall be entitled to vote at first instance but in the case of an equality of votes, the chair of the meeting shall not have a second or casting vote.

4.14 Show of Hands. Except where a ballot is demanded, voting on any question proposed for consideration at a meeting of Members shall be by show of hands, and a declaration by the chair of the meeting as to whether or not the question or motion has been carried and an entry to that effect in the minutes of the meeting shall, in the absence of evidence to the contrary, be evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the motion. If a meeting is held by telephonic or electronic means, the chair of the meeting may implement a process approximating a show of hands.

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

4.16 Resolution in Lieu of Meeting. Except where a written statement is submitted to the Corporation by a director under subsection 131(1) of the Act or by a public accountant under subsection 187(4) of the Act:

- (a) a resolution in writing signed by all 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 the Members; and
- (b) a resolution in writing dealing with all matters required by the Act to be dealt with at a meeting of Members, and signed by all the Members entitled to vote at that meeting, satisfies all the requirements of the Act relating to that meeting of Members.

A copy of every resolution referred to above shall be kept with the minutes of meetings of Members.

4.17 Annual Financial Statements. The Corporation may, instead of sending copies of the annual financial statements and other documents referred to in subsection 172(1) (Annual Financial Statements) of the Act to the Members, publish a notice to its Members stating that the annual financial statements and documents provided in subsection 172(1) 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 or electronically.

ARTICLE V DIRECTORS

5.1 Powers. The Board shall manage or supervise the management of the activities and affairs of the Corporation.

5.2 Number. Until changed in accordance with the Act, the Board shall consist of a minimum of three (3) and a maximum of twenty-four (24) directors. The Board shall be composed of the fixed number of directors within such range as determined from time to time by the Members by ordinary resolution or, if the ordinary resolution empowers the Board to determine the number, by ordinary resolution of the Board. No decrease in the number of directors shall shorten the term of an incumbent director.

5.3 Qualifications. The following persons are disqualified from being a director of the Corporation:

- (a) anyone who is less than 18 years of age;
- (b) anyone who has been declared incapable by a court in Canada or in another country;

- (c) anyone who is not an individual;
- (d) a person who has the status of bankrupt.

5.4 Election and Term. The Members shall elect by ordinary resolution, at each annual meeting at which an election of directors is required, directors to hold office for a term of up to three years. A director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of Members following his/her election, but, if qualified, is eligible for re-election. If directors are not elected at a meeting of Members, the incumbent directors continue in office until their successors are elected. Not all directors are required to be elected for the same term.

5.5 Consent. A director who is elected or appointed must consent to hold office as a director:

- (a) if present at the meeting at which the election or appointment takes place, by not refusing to hold office,
- (b) if not present at the meeting at which the election or appointment takes place, by either:
 - (i) consenting to hold office in writing before the election or appointment takes place or within ten (10) days of such election; or
 - (ii) by acting as a director after such person's election or appointment.

5.6 Vacation of Office. A director ceases to hold office when the director dies, resigns, is removed from office by the Members, or becomes disqualified to serve as director.

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

5.8 Removal. The Members may, by ordinary resolution passed at a special meeting of Members, remove any director from office before the expiration of the director's term and may elect a qualified individual to fill the resulting vacancy for the remainder of the term of the director so removed, failing which such vacancy may be filled by the Board.

5.9 Vacancies. Subject to Section 5.8, a vacancy on the Board may be filled for the remainder of the term by a qualified individual by ordinary resolution of the directors. Notwithstanding the above, if there is not a quorum of directors or if a vacancy results from either (a) an increase in the number or change to the minimum or maximum number of directors provided in the Articles or (b) a failure to elect the number or minimum number of directors provided in the Articles, the directors then in office shall call a special meeting of Members to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any Member.

5.10 Remuneration and Expenses. The directors shall serve as such without remuneration and no directors shall directly or indirectly receive any profit from their position as such. No director

may receive reimbursement for their expenses incurred on behalf of the Corporation in their capacity as a director.

5.11 Borrowing Powers and Other Powers. The Board of the Corporation may, without authorization of the Members:

- (a) borrow money on the credit of the Corporation;
- (b) issue, reissue, sell, pledge or hypothecate debt obligations of the Corporation;
- (c) give a guarantee on behalf of the Corporation;
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any debt obligation of the Corporation;
- (e) authorize expenditures on behalf of the Corporation and delegate, by ordinary resolution, to an officer or officers of the Corporation, such authority to such maximum amounts as determined by the Board;
- (f) employ and pay salaries to employees on behalf of the Corporation and delegate, by ordinary resolution, to an officer or officers of the Corporation such authority; and
- (g) for the purpose of furthering the mission of the Corporation, acquire, accept, solicit, or receive legacies, gifts, grants, settlements, bequests, endowments, and donations of any kind whatsoever on behalf of the Corporation.

ARTICLE VI COMMITTEES

6.1 Delegation - Executive Committee. The Board may appoint from their number a managing director or a committee of directors (which may be referred to as an executive committee) and delegate to the managing director or committee any of the powers of the Board except those which may not be delegated by the Board pursuant to subsection 138(2) of the Act. Unless otherwise determined by the Board, such a committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chair, and to otherwise regulate its procedures.

Until otherwise determined by the Board, the executive committee shall be made up of the Chair, First Vice-Chair, Second Vice-Chair and Past Chair. To enhance diversity among the executive committee members, there shall not be more than one member of the executive committee from any one province or territory.

6.2 Other Committees. 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 ordinary resolution of the Board. The Board may fix any remuneration for committee members who are not also directors of the Corporation.

ARTICLE VII MEETINGS OF DIRECTORS

7.1 Place of Meetings. Meetings of the Board may be held at the registered office of the Corporation or at any other place within or outside of Canada as the Board may determine.

7.2 Calling of Meetings. Meetings of the Board may be called by the Chair, the First Vice-Chair, or any four (4) directors at any time.

7.3 Notice of Meeting. Notice of the time and place for the holding of a meeting of the Board shall be given in the manner provided in Article XII of this By-Law to every director of the Corporation not less than seven (7) days before the time when the meeting is to be held. Notice of a meeting shall not be necessary if all of the directors are present, and none objects to the holding of the meeting, or if those absent have waived notice of or have otherwise signified their consent to the holding of such meeting. Notice of an adjourned meeting is not required if the time and place of the adjourned meeting is announced at the original meeting.

7.4 First Meeting of New Board. Provided that a quorum of directors is present, a newly-elected Board may, without notice, hold its first meeting immediately following the meeting of Members at which such Board is elected.

7.5 Regular Meetings. The Board may appoint a day or days in any month or months for regular meetings of the Board at a place and hour to be named. A copy of any resolution of the Board fixing the place and time of such regular meetings of the Board shall be sent to each director immediately after being passed, but no other notice shall be required for any such regular meeting except if Section 136(3) (Notice of Meeting) of the Act requires the purpose thereof or the business to be transacted to be specified in the notice.

7.6 Quorum. A majority of the number of directors constitutes a quorum at any meeting of the Board. For the purpose of determining quorum, a director may be present in person, or, if authorized under Section 7.8, by teleconference and/or by other electronic means. A quorum must be maintained throughout the meeting.

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

7.8 Participation at Meeting by Telephone or Electronic Means. A director may, if all directors are in agreement and have provided their consent, participate in a meeting of directors or of a committee of directors using telephonic, electronic or another communication facility that permits all participants to communicate adequately with each other during the meeting. A director participating in the meeting by such means shall be deemed for the purposes of the Act to have been present at that meeting.

7.9 Chair of the Meeting. In the event that the Chair and the First Vice-Chair are both absent, the directors who are present shall choose one of their number to chair the meeting.

7.10 Votes to Govern. At all meetings of the Board, every question shall be decided by ordinary resolution. Each director shall have one vote. The chair of the meeting shall be entitled to vote at first instance but in the case of an equality of votes, the chair of the meeting shall not have a second or casting vote. Directors may not appoint proxies to attend meetings in their stead.

7.11 Guests at Meeting. At the invitation of the Chair, each Member may have a representative attend Board meetings as a guest if none of the directors otherwise attending such meeting are employees of the Member. Guests shall not count for quorum, shall not vote and shall not be present during *in camera* portions of such Board meeting.

ARTICLE VIII OFFICERS

8.1 Appointment. The Board may designate the offices of the Corporation, appoint individuals as officers on an annual or more or less frequent basis, specify their duties and delegate to such officers the power to manage the affairs of the Corporation. A director may be appointed to any office of the Corporation. An officer may, but need not be, a director unless these By-Laws otherwise provide. Two or more offices may be held by the same person.

ARTICLE IX DESCRIPTION OF OFFICES

9.1 Description of Offices. Unless otherwise specified by the Board, the officers of the Corporation shall have the following duties and powers associated with their positions:

- (a) Chair of the Board – The Chair of the Board, if one is appointed, shall be a director. The Chair, shall, when present, preside at all meetings of the Board and of the Members. The Chair shall have such other duties and powers as the Board may specify. A director who is chair in their member jurisdiction shall not assume the position of Chair of the Corporation.
- (b) First Vice-Chair – the First Vice-Chair, if one is appointed, shall be a director. If the Chair is absent or is unable or refuses to act, the First Vice-Chair, if any, shall, when present, preside at all meetings of the Board and of the Members and shall have such others duties and powers as the Board may specify.
- (c) Second Vice-Chair – If appointed, the Second Vice-Chair shall be a director and shall have such powers and duties as the Board may specify.
- (d) Past Chair – The Past Chair shall be the most recent former Chair and shall have such powers and duties as the Board may specify.
- (e) Chief Executive Officer – If appointed the Chief Executive Officer shall be the chief executive officer of the Corporation and shall be responsible for implementing the strategic plans and policies of the Corporation. The Chief Executive Officer

shall, subject to the authority of the Board, have general supervision of the affairs of the Corporation.

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 Chief Executive Officer 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.

9.2 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 ordinary resolution, appoint a person to fill such vacancy.

ARTICLE X CONFLICT OF INTEREST

10.1 Conflict of Interest. The directors and officers shall comply with the conflict of interest provisions of the Act and any policies or codes of conduct.

ARTICLE XI PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

11.1 Standard of Care. Every director and officer of the Corporation, in exercising such person's powers and discharging such person's duties, shall act honestly and in good faith with a view to the best interests of the Corporation and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Every director and officer of the Corporation shall comply with the Act, the regulations, Articles, By-Law and policies of the Corporation.

11.2 Limitation of Liability. Provided that the standard of care required of the director or officer under the Act and the By-Law has been satisfied, 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 money of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the money, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment

or oversight on the director or officer's part, or for any other loss, damage or misfortune which shall happen in the execution of such person's duties of office, unless the same are occasioned by the director or officer's own wilful neglect or default or otherwise result from the director or officer's failure to act in accordance with the Act or the regulations.

11.3 Indemnification of Directors and Officers. The Corporation shall indemnify a director, an officer of the Corporation, a former director or officer of the Corporation, or another individual who acts or acted at the Corporation's request as a director or officer or in a similar capacity of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by such person in respect of any civil, criminal, administrative, or investigative action or other proceeding in which the individual is involved because of that association with the Corporation or other entity if:

- (a) the person acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the Corporation's request; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the person had reasonable grounds for believing that the conduct was lawful.

The Corporation may indemnify such person in all such other matters, actions, proceedings and circumstances as may be permitted by the Act or the law. Nothing in this By-Law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this By-Law.

11.4 Insurance. Subject to the Act, the Corporation may purchase and maintain insurance for the benefit of any person entitled to be indemnified by the Corporation pursuant to Section 11.3 against any liability incurred by the individual in the individual's capacity as a director or an officer of the Corporation; or in the individual's capacity as a director or officer, or in a similar capacity, of another entity, if the individual acts or acted in that capacity at the Corporation's request.

11.5 Advances. With respect to the defence by a director or officer or other individual of any claims, actions, suits or proceedings, whether civil or criminal, for which the Corporation is liable to indemnify a director or officer pursuant to the terms of the Act, the Board may authorize the Corporation to advance to the director or officer or other individual such funds as may be reasonably necessary for the defence of such claims, actions, suits or proceedings upon written notice by the director or officer to the Corporation disclosing the particulars of such claims, actions, suits or proceedings and requesting such advance. The director or officer shall repay the money advanced if the director or officer does not fulfill the conditions of Section 151(3) of the Act.

ARTICLE XII NOTICES

12.1 Method of Giving Notices. Any notice (which term includes any communication or document) to be given to a Member, director, officer, member of a committee of the Board, or the

public accountant shall be sufficiently given if given by mail, courier or personal delivery, or by an electronic, telephonic, or other communication facility.

A Special Resolution of the Members is required to make any amendment to the By-Law of the Corporation to change the manner of giving notice to Members entitled to vote at a meeting of Members.

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 at a time it would be delivered in the ordinary course of mail; and a notice so sent by any means of electronic or similar communication shall be deemed to have been given when delivered to the appropriate electronic server or equivalent facility. An officer 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 officer to be reliable. The declaration by the officer that notice has been given pursuant to this By-Law shall be sufficient and conclusive evidence of the giving of such notice. The signature of any director or officer of the Corporation to any notice or other document to be given by the Corporation may be written, stamped, type-written or printed or partly written, stamped, type-written or printed.

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-Law, 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 Waiver of Notice. Any person entitled to notice may waive or abridge the time for any notice required to be given to such person, and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing.

**ARTICLE XIII
DISPUTE RESOLUTION**

13.1 Mediation and Arbitration. Disputes or controversies among Members, directors, or officers of the Corporation are as much as possible to be resolved in accordance with mediation and/or arbitration as provided in Section 13.2.

13.2 Dispute Resolution Mechanism. In the event that a dispute or controversy among Members, directors, or officers of the Corporation arising out of or related to the Articles or By-Law, or out of any aspect of the activities or operations of the Corporation, is not resolved in private meetings between the parties then without prejudice to or in any other way derogating from the rights of the Members, directors, or officers of the Corporation as set out in the Articles, By-Law or the Act, and as an alternative to such person instituting a law suit or legal action, such dispute or controversy shall be settled by a confidential process of dispute resolution as follows:

- (a) The dispute or controversy shall first be submitted to a panel of mediators whereby the one party appoints one mediator, the other party appoints one mediator, and the two mediators so appointed jointly appoint a third mediator. The three mediators will then meet with the parties in question in an attempt to mediate a resolution between the parties.
- (b) The number of mediators may be reduced from three to one or two upon agreement of the parties.
- (c) If the parties are not successful in resolving the dispute through mediation, then the dispute shall be settled by arbitration before a single arbitrator, who shall not be any one of the mediators referred to above, in accordance with the laws of the Province of Ontario. All proceedings relating to arbitration shall be kept confidential and there shall be no disclosure of any kind. The decision of the arbitrator shall be final and binding and shall not be subject to appeal or review on a question of fact, law or mixed fact and law.

All costs of the mediators appointed in accordance with this Section shall be borne equally by the parties to the dispute or the controversy. All costs of the arbitrators appointed in accordance with this Section shall be borne by such parties as may be determined by the arbitrators.

**ARTICLE XIV
BY-LAW AND EFFECTIVE DATE**

14.1 By-Law and Effective Date. Subject to the Articles and the Act, the Board may, by ordinary resolution, make, amend or repeal any By-Law that regulates the activities or affairs of the Corporation. If the By-Law amendment only requires an ordinary resolution by Members under the Act, any such By-Law, amendment or repeal shall be effective from the date of the resolution of the Board until the next meeting of Members where it may be confirmed, rejected or amended by the Members by ordinary resolution. If the By-Law, amendment or repeal is confirmed or confirmed as amended by the Members 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 Members at the next meeting of Members or if it is rejected by the Members at the meeting.

A By-Law amendment that requires a Special Resolution under the Act is only effective when confirmed by Members.

Upon the enactment of this By-Law, all previous By-Laws of the Corporation shall be repealed. Such repeal shall not affect the previous operation of any By-Law or affect the validity of any act done or right or privilege, obligation, or liability acquired or incurred under, or the validity of any contract or agreement made pursuant to, or the validity of any letters patent of the Corporation obtained pursuant to, any such By-Law prior to its repeal. All directors, officers, and person 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 and of the Board with continuing effect passed under any repealed By-Law shall continue as good and valid except to the extent inconsistent with this By-Law and until amended or repealed.