

**LAUBACH LITERACY ONTARIO INC.**  
(the “Corporation”)

**BY-LAW NO. 1**

**BE IT ENACTED** as a by-law relating generally to the transaction of the affairs of the Corporation, as follows:

**ARTICLE I. INTERPRETATION**

**1.1 Definitions** – In this By-Law No. 1 and all other by-laws and resolutions of the Corporation, unless the context otherwise requires:

“**Act**” means the *Not-for-Profit Corporations Act (Ontario)* (ONCA), including the Regulations, and any statute or regulations that may be substituted therefor, as amended from time to time;

“**Annual Meeting of Members**” means an annual meeting of the Members convened in accordance with the By-Laws and the Act;

“**Articles**” means the articles of incorporation, restated articles, amendment, amalgamation, arrangement, continuance, dissolution, reorganization, revival, letters patent, supplementary letters patent or a Special Act of the Corporation, or any other similar documents;

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

“**By-Laws**” means this By-Law No. 1 and all other by-laws of the Corporation as amended and which are in force and effect at a given time;

“**Chair**” means Chair of the Board;

“**Director**” means a member of the Board, and refers to both an Independent Director and the Provincial Student Representative;

“**Diversity**” encompasses acceptance and respect. It means understanding that each individual is unique. It means moving beyond simple tolerance and fully embracing the rich dimension of diversity contained within each individual. The Corporation values and recognizes the beneficial role that difference makes possible. These differences include, but are not limited to, dimensions of race, ethnicity, gender, sexual orientation, socio-economic status, age, physical ability, religious beliefs;

“**Extraordinary Resolution**” means a resolution passed by at least eighty percent (80%) of the votes cast at a Special Meeting of Members;

“**Independent Director**” means a Director who is elected by the Members or appointed by the Board in accordance with this By-Law No. 1;

“**Meeting of Members**” means either or both an Annual Meeting of Members or a Special Meeting of Members;

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

**“Member Representative”** means the individual appointed by an Organizational Member to represent the Organizational Member at a Meeting of Members. An individual shall not be recognized as a Member Representative by the Corporation unless the individual’s name, position, and start date as the Member Representative is provided to the Corporation in writing. Only a Member Representative may attend a Meeting of Members on behalf of an Organizational Member.

**“Officer”** means an officer of the Corporation appointed pursuant to Article VII;

**“Ordinary Resolution”** means a resolution passed by a majority of votes cast on that resolution at a Meeting of Members;

**“Proposal”** means a proposal submitted by a Member that meets the requirements of Section 56 of the Act;

**“Provincial Student Representative”** means an individual who is a current or past student of a program of an Organizational Member and who is elected by the current and past students of the Organizational Member to be a Director for a two (2) year term. The term of office of the Provincial Student Representative as a Director will commence as of the date of the Corporation’s Annual Meeting of Members held after the internal election of the Organizational Member and shall end as of the date of the second (2<sup>nd</sup>) Annual Meeting of Members of the Corporation held after the election, unless terminated earlier in accordance with the terms of this By-Law No. 1;

**“Registered Office”** means the registered address of the Corporation as set out in its Articles or in the most recent notice filed under the *Corporations Information Act*;

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

**“Special Business”** has the meaning ascribed to that term in Section 4.2;

**“Special Meeting of Members”** means a meeting of Members convened in accordance with the By-Laws and the Act that is not an Annual Meeting of Members; and

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

**1.2 Interpretation** – In the interpretation of this By-Law No. 1, unless the context otherwise requires, the following rules shall apply:

- (a) except where specifically defined in this By-Law No. 1, words, terms, and expressions appearing in this By-Law No. 1 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) words importing one (1) gender only shall include all genders;

- (d) the word “person” shall mean an individual, body corporate, a partnership, a trust, a joint venture, or an unincorporated association or organization;
- (e) the headings used in this By-Law No. 1 are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions of this By-Law No. 1 or to be deemed in any way to clarify, modify, or explain the effect of any such terms or provisions; and
- (f) except where specifically stated otherwise, 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 shall be situated in the City of Waterloo, Ontario or at such other place within Ontario as otherwise set by the Board or the Members in accordance with the Act.
- 2.2 Corporate Seal** – The Corporation may, but need not, have a corporate seal. If adopted, the seal shall be in the form and at such location as approved by the Board.
- 2.3 Fiscal Year** – The fiscal year of the Corporation shall end on the last day of March of each year or as changed by resolution of the Board.
- 2.4 Execution of Documents** –
  - (a) Deeds, contracts, and other written documents (“**Documents**”) to be executed on behalf of the Corporation shall be signed in accordance with a Signing Authority Policy approved by the Board.
  - (b) In addition, the Board may, by resolution, direct 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.
  - (c) Documents may be executed and delivered by hand or by electronic or telephonic transmission, and in counterparts, and such documents, when duly executed and delivered by all persons required, shall be deemed to constitute one (1) document. Any person authorized to sign any Document may affix the corporate seal to the Document.
- 2.5 Spokesperson.** Unless determined otherwise by policy of the Board, only the Chair, the Executive Director, or an individual appointed by resolution of the Board shall make statements or convey positions or opinions to the media or the public on behalf of the Corporation.
- 2.6 Banking** – The banking business of the Corporation shall be transacted at such bank, trust company, or other firm carrying on a banking business in Canada or elsewhere as the Board may designate, appoint, or authorize from time to time. 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 resolution from time to time designate, direct, or authorize.

**2.7 Invalidity of any Provisions of this By-Law No. 1** – The invalidity or unenforceability of any provision of this By-Law No. 1 shall not affect the validity or enforceability of the remaining provisions of this By-Law No. 1.

**2.8 Dissolution –**

- (a) Upon the dissolution of the Corporation any property or funds shall be used to first settle all liabilities of the Corporation, and then any remaining property or funds shall be distributed to a charitable corporation, to a Canadian body corporate that is a registered charity under the *Income Tax Act* (Canada) with similar purposes to its own, to the Crown in right of Ontario, to the Crown in right of Canada, to an agent of either of those Crowns, or to a municipality in Canada, as determined by the Board.
- (b) Assets and property held or acquired from the proceeds of licensed lottery events (i.e. lottery trust accounts or property purchased with lottery proceeds) shall be disbursed to charitable organizations that are eligible to receive lottery proceeds in Ontario.

### **ARTICLE III. MEMBERS**

**3.1 Member Classes and Rights –**

- (a) Subject to the Articles, there shall be two (2) classes of Members: Organizational Members and Associate Members.
- (b) (i) Organizational Members.
  - A. A corporation that:
    - x. provides literacy delivery services in Ontario;
    - y. is a not-for-profit agency or is affiliated with a not-for-profit agency; and
    - z. supports the mission, aims and purposes of the Corporation;shall become an Organizational Member upon acceptance by the Board.
  - B. Each Organizational Member shall have the right to receive notice of, attend, and vote at each Meeting of Members. Each Organizational Member shall have one (1) vote.

(ii) Associate Members.

- A. A corporation, unincorporated association or organization, or an individual supportive of the mission, aims, and purposes of the Corporation shall become an Associate Member upon acceptance by the Board.
- B. An Associate Member shall not have the right to receive notice of, attend, or vote at any Meeting of Members.

(b) Each Member shall be entitled to receive the benefits outlined in the “Member Benefits” document in the Corporation’s Policy and Procedures manual.

**3.2 Transferability of Membership** – A Member’s membership cannot be transferred.

**3.3 Termination of Membership** – A Member’s membership shall terminate for any of the following reasons:

- (a) the Member dies or, in the case of a corporate member, dissolves, or in the case of an unincorporated association or organization, disbands;
- (b) the Member resigns in accordance with Section 3.4 below;
- (c) the Member’s membership is terminated in accordance with Section 3.5 below;
- (d) the Member fails to pay the requisite membership fee within ninety (90) days of the payment due date; or
- (e) the Corporation is liquidated or dissolved pursuant to the Act.

Subject to the Articles, upon any termination of a Member’s membership, the rights of the Member, including any rights in the property of the Corporation, automatically cease to exist and any and all positions of the Member as a Director or Officer automatically terminate (and resignation of a Member in accordance with Section 3.4 below shall be deemed to constitute resignation from such positions). No membership dues will be returned to a previous Member upon resignation or termination of the Member’s membership. Resignation or termination of a Member’s membership will not relieve the Member from the payment of any obligation due to the Corporation at the time of resignation or termination.

**3.4 Resignation** – Any Member may resign as a Member by delivering a written resignation to the Secretary (or, if the Member is the Secretary, to the Chair), in which case such resignation shall be effective from the date specified in the resignation, or if no date is specified, as of the date of delivery of the resignation.

**3.5 Discipline of Members**– Any disciplinary action or termination of a Member’s membership must be done in good faith and in a fair and reasonable manner. The Board shall have the authority to suspend or expel any Member for any one (1) or more of the following grounds:

- (a) violation by the Member, or the Member's Representative, of any provision of the Articles, By-Laws, or written policies of the Corporation applicable to the Member or the Member's Representative, whether as a Member, a Director (for example, a breach by an individual of any attendance obligations as a Director), or an Officer (as applicable);
- (b) carrying out, by the Member or the Member's Representative, or any conduct, whether as a Member, Member's Representative, Director, or Officer (if applicable), which may be detrimental to the Corporation as determined by the Board in its sole and absolute discretion; or
- (c) for any other reason that the Board in its sole and absolute discretion considers to be reasonable, having regard to the purpose, mission, vision, and values of the Corporation.

In the event that the Board determines by resolution to propose that a Member's membership should be suspended or that a Member should be expelled, the Secretary or such other Officer as the Board may determine shall provide fifteen (15) days' notice of suspension or expulsion to the Member and shall provide written reasons approved by the Board for the proposed suspension or expulsion. The Member may make written submissions in response to the notice to the Secretary or such other Officer providing the notice within such fifteen (15) day period. If no written submissions are received in accordance with this Section 3.5 within such fifteen (15) day period, the Secretary or such other Officer shall notify the Member that the proposed suspension or expulsion has taken effect. If written submissions are so received, the Secretary or such other Officer shall notify and provide a copy thereof to the Board. Within ten (10) days of receipt of same by the Board, the Board shall hold a meeting to 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 the Board meeting. The Board's decision shall be final and binding on the Member, without any further right of appeal, other than as set out in the Act.

- 3.6 Membership Dues.** – The Board may require Members to make an annual contribution or pay annual dues and may determine the manner in which the contribution is to be made or the dues are to be paid.

#### **ARTICLE IV. MEETINGS OF MEMBERS**

- 4.1 Place of Meetings** – In-person Meetings of Members may be held at any place within Ontario determined by the Board or, if all of the Members entitled to vote at such meeting so agree, outside Ontario. Meetings of Members may also be held entirely, or in part, by telephonic or electronic means in accordance with Section 4.10(a) below.
- 4.2 Annual Meetings** – The Board shall call an Annual Meeting of Members not later than fifteen (15) months after the last preceding Annual Meeting of Members and not later than six (6) months after the end of the previous fiscal year.

The Board shall call an Annual Meeting of Members for the purpose of:

- (a) consideration of the financial statements that had been approved by the Board of Directors and evidenced by the signature of one (1) or more Directors;
- (b) consideration of the audit report;

- (c) election of Directors, if necessary; and
- (d) reappointment of the incumbent auditor.

Any other business to be transacted at a Meeting of Members shall be deemed to be “**Special Business**”. Special Business may be transacted in conjunction with an Annual Meeting of Members.

- 4.3 Proposals at Annual Meeting** - A Member entitled to vote at an Annual Meeting of Members may give the Corporation notice of any Proposal that the Member proposes to raise at an Annual Meeting of Members, and discuss at an Annual Meeting of Members any matter with respect to which the Member would have been entitled to submit a Proposal. Except as provided in the Act, and subject to the provisions of the Act, the Corporation shall include the Proposal in the notice of the next Annual Meeting of Members and, upon the request of the Member who submits a Proposal, the Corporation shall include in the notice of Annual Meeting of Members a statement in support of the Proposal by the Member and the name and address of the Member. The Member who submitted the Proposal shall pay any cost of including the Proposal and any statement in the notice of the Annual Meeting of Members at which the Proposal is to be presented, unless an Ordinary Resolution of the Members present at the Annual Meeting of Members provides otherwise.
- 4.4 Special Meetings** – The Board may at any time call a Special Meeting of Members for the transaction of any business that may properly be brought before the Members. The Board shall call a Special Meeting of Members on written requisition of Members carrying not less than ten per cent (10%) of the voting rights. If the Board does not call a Special Meeting of Members within twenty-one (21) days of receiving the requisition, any Member who signed the requisition may call the Special Meeting of Members.
- 4.5 Notice of Meetings** – Notice of the time and, unless the Meeting of Members is being held entirely by one (1) or more telephonic or electronic means, 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 auditor of the Corporation.

A notice shall be provided not less than ten (10) days and not more than fifty (50) days prior to the meeting. A notice shall be provided in accordance with the requirements of Article X of this By-Law No. 1. 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 any By-Laws to be submitted to the Meeting of Members. If a person may attend a Meeting of Members by telephonic or electronic means, the notice of the Meeting of Members must include instructions for attending and participating in the Meeting of Members by such telephonic or electronic means, including instructions for voting by such means at the Meeting of Members.

- 4.6 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 by sending a written waiver to the Secretary, 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.
- 4.7 Persons Entitled to be Present** – The only persons entitled to be present at a Meeting of Members shall be the Member Representatives, the Directors, and the auditor of the Corporation. Any other person may be admitted only on the invitation of the chair of the meeting or with the consent of the Members by Ordinary Resolution.
- 4.8 Chair and Secretary of the Meeting** – In the event that the Chair and the Vice-Chair (if any) are absent or unable to act at a Meeting of Members, the Members who are present and entitled to vote shall choose another Officer or, failing the availability or interest of any remaining Officer, a Member Representative to chair the Meeting of Members. If the Secretary is absent, the chair of the Meeting of Members shall appoint an individual, who need not be a Member Representative, to act as secretary of the Meeting of Members. If desired, one (1) or more scrutineers, who need not be Member Representatives, may be appointed by Ordinary Resolution or by the chair of the Meeting of Members.
- 4.9 Quorum** – A quorum at any Meeting of Members shall be twenty-five percent (25%) of the Members as at the date of the Meeting of Members. For the purpose of determining quorum, a Member Representative may be present in person or, if permitted by the Board, by telephonic or electronic means. If, within one-half (1/2) hour after the time appointed for a Meeting of Members, a quorum is not present, the Meeting of Members shall stand adjourned and the provisions of Section 4.11 shall apply. A quorum must be maintained throughout the Meeting.
- 4.10 Telephonic/Electronic Meetings and Participation** –
- (a) A Meeting of Members may, as determined by the Board, be held (i) entirely by in-person attendance; or (ii) entirely by one (1) or more telephonic or electronic means; or (iii) by any combination of in-person attendance and by one (1) or more telephonic or electronic means.
  - (b) In addition, any person entitled to attend a Meeting of Members may, as determined by the Board, participate at the Meeting of Members in person or by using telephonic or electronic means. A person voting or attending a Meeting of Members through telephonic or electronic means, if permitted by the Board for such Meeting of Members, is deemed to be present at the Meeting of Members.
  - (c) The telephonic or electronic means utilized in Section 4.10(a) or (b) must enable all persons entitled to attend the Meeting of Members to reasonably participate.
- 4.11 Adjournment** –
- (a) The chair of the Meeting of Members may, with the consent of the Members by Ordinary Resolution, adjourn (postpone) the meeting to a fixed time and place.



- (b) If an adjourned Meeting of Members is to be held within thirty (30) days of the original Meeting of Members, notice of an adjourned Meeting of Members will not be required. The following information must be announced at the time of the adjournment: (i) the time of the adjourned Meeting of Members; (ii) the place of the adjourned Meeting of Members, unless it is going to be held entirely by one (1) or more telephonic or electronic means; and (iii) if applicable, instructions for attending and participating in the continued Meeting of Members by the telephonic or electronic means that will be made available for the Meeting of Members, including, if applicable, instructions for voting by such means at the Meeting of Members.
- (c) If the adjourned Meeting of Members is to be held more than thirty (30) days after the date of the original Meeting of Members, notice of the adjourned Meeting of Members will be required.
- (d) Any business may be brought before or dealt with at any adjourned Meeting of Members 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** – If, for a particular Meeting of Members, a Member Representative on file with the Corporation is unavailable to attend the Meeting of Members, the Organizational Member in question can either:

- (a) provide the Corporation with written notice of the name of a new Member Representative for such Meeting of Members (for example, a different staff person of the Member); or
- (b) appoint the Member Representative of another Organizational Member, or a Director of the Corporation, to be such Organizational Member's proxyholder to attend and act at the Meeting of Members in the manner and to the extent and with the authority conferred by the proxy, subject to the following requirements:
  - (i) the proxy will be valid only at the Meeting of Members in respect of which it is given or at a continuation of that Meeting of Members after an adjournment;
  - (ii) the proxy must be signed by an authorized signing authority of the Organizational Member;
  - (iii) the Organizational Member may revoke the proxy by depositing a written notice executed by an authorized signing authority of the Organizational Member
    - (A) at the registered office of the Corporation no later than the last business day preceding the day of the Meeting of Members, or the last business day preceding the day of the continuation of that Meeting of Members after an adjournment of that Meeting of Members at which the proxy is to be used, or
    - (B) with the Chair on the day of the Meeting or Members or the day of the continuation of that Meeting of Members after an adjournment of that Meeting of Members;

- (iv) the proxyholder will have the same rights as the Organizational Member, including the right to speak at the Meeting of Members in respect of any matter, to vote by way of ballot at the Meeting of Members, to demand a ballot at the Meeting of Members, and to vote at the Meeting of Members by way of a show of hands;
- (v) the Corporation shall send, or otherwise make available, a form of proxy to each Organizational Member who is entitled to receive notice of a Meeting of Members concurrently with or before giving notice of the Meeting of Members;
- (vi) the Board may by Ordinary Resolution fix a time not exceeding forty-eight (48) hours, excluding Saturdays and holidays, before any Meeting of Members or continuance of an adjourned Meeting of Members before which time proxies must be deposited with the Corporation, and any period of time so fixed must be specified in the notice calling the Meeting of Members.

**4.13 Votes to Govern** – All questions proposed for consideration of the Members shall be determined by Ordinary Resolution of the Members at a Meeting of Members, unless required otherwise by the Act or the By-Laws. Every Member shall have one (1) vote. The chair of a Meeting of Members shall be entitled, if a Member Representative, to vote. In case of an equality of votes, the chair of the Meeting of Members, if a Member Representative, shall be entitled to cast a second (2<sup>nd</sup>) vote to break the tie; if the chair is not a Member Representative, the motion shall be deemed to have failed.

**4.14 Voting Mechanisms** - Unless a ballot is demanded by a Member pursuant to Section 4.15, voting on any question proposed for consideration at a Meeting of Members shall be by show of hands or by oral declaration or by electronic means (if made available at the discretion of the Board). 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.

**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, any Member may demand a ballot, in which case the ballot shall be taken in such manner as the chair of the Meeting of Members 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** – 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 Members. A copy of every resolution referred to above shall be kept with the minutes of Meetings of Members. While a resolution in writing can be distributed by e-mail, the signature of every Member is required in order for a resolution in writing to be valid.

**4.17 Annual Financial Statements** –The Corporation shall, not less than five (5) business days before each Annual Meeting of Members, give a copy of the financial statements approved by the Board

and the report of the auditor to all Members who had informed the Corporation that they wish to receive a copy of those documents.

- 4.18 Conduct of Meetings** – If a procedural matter arises during a Board meeting that is not addressed by the Act, the By-Laws, or any policies or procedures of the Corporation, the matter shall be handled in accordance with the procedures contained in the then most current edition of Roberts Rules of Order available in Canada, provided that the failure to follow such procedures shall not: (a) affect the validity of any resolution passed, or any other decision, action or step taken at any such meeting; nor (b) give rise to any right or claim against or in favour of any person.

## **ARTICLE V.     DIRECTORS**

### **5.1 Board of Directors –**

- (a) The affairs of the Corporation shall be managed or supervised by a Board of Directors.
- (b) The Articles shall provide for a minimum of three (3) and a maximum of six (6) Directors. The Board of Directors will consist of the number of Directors determined from time to time by Special Resolution or, if a Special Resolution empowers the Directors to determine the number, by a resolution of the Directors.
- (c) The Board shall consist of up to five (5) Independent Directors and up to one (1) Provincial Student Representative.

### **5.2 Qualifications** – The Corporation welcomes Diversity on the Board. The following persons are disqualified from becoming, or remaining as, a Director:

- (a) anyone who is not an individual (i.e. a human being);
- (b) anyone who is under eighteen (18) years of age;
- (c) anyone who has been found under the *Substitute Decisions Act, 1992* or under the *Mental Health Act* to be incapable of managing property;
- (d) anyone who has been found to be incapable by any court in Canada or elsewhere;
- (e) anyone who has the status of bankrupt; and
- (f) anyone who is an ineligible individual under the *Income Tax Act* (Canada).

### **5.3 Election and Term –**

- (a) At each Annual Meeting of Members at which an election of Independent Directors is required, the Members shall, by Ordinary Resolution, elect Independent Directors from a list of nominees received by the Corporation; a nomination must be received at least thirty (30) days prior to the date of the Annual Meeting of Members. Unless determined otherwise by an Ordinary Resolution of the Members, each Independent Director shall be elected for a term that will commence as of the date of the relevant Annual Meeting of

Members and expire at the third (3rd) Annual Meeting of Members held after the election.

- (b) A Director who is not elected for an expressly stated term shall cease to hold office at the close of the next Annual Meeting of Members. If the Corporation fails to hold a meeting or fails in the meeting to elect Directors, the incumbent Directors shall continue in office until their successors are elected.
- (c) Unless determined otherwise by the Members, no individual may serve for more than three (3) consecutive terms (for approximately nine (9) consecutive years) as an Independent Director.
- (d) An individual who was originally appointed as an Independent Director under Section 5.6 or Section 5.7 to fill a vacancy will not have the time served as the replacement Independent Director count towards the maximum number of consecutive years as a Independent Director.
- (e) An individual who has served for the maximum number of consecutive years as an Independent Director shall be eligible for re-election as an Independent Director after the passage of twelve (12) months following retirement as an Independent Director.
- (f) A Director must consent in writing to hold office before or within ten (10) days of the election or appointment, unless such Director has been re-elected or re-appointed with no break in term of office.
- (g) In addition to filling a vacant position in accordance with Section 5.7, the Board may, if the maximum number of Directors available in the range of Directors set out in the Articles has not been filled, appoint additional Independent Directors to hold office until the next Annual Meeting of Members. The total number of Directors that may be appointed by the Board pursuant to this Subsection 5.3(g) shall not exceed one-third (1/3<sup>rd</sup>) of the total number of Independent Directors elected by the Members at the previous Annual Meeting of Members.

**5.4 Automatic Vacation of Office** – The office of a Director shall automatically be vacated if the Director:

- (a) dies;
- (b) resigns in accordance with Section 5.5;
- (c) in the case of an Independent Director, is removed by the Members in accordance with Section 5.6;
- (d) in the case of the Provincial Student Representative, is removed by the students, or ceases to be a current or past student, of a program of an Organizational Member;
- (e) becomes disqualified to serve as an Independent Director by failing to meet all of the qualifications set out in Section 5.2.

Other than in the event of the death of a Director or removal of an Independent Director by the Members at a Meeting of Members pursuant to Section 5.6, a Board meeting will be held to acknowledge the occurrence of any of the above-listed events. Following such Board meeting, a letter will be sent by the Corporation, on behalf of the Board, to the Director in question, confirming the effective date on which the individual ceased to be a Director.

**5.5 Resignation** – A Director may resign from office by giving a written resignation to the Secretary (or the Chair, if the Director resigning is also the Secretary), in which case such resignation shall be effective at the time the resignation is received, or at the time specified in the resignation, whichever is later.

**5.6 Removal** –

- (a) The Members may, by Ordinary Resolution passed at a Meeting of Members, remove any Independent Director from office before the expiration of the Independent Director's term, for any reason.
- (b) The Members may, at the Meeting of Members at which they removed an individual as an Independent Director, elect a qualified individual to fill the resulting vacancy for the remainder of the term of the Independent Director so removed; if no election occurs, such vacancy may be filled by the Board in accordance with Section 5.7.

**5.7 Vacancies** – Subject to Section 5.6, a vacancy on the Board may be filled by the Board with a qualified individual for the remainder of the term of the vacating Independent Director.

**5.8 Remuneration and Expenses** – The Directors and Officers (other than any employees) may not receive remuneration for their duties as such. Any Director or Officer may receive reimbursement for their expenses incurred on behalf of the Corporation. Unless otherwise prohibited by the Corporation or the Articles, a Director and Officer may be compensated for services provided to the Corporation other than as a Director or Officer pursuant to the regulations made under the *Charities Accounting Act* (Ontario), or with court approval or an order made under Section 13 of the *Charities Accounting Act*.

**5.9 Borrowing Powers** – The Directors may, without further authorization of the Members, on behalf of the Corporation:

- (a) borrow money on the credit of the Corporation;
- (b) issue, reissue, sell, or pledge debt obligations of the Corporation;
- (c) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- (d) mortgage, 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.

The Board may, by resolution, delegate the powers referred to in this Section 5.9 to a Director, a committee of Directors, or an Officer.

- 5.10 Voting Shares and Securities** – If the Corporation owns shares or other securities with voting rights in other corporations, the Board shall have the right to determine how the Corporation will vote as the shareholder of such corporations. The Officers may, from time to time, execute and deliver, on behalf of the Corporation, proxies, in accordance with instructions provided by the Board. All shares and securities owned by the Corporation shall be lodged, in the name of the Corporation, with a chartered bank or trust company, or in a safe-deposit box or, if so authorized by the Board, in another manner and location.

#### **ARTICLE VI. MEETINGS OF DIRECTORS**

- 6.1 Place of Meetings** – Meetings of the Board may be held in person at the Registered Office of the Corporation or at any other place within or outside of Canada as the Board may determine or may be held entirely by telephonic or electronic means.
- 6.2 Calling of Meetings** – Meetings of the Board may be called by the Board, the Chair, the Vice-Chair or any two (2) Directors. At least four (4) meetings of the Board shall be held each calendar year, unless determined otherwise by the Board.
- 6.3 Notice of Meeting** –
- (a) Notice of the time and place for the holding of a meeting of the Board shall be given in the manner provided in Article X of this By-Law No. 1 to every Director not less than five (5) days before the day when the Board meeting is to be held; provided, however, that less notice shall be acceptable if:
    - i. the Executive Committee, the Executive Director, or any two (2) Directors determines, in good faith, that a matter must be addressed at a Board meeting urgently (an “**Urgent Matter**”);
    - ii. the notice period for the Board meeting where the Urgent Matter shall be discussed is not less than twenty-four (24) hours; and
    - iii. the Corporation has not received, prior to the commencement of the Board meeting where the Urgent Matter shall be discussed, a written objection by a Director to the length of the notice period.
  - (b) 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.
  - (c) Notice of an adjourned meeting is not required if (i) the time and place of the adjourned meeting is announced at the original meeting is provided, and (ii) instructions for attending and participating in the continued meeting by the telephonic or electronic means that will be made available for the meeting are provided, including instructions for voting by such means at the meeting.

- (d) A notice of meeting need not specify the purpose or the business to be transacted at the meeting.
  - (e) The Board may appoint, by resolution, a day or days in any month or months for regular meetings at a place and hour to be named; such resolution shall be provided to the Directors after being passed and no other notice shall be required for any such regular meeting.
- 6.4 Quorum** – A majority (fifty percent plus one) of the Directors currently in office constitutes a quorum at any meeting of the Board. For the purpose of determining quorum, a Director may be present in person, or in accordance with Section 6.6, by telephonic or electronic means. If, within one-half (1/2) hour after the time appointed for a Board meeting, a quorum is not present, the meeting shall stand adjourned. A quorum must be maintained throughout any meeting of the Board. In the absence of a quorum, any business transacted, including, without limitation, any decisions taken (except a decision to adjourn) will be null and void.
- 6.5 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. While a resolution in writing can be distributed by e-mail, the signature of every Director is required in order for a resolution in writing to be valid.
- 6.6 Participation at Meeting by Telephonic or Electronic Means** –
- (a) A Director may participate in a meeting of Directors or of a committee of Directors using telephonic or electronic means that enable all persons attending the meeting to communicate with each other simultaneously and instantaneously. A Director participating in a Board meeting by such means shall be deemed for the purposes of the Act to be present at that meeting.
  - (b) Notice of a Board meeting at which a Director may attend by telephonic or electronic means must include instructions for attending and participating by the telephonic or electronic means, including instructions for voting by such means at the meeting.
- 6.7 Attendance at Board Meetings** - Only Directors have the right to attend Board meetings. The Board may invite guests to attend and speak at meetings, but not to vote; such guests may be removed from a meeting by the Board and/or the chair of the meeting. Directors may not appoint proxies to attend meetings in their stead.
- 6.8 Chair and Secretary of the Meeting** – In the event that both the Chair and the Vice-Chair are absent or unable to act, the Directors who are present shall choose one (1) of their number to chair the meeting. In the event that the Secretary is absent or unable to act, the Directors who are present shall choose someone, who need not be a Director, to be the secretary of the meeting.
- 6.9 Votes to Govern** –

- (a) At all meetings of the Board, every question shall be decided by a majority of the votes cast on the question. Only Directors shall be entitled to vote. Each Director (including the chair of a meeting, as a Director) shall have one (1) vote. In case of an equality of votes, the chair of the meeting shall be entitled to cast a second (2<sup>nd</sup>), tie-breaking vote.
- (b) Abstentions are not permitted by the Act (other than in situations of conflicts of interest). A Director who is present at a Board meeting, but doesn't vote, or is not present at a Board meeting, will be deemed to have consented to any resolution passed or action taken at the meeting unless the Director causes the Director's dissent to be entered into or placed with the minutes of the meeting, or submits the dissent to the Corporation, within the time period required by the Act.

**6.10 Conduct of Meetings** – If a procedural matter arises during a Board meeting that is not addressed by the Act, the By-Laws, or any policies or procedures of the Corporation, the matter shall be handled in accordance with the procedures contained in the then most current edition of Roberts Rules of Order available in Canada, provided that the failure to follow such procedures shall not: (a) affect the validity of any resolution passed, or any other decision, action or step taken at any such meeting; nor (b) give rise to any right or claim against or in favour of any person.

## **ARTICLE VII. OFFICERS**

### **7.1 Appointment –**

- (a) When necessary, the Board shall appoint Officers at the first Board meeting held after the Annual Meeting of Members.
- (b) The following Officer positions shall be mandatory: Chair. The Board shall have the authority to designate other offices of the Corporation and appoint such Officers, specify the duties of all Officers, and delegate powers to any Officer (except such powers that cannot be delegated, as per the terms of the Act).
- (c) Other than an employee, an Officer must be a Director.
- (d) An individual may hold two (2) or more positions at the same time (except that an individual cannot hold both the Chair and Vice-Chair positions).

**7.2 Term of Office** – The term of office of any Officer (other than an employee) shall be approximately one (1) year, expiring at the first (1<sup>st</sup>) Annual Meeting of Members held after the appointment. An individual may hold the same Officer position for an unlimited number of one (1) year terms.

**7.3 Executive Director** – The Board shall have the authority to hire, discipline, and remove an Executive Director. The Executive Director shall not be a Director. The Executive Director shall exercise the authority delegated by the Board through Board policies over the general management, supervision, and direction of the affairs and operations of the Corporation and its staff. The Board shall determine the terms of employment, remuneration, and duties of the Executive Director. The Executive Directors shall be accountable to the Board for the accomplishment of measurables set by the Board from time to time in accordance with the



mission, vision, and values of the Corporation. In the case of absence or inability to act of the Executive Director, or for any other reason that the Board may deem sufficient, the Board shall delegate, for a definite period of time, all or any of the powers of the Executive Director to one or more member(s) of the Corporation's administration, a Director, or a third party appointed by the Board.

**7.4 Responsibilities** - The Officers of the Corporation shall have the following duties and powers associated with their positions:

- (a) Chair – The Chair shall, when present, preside at all meetings of the Board, of the executive committee (if any), and of the Members. The Chair shall have such other duties and powers as the Board may specify.
- (b) Vice-Chair – The Vice-Chair, if any, shall, when present at meetings of the Board, of the executive committee (if any), or of the Members at which the Chair is absent or unable to act, preside at such meetings, and shall have such other duties and powers as the Board may specify. If more than one Vice-Chair exists, the Vice-Chairs shall have authority in order of seniority by date and time of appointment.
- (c) Secretary – The Secretary, if any, shall attend and be the secretary of all meetings of the Board, Members, and committees of the Board, or shall delegate such responsibility and oversee the fulfillment of such responsibility. The Secretary shall enter or cause to be entered in the Corporation's minute book, minutes of all proceedings at such meetings. The Secretary shall give, or cause to be given, as and when instructed, meeting notices to Members, Directors, the auditor, and members of committees. The Secretary shall be, or shall oversee the employee or contractor of the Corporation appointed to be, the custodian of all books, papers, records, documents and other instruments belonging to the Corporation. The Secretary shall have such other duties and powers as the Board may specify.
- (d) Treasurer - The Treasurer, if any, shall have such duties and powers as the Board may specify.

The powers and duties of all other Officers shall be as the terms of their engagement call for or the Board requires of them. The Board may from time to time and subject to the Act, vary, add to, or limit the powers and duties of any Officer.

**7.5 Vacancy in Office** – An Officer shall hold office until the earlier of:

- (a) the Officer's successor being appointed;
- (b) the Officer's resignation, which resignation shall be effective at the time the written resignation is received by the Secretary (or by the Chair, if the resigning Officer is the Secretary), or at the time specified in the resignation, whichever is later;
- (c) the removal of the Officer by the Board;
- (d) such Officer ceasing to be a Director, if applicable; or

(e) such Officer's death.

If the office of any Officer becomes vacant, the Directors may, by Ordinary Resolution, appoint a person to fill such vacancy.

**7.6 Remuneration of Officers** – The remuneration of Officers shall be limited in accordance with Section 5.8.

#### **ARTICLE VIII. COMMITTEES**

**8.1 Committees (Optional)** - The Board may, but need not, appoint any committee or other advisory body as it deems necessary or appropriate from time to time, and may delegate such powers as the Board shall see fit, with the exception of such powers that the Act prohibits from being delegated namely:

1. The power to submit to the Members any question or matter requiring the approval of the Members.
2. The power to fill a vacancy among the Directors or in the position of auditor of the Corporation.
3. The power to appoint additional Directors.
4. The power to issue debt obligations except as authorized by the Board.
5. The power to approve any financial statements.
6. The power to adopt, amend or repeal By-Laws.
7. The power to establish contributions to be made, or dues to be paid, by Members.

**8.2 Audit Committee (Optional)** – The Board may, but need not, appoint an Audit Committee. If an Audit Committee is struck, it must consist of at least one (1) or more Directors, but the majority of the persons comprising the Audit Committee must not be Officers or employees of the Corporation. The auditor or any member of the Audit Committee may call an Audit Committee meeting. The Audit Committee shall review the financial statements prior to them being approved by the Directors.

**8.3 Governance of Committees and Advisory Bodies.** Every committee or advisory body shall be governed by such policies, procedures, codes, and/or terms of reference approved by the Board from time to time. Any committee member may be removed by resolution of the Board. The chair of a committee shall be appointed by the Board. Any committee that includes one (1) or more non-Directors may not be delegated any of the powers of the Board but shall only act in an advisory capacity.

#### **ARTICLE IX. PROTECTION OF DIRECTORS, OFFICERS AND OTHERS**

**9.1 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 meet the standard of care required by the common law and the Act, which shall be no less than the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Every Director and Officer of the

Corporation, by accepting such office, agrees to comply with the Act, the Articles, and the By-Laws.

**9.2 Limitation of Liability** – Provided that the standard of care required of the Directors under the Act and the By-Laws has been satisfied, which includes relying in good faith on financial statements of the Corporation presented by an Officer, reports of the auditor, financial reports of the Corporation presented by an Officer, a report or advice of an Officer or employee of the Corporation, or a report of a professional, no Director shall be liable for money or property distributed or paid by the Corporation contrary to the Act.

**9.3 Indemnification of Directors and Officers** –

(a) The Corporation shall indemnify each former and present Director and Officer of the Corporation, and each other 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:

- i. 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
- ii. 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;

provided, however, that an individual shall not be entitled to indemnity from the Corporation in respect of costs, charges, and expenses reasonably incurred by the individual in connection with the defence of any civil, criminal, administrative, investigative, or other action or proceeding to which the individual is subject because of the individual's association with the Corporation or other entity as described above if the individual is judged by any court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done.

(b) The Corporation may, at the discretion of the Board, indemnify such persons and their heirs, executors, administrators, and legal representatives, in all such other matters, actions, proceedings and circumstances as may be permitted by the Act or the law.

(c) Nothing in this By-Law No. 1 shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this By-Law No. 1.

**9.4 Insurance** – Subject to the Act, the Corporation shall purchase and maintain insurance for the benefit of any person entitled to be indemnified by the Corporation pursuant to Section 9.3 against any liability incurred by the individual in the individual's capacity as a Director or an Officer; or in the individual's capacity as a Director or Officer, or in a similar capacity, of another

entity, if the individual acts or acted in that capacity at the Corporation's request. The Corporation may not purchase insurance unless the Corporation complies with the *Charities Accounting Act* or a regulation made thereunder that permits the purchase of such type of insurance.

- 9.5 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 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 is required to do so by the Act.

#### **ARTICLE X. NOTICES**

- 10.1 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 auditor shall be sufficiently given if given by mail, courier or personal delivery, or by an electronic, telephonic, or other communication facility. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of electronic or similar communication shall be deemed to have been given when sent by the sender's electronic server or equivalent facility. The Secretary may change or cause to be changed the recorded address of any Member, Director, Officer, or the auditor in accordance with any information believed by the Secretary to be reliable. The declaration by the Secretary that notice has been given pursuant to this By-Law No. 1 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, typewritten, electronically signed, or printed, or partly written, stamped, typewritten, electronically signed, or printed.
- 10.2 Omissions and Errors** – The accidental omission to give any notice to any Member, Director, Officer, member of a committee of the Board or the auditor, or the nonreceipt of any notice by any such person where the Corporation has provided notice in accordance with this By-Law No. 1, 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.
- 10.3 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. Any such waiver or abridgement shall be in writing.

#### **ARTICLE XI. DISPUTE RESOLUTION**

- 11.1 Mediation and Arbitration** – Disputes or controversies among Members, Directors, or Officers (other than any employees of the Corporation), or between a Member, Director, or Officer (other than any employee of the Corporation) and the Corporation, in relation to the applicability and enforcement of the Articles, the By-Laws, and any policies or procedures of the Corporation, are,

to the furthest extent permitted by law, to be resolved in accordance with mediation and arbitration as provided in Section 11.2.

**11.2 Dispute Resolution Mechanism** – In the event that a dispute or controversy among Members, Directors, or Officers arising out of or related to the Articles or By-Laws, 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 as set out in the Articles, By-Laws 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 process of dispute resolution as follows:

- (a) The dispute or controversy shall first be submitted to a panel of professional mediators whereby each party appoints one (1) mediator and the mediators so appointed jointly appoint an additional mediator. The mediators will then meet with the parties in question to attempt to mediate a resolution between the parties.
- (b) The number of mediators may be reduced upon agreement of the parties.
- (c) If the parties are not successful in resolving the dispute through mediation, then the dispute shall be determined by arbitration before a single arbitrator, in accordance with the *Arbitration Act, 1991* (Ontario). The seat of the arbitration will be in the City of Waterloo, Ontario and the language of the arbitration will be English. The arbitrator shall not be any one (1) of the mediators previously used to mediate a resolution of the dispute. The party commencing the arbitration will give written notice proposing the names of three (3) individuals who are acceptable to it to serve as a sole arbitrator. Within ten (10) days of the receipt of the proposed individuals, each of the other parties will give written notice that they accept the appointment of one (1) of the three (3) individuals or will name three (3) other individuals who are acceptable to it to serve as sole arbitrator. If the parties are unable to agree upon a sole arbitrator within a further ten (10) days, any party may apply to the Superior Court of Justice to appoint an arbitrator. The parties will act reasonably and in good faith to attempt to agree upon the sole arbitrator in the most expedient manner possible. The decision of the arbitrator shall be final and binding and shall not be subject to appeal on a question of fact, law, or mixed fact and law.
- (d) Both the mediation and the arbitration will be kept confidential and the existence of the proceedings and any element of them will not be disclosed beyond the mediators, the arbitrator, the parties, their counsel, and any expert person necessary to the conduct of the proceeding, except as may lawfully be required in judicial proceedings relating to the arbitration, as may be reasonably necessary for the enforcement of the arbitration award, and as may be required by law.
- (e) 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 XII. AUDITOR**

**12.1 Remuneration** – The Board shall fix the remuneration of the auditor.

- 12.2 Qualifications** – The auditor shall be duly licensed under the laws of Ontario. Such individual, and such individual’s business partners, shall not (i) be a business partner, Director, an Officer, or an employee of the Corporation or any of its affiliates, or a business partner of any Director, Officer, or employee of the Corporation or any of its affiliates; (ii) beneficially own or control a material interest in the debt obligations of the Corporation or any of its affiliates; or (iii) have been a receiver, receiver-manager, liquidator, or trustee in bankruptcy of the Corporation or any of its affiliates within two years before the person is proposed to be appointed as the auditor of the Corporation.
- 12.3 Removal** – The auditor shall cease to hold such position when such person dies or resigns, is declared disqualified by a court, or is removed by the Members in accordance with the Act.
- 12.4 Vacancy** – The Board shall immediately fill a vacancy in the position of auditor if such appointment is permitted by the Act.

**ARTICLE XIII. BY-LAW AND EFFECTIVE DATE**

- 13.1 By-Law and Effective Date** – Subject to the Articles, the Board may make, amend or repeal any By-Laws that regulate the activities or affairs of the Corporation. Any such By-Laws, amendment or repeal shall be effective from the date of the resolution of the Board until the next Meeting of Members where it must be confirmed, rejected or amended by the Members by Ordinary Resolution. If the By-Laws, amendment, or repeal is confirmed or confirmed as amended by the Members it remains effective in the form in which it was confirmed or confirmed as amended. The By-Laws, 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.

This Section 13.1 does not apply to a By-Law amendment that requires a Special Resolution under the Act because such By-Law amendments are only effective when confirmed by the Members.

Upon the enactment of this By-Law No. 1, all previous By-Laws of the Corporation shall be repealed. Such repeal shall not affect the previous operation of any By-Laws 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 Articles obtained pursuant to, any such By-Laws prior to its repeal. All Directors, Officers, and person acting under any By-Laws so repealed shall continue to act as if appointed under the provisions of this By-Law No. 1 and all resolutions of the Members and of the Board with continuing effect passed under any repealed By-Laws shall continue as good and valid except to the extent inconsistent with this By-Law No. 1 and until amended or repealed.

**APPROVED** by the Board of Directors as of the \_\_\_ day of \_\_\_\_\_ 2024.

\_\_\_\_\_  
Chair –

\_\_\_\_\_  
Secretary –

**CONFIRMED** by the Members as of the \_\_\_ day of \_\_\_\_\_ 2024.

\_\_\_\_\_  
Chair –

\_\_\_\_\_  
Secretary –

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