

VAPING INDUSTRY TRADE ASSOCIATION

ASSOCIATION DES RÉPRESENTANTS DE L'INDUSTRIE VAPOTAGE

OFFICE CONSOLIDATION OF GENERAL OPERATING BY-LAWS

ENACTED BY BOARD OF DIRECTORS ON SEPTEMBER 30, 2019

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SECTION 1
DEFINITIONS AND
INTERPRETATION

1.1 Definitions

In the By-laws and resolutions of the Corporation, unless the context otherwise requires:

- (a) “Act” means the *Canada Not-for-profit Corporations Act*, S.C. 2009, c. 23, including any Regulations made pursuant to the Act and any statute or Regulations that may be substituted, as amended from time to time.
- (b) “Alternate Representative” means an individual nominated by a Director and approved by the Board that may serve as a proxy in circumstances where the Director is unable to attend a meeting of the Board
- (c) “Articles” means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation.
- (d) “Board” means the Board of Directors of the Corporation.
- (e) “By-laws” means this by-law and all other By-laws of the Corporation as amended and which are in force and effect from time to time.
- (f) “Corporation” means the Vaping Industry Trade Association/Association des Représentants de l’Industrie Vapotage.
- (g) “Director” means a Member of the Board.
- (h) “Industry” means the vaping industry in Canada.
- (i) “Member” means a Member of the Corporation and “Members” or “Membership” means the collective Membership of the Corporation.
- (j) “Officer” means an officer of the Corporation
- (k) “Founding Member” means the Permanent Members of the Corporation as defined in Article 2.1(b)(i) who are listed in Schedule 1 to these By-laws.
- (l) “Ordinary Resolution” means a resolution passed by a majority of the votes cast on that resolution.

- (m) “Regulations” means the regulations made under the Act, as amended, restated or in effect from time to time.
- (n) “Special Resolution” means a resolution passed by a majority of not less than two-thirds (2/3) of the votes cast on that resolution.
- (o) “Transitional Board” means the initial Board of Directors as contemplated in Article 3.1 (b) of the By-laws.

1.2 Interpretation.

In the interpretation of these By-laws, unless the context otherwise requires, the following interpretation shall be applied:

- (a) except where specifically defined herein, all terms contained herein and which are defined in the Act shall have the meanings given to such terms in the Act;
- (b) Words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders.
- (c) The words “includes” or “including” as used in the By-laws mean includes or including without limitation.
- (d) The word “person” includes an individual, body corporate, partnership, sole proprietorship, trust and unincorporated organization.
- (e) The division of the By-laws into articles and sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of the By-laws.

SECTION 2 **CONDITIONS OF MEMBERSHIP**

2.1 Members and Fellows.

- (a) (i) There shall be one (1) class of Members in the Corporation. Membership in the Corporation shall be available to Canadian individuals who are at least nineteen (19) years of age, registered partnerships, as well as provincially or federally incorporated companies engaged in the vaping industry and allied industries.

- (ii) Membership shall be divided into subcategories of Membership for the purpose of assessing applicable Membership dues, as more particularly described in the Corporation's operating policies.
 - (iii) Each Member shall have one (1) vote at meetings of the Members of the Corporation. All Members of the Corporation are required to notify the Corporation in writing of the name of the individual designated by the Member to act as its delegate and to vote on its behalf. A Member may change its delegate by written notice to the Corporation. Voting privileges shall be assigned exclusively to the Principal/Owner of the Member or such person's delegate.
 - (iv) With the exception of the Founding Members, Membership terms shall be annual, subject to renewal.
- (b) Membership subcategories shall be Founding Members; Manufacturers and/or Distributors; Retail and Associate and any other subcategories falling within the conditions of Membership as may be determined by the Board. The subcategories of Membership are defined as follows:
- (i) The Founding Member subcategory is limited to those companies listed and defined in Schedule 1 to these By-laws that would otherwise be classified as Manufacturers and/or Distributors or as Retailers for the purpose of this Article. Founding Members have made an extraordinary financial commitment towards the establishment and operation of the Corporation and are deemed, subject to these By-laws, to be permanent members of the Corporation and are entitled to appoint a delegate to serve on the Corporation's Board.
 - (ii) The Manufacturer and/or Distributor subcategories shall be limited to those businesses that are engaged in the manufacture and/or distribution of vaping products, which are provincially or federally registered.
 - (iii) The Retail subcategory shall be limited to those businesses that are federally or provincially registered and which primarily retail vaping products to the general public in Canada. A Member that would qualify for this category of Membership, and that would otherwise qualify as a Manufacturer and/or Distributor, will not be eligible for Membership in this category.
 - (iv) The Associate subcategory shall be limited to individuals, companies or partnerships that provide necessary and valuable services to the Industry, including, without limitation, financial, legal, or other like services and/or that have business interests that align with those of the

Industry and/or are trade associations or other civil society organizations which represent interests that align with the Industry.

- (c) The Corporation may approve categories of Fellows, including Permittee and Honorary Fellows, as further described in the Corporation's operating policies. Fellows shall not be members of the Corporation and shall have no voting privileges in the Corporation. Fellows need not be Canadian nationals.
- 2.2 Approval of Membership. All applications for Membership in the Corporation will be subject to the approval of the Board. Such approval shall be based solely on the applicant satisfying the Board that it qualifies for the class of Membership applied for.
- 2.3 Disclosure. All applicants will be required to submit with their application for Membership a compliance and disclosure statement ("Disclosure Statement"). The Disclosure Statement shall relate to the applicant's legal status, whether it is affiliated with any other Member or a business in the Tobacco industry. Members must also declare that they are in compliance with the Corporation's Standards of Conduct. Members shall be required to update their Disclosure Statements when renewing their Membership and when there are material changes to the information contained in the Disclosure Statement.
- 2.4 Transferability of Membership. Membership in the Corporation shall not be transferable or assignable.
- 2.5 Change of Status. If a change of the principals or ownership of a Member results in a change of the qualification of that Member to be in its subcategory of Membership, the Member's subcategory of Membership shall be either (i) reclassified to the new subcategory to which the Member newly qualifies, or (ii) terminated, as the circumstances require, as of the date of the change of principals or ownership of the Member. If there is a difference in annual Membership dues associated with the new subcategory of Membership, the Member will pay or be repaid the difference forthwith, calculated on a pro-rated basis for the balance of the year.
- 2.6 Change of Status of Founding Membership. In circumstances where any of the Founding Members ceases to be eligible for Membership and/or the subcategory of Membership under which the seat was established, the Board shall by Special Resolution decide to either:
- (i) not replace the Member;
 - (ii) substitute another Member that would otherwise satisfy the requirements of the same subcategory of Membership as the ineligible member on whatever terms and conditions that the Board consider appropriate including, but not limited, to the financial contribution that the proposed Member would be required to make to the Corporation. Any Member that is so selected is

entitled to appoint a Director in accordance with the provisions of Article 3.7 (b) of the By-laws.

- 2.7 Annual Membership Dues. The Board shall establish the amount of annual Membership dues or reinstatement fees required for Membership.
- 2.8 Levies and Assessments. The Corporation may require that the Membership pay levies or other assessments in order to fund the activities of the Corporation. Levies or assessments may vary by Membership subcategory.
- 2.9 Withdrawal of Membership. A Member may terminate its Membership by delivering a written resignation to the Corporation.
- 2.10 Standards of Conduct for Members. The Board may establish and amend from time to time Standards of Conduct that Members may be expected to adhere to. Standards of Conduct shall be made available to potential Members as part of the application process and shall be posted on the Corporation's website.
- 2.11 Suspension and Termination of Membership.
- (a) If any Member fails to pay any Membership dues, is found to have provided inaccurate or misleading information in their application for Membership and/or Disclosure Statement, fails to comply with the terms of a program administered or policy implemented by the Corporation, has been found by a Canadian court, regulatory body or municipal provincial, territorial or federal agency to have engaged in activities that would breach the Standards of Conduct established by the Corporation for its Members, or fails to provide a Disclosure Statement or update thereof when required or requested by the Corporation, and such failure or breach continues for a period of 30 days after having been so notified by the Corporation, such Membership may be: (i) suspended until such failure or breach is rectified; (ii) terminated; or (iii) reclassified to another to another subcategory of Membership; as determined by the Board pursuant to its policies for addressing the suspension of Membership.
- (b) In the event that the Board determines that a Member should be terminated or suspended from Membership in the Corporation, the President and CEO shall provide twenty (20) days' notice of suspension or termination. The Member may make written submissions to the President & CEO in response to the notice received with such twenty (20) day period. In the event that no written submissions are received by the President & CEO, he/she may proceed to notify the Member that the Member is suspended or terminated from Membership in the Corporation. If written submissions are received in accordance with this section, the Board will consider such submissions in arriving at a final decision and shall notify the Member concerning such final decision within a further twenty (20) days from the date of receipt of the submissions. The Board's decision shall be final and binding on the member, without any further right of appeal.

- 2.12 Suspension of Privileges. A Member who is suspended in accordance with this By-Law shall not be entitled to vote or attend any meeting of the Corporation or exercise or enjoy any other rights of a Member until such suspension has been removed.
- 2.13 Termination of Membership. Membership shall automatically terminate:
- (a) upon the bankruptcy, insolvency, dissolution, or winding-up of a Member;
 - (b) when a Member resigns;
 - (c) if at a special meeting of Members, a Special Resolution is passed to remove the Member by at least two-thirds (2/3) of the votes cast at a special meeting provided that the Member shall be granted the opportunity to be heard at such meeting prior to any such vote; or,
 - (d) if so determined by the Board in accordance with section 2.11 of these By-Laws.

SECTION 3
BOARD OF DIRECTORS

- 3.1. (a) Number: The Board shall consist of the number of Directors specified in the Articles. If the Articles provide for a minimum and maximum number of Directors, the Board shall be comprised of the fixed number of Directors as determined from time to time by the Directors by ordinary resolution.
- (b) Transitional Board:
- (i) Notwithstanding the forgoing, the Corporation shall for the first year following the date of its incorporation be governed by a Transitional Board of Founding Directors. The Founding Directors shall be comprised of delegates appointed by each of the Founding Members listed in Schedule 1 to the By-laws.
 - (ii) The Transitional Board may appoint additional Transitional Directors up to the maximum number of Directors specified in the Articles.
 - (iii) The Transitional Board shall ensure that a Board is elected by the Membership, to the extent required by these By-laws, and is seated prior to the first anniversary of the incorporation of the Corporation.
 - (iv) The Transitional Board shall have all powers and authority provided to the Board under these By-laws.

3.2 Composition. Following the term of the Transitional Board, the Board shall be composed in accordance with the provisions of this section as set out below:

(a) Permanent Founder Director Seats – Large Tobacco-Affiliated Enterprise Multinational Corporations

Three (3) Director seats shall be reserved on the Board of the Corporation for delegates appointed by each of the three (3) Founding Members, set out and defined in Category 1 of Schedule 1 to these By-laws;

(b) Permanent Founding Director Seats – Large Canadian Vape Corporations

Three (3) Director seats shall be reserved on the Board of the Corporation for delegates appointed by each of the three (3) Founding Members, set out and defined in Category 2 of Schedule 1 to these By-laws;

(c) Five (5) Directors may be elected from among Members of the Corporation in the combined Membership subcategories set out in 2.1 (b) (ii) and (iii)

PROVIDED, that at least:

(i) One (1) Director shall be elected from among the Members whose principal place of business is located in British Columbia;

(ii) One (1) Director shall be elected from among the Members whose principal place of business is located in any of Alberta, Saskatchewan, or Manitoba;

(iii) One (1) Director shall be elected from among the Members whose principal place of business is located in Ontario;

(iv) One (1) Director shall be elected from among the Members whose principal place of business is located in Quebec;

(v) One (1) Director shall be elected from among the Members whose principal place of business is located in any of Newfoundland, Prince Edward Island, Nova Scotia or New Brunswick.

(d) Appointment of Director and Term

Following the conclusion of an annual general meeting of Members each year, the new Board may decide to appoint a Director from Membership subcategory 2.1 (b) (iv) to hold office for a term expiring not later than the close of the next annual meeting of Members.

(e) A Director must be an officer, director or executive level employee of the Member business;

- (f) Directors must be individuals 18 years of age or older and must have the capacity to enter into contracts;
- (g) no person who has been declared incapable by a court in Canada or in another country may be a Director;
- (h) no person who has the status of a bankrupt may be a Director;
- (i) no person who is not an individual may be a Director; and,
- (j) when two or more affiliated or associated entities are Members of the Corporation, only one delegate from such group of Members may serve as a Director at any one time.

3.3 Election of Directors. With the exception of Directors who are delegates representing Founding Members, the Board of the Corporation shall be elected by the Members of the Corporation as follows:

- (a) prior to the second anniversary of the date of the election of the Members of the Board, the Chair of the Nominating Committee shall send to all Members of the Corporation, by electronic, mail or facsimile transmission, a ballot listing the names of nominees for election to the Board in accordance with the provisions of the By-laws of the Corporation. Such ballot shall also indicate the date by which and the manner in which completed ballots must be returned;
- (b) each ballot shall make provision for the Members to nominate one or more alternate candidates for election to the Board and to vote for such candidate or candidates;
- (c) the Chair of the Nominating Committee shall appoint a scrutineer to tabulate the results of the ballot;
- (d) each Member shall be given not less than 21 days from the date the ballots are sent to return the completed ballot to such scrutineer;
- (e) the election of the new Board shall only be determined if the scrutineer receives a minimum of 20 completed ballots within the required time period; and,
- (f) Directors of the Corporation shall be elected by the Members at an annual meeting of the Members at which time the Members shall vote to approve the results as confirmed by the scrutineer.

Subject to the provisions of the By-laws, the newly-elected Board shall remain in office for a term of two years or until their respective successors are elected or appointed.

3.4 Nominations from the Floor. A nomination for election as a Director at the time of the annual meeting of Members by a Member in attendance thereof shall not be permitted.

3.5 Disqualification of Director. The individual holding office as a Director of the Corporation shall automatically vacate such office:

- (a) if the Director resigns by delivering a written resignation to the Secretary of the Corporation;
- (b) if the Director is declared incapable by a Court in Canada or in another country;
- (c) if the Director becomes bankrupt;
- (d) if at a special general meeting of Members an ordinary resolution is passed by Members present at the meeting that the Director be removed from office;
- (e) if the Member of which the Director is the delegate is suspended or otherwise ceases to be a Member;
- (f) if the Director ceases to be a Director, officer or employee of a Member for a period of 90 days; or
- (g) by virtue of a merger of two or more Members who each have representation on the Board. In such circumstances, they shall determine which Director shall remain on the Board and which shall resign or be removed.

3.6 Filling vacancies.

- (a) In accordance with and subject to the Act and the Articles, a quorum of the Board may fill a vacancy in the Board, except a vacancy resulting from an increase in the minimum or maximum number of Directors, a vacancy resulting from the removal of a Director by the Members or from a failure of the Members to elect the number of Directors required to be elected at any meeting of Members. If there is not a quorum of the Board or if the vacancy has arisen from a failure of the Members to elect the number of Directors required to be elected at any meeting of Members, the Board shall forthwith call a special meeting of Members to fill the vacancy. A Director appointed or elected to fill a vacancy holds office for the unexpired term of their predecessor. Any vacancy filled by the Board or by the Members must meet the requirements relating to board composition set forth in section 3.2.

(b) Notwithstanding the requirements of Article 3.7(a), in circumstances where a Director who has been appointed pursuant to subcategory 3.2 (a) or (b) of the By-laws is, for whatever reason, unable to serve the balance of their term, the Member whom they represent shall appoint a replacement delegate to fill the Director Role by providing written notice to the Corporation within thirty (30) days from date of the vacancy being created. This Article applies with necessary modification to any Member that is reclassified pursuant to the circumstances contemplated by Article 2.6 of these By-laws.

3.7 Directors' Expense. The Directors shall serve as such without remuneration, but are entitled to reasonable expenses incurred in the exercise of their duties. In that regard, the Board may authorize payment to each Director to compensate for expenses incurred in the exercise of their duties. Nothing contained in this By-law shall be construed to preclude any Director from serving the Corporation as an officer or in any other capacity and receiving compensation therefor. In addition, any firm or corporation with whom a Director is associated may be compensated for rendering services to the Corporation.

SECTION 4 **POWERS OF BOARD OF** **DIRECTORS**

4.1 Administration of Affairs. The Board of the Corporation shall administer the affairs of the Corporation and generally exercise all such other powers and do all such other acts and things the Corporation is authorized to do.

4.2 Authorization of Expenditures. The Board shall have power to make and authorize expenditures on behalf of the Corporation from time to time for the purpose of furthering the objects of the Corporation.

4.3 Agents and Employees. The Board may appoint such agents and engage such employees as it shall deem necessary from time to time and such persons shall have such authority and shall perform such duties as shall be prescribed by the Board. The Board may delegate to an officer or officers of the Corporation the right to appoint such agents, engage such employees and pay remuneration to such persons.

4.4 Grants and Donations. The Board may, on behalf of the Corporation, acquire, accept, solicit or receive grants, bequests and donations of any kind whatsoever for the purpose of furthering the objects of the Corporation.

4.5 Borrowing Powers. The Board is authorized from time to time:

- (a) To borrow money upon the credit of the Corporation in such amounts and on such terms as may be deemed expedient by obtaining loans or advances or by way of overdraft or otherwise;
- (b) To issue or reissue debt obligations of the Corporation;
- (c) To pledge or sell such debt obligations for such sums and at such prices as may be deemed expedient;
- (d) To mortgage, charge, hypothecate, pledge or otherwise create a security interest in all or any property real and personal, immovable and moveable, undertaking and rights of the Corporation, owned or subsequently acquired, to secure any debt obligations of the Corporation present or future or any money borrowed or to be borrowed or any other debt or liability of the Corporation present or future;
- (e) To give a guarantee on behalf of the Corporation to secure the performance of an obligation, of any person present or future; and,
- (f) To delegate to such officer(s) or Director(s) of the Corporation as the Directors may designate all or any of the foregoing powers to such extent and such manner as the Directors may determine.

SECTION 5
MEETINGS OF BOARD OF
DIRECTORS

- 5.1 Calling of Meetings. The Chair, Treasurer, or any three Directors may at any time call a meeting of the Board. There shall be at least one meeting of the Board per year.
- 5.2 Notice of Meetings. Three (3) clear days' written notice, by facsimile, electronic mail or electronic transmission, or ten (10) clear days' written notice, by mail of any meeting of the Board shall be given to all Directors and such notice shall designate a time and place for such meeting. Notice of a meeting may be waived by all of the Directors of the Corporation. No error or omission in giving notice of any meeting of the Board or any adjourned meeting of the Board of the Corporation shall invalidate such meeting and any Director may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat.
- 5.3 Quorum. A minimal of eight (8) Directors of the Corporation shall constitute a quorum for any meeting of the Board, provided that at least one (1) Director from each of the two Founding Member categories as set out in Schedule 1 of these By-laws is present

5.4 Voting.

- (a) Questions arising at all meetings of the Board shall be decided, unless otherwise determined in the By-laws or by statute, by a majority vote. . In the case of an equal number of votes, the motion or issue shall be decided by the Chair casting a second vote.
- (b) The voting structure of the Board shall be weighted as between the categories of Directors set out in Article 3.2 of these By-laws following the formula set out below:
 - (i) Each of the Directors appointed pursuant to the subcategory of Directors defined in Article 3.2 (a) of the By-laws, shall each have .67 of one (1) vote;
 - (ii) Each of the Directors appointed pursuant to the subcategory of Directors , as defined in Article 3.2 (b) of the By-laws, shall each of .67 of one (1) vote;
 - (iii) Each of the Directors elected pursuant to the subcategory of Directors as defined in Article 3.2 (c) of the By-laws, shall each have one (1) vote;
 - (iv) Any director elected pursuant to the subcategory of Director as defined in Article 3.2 (d) of the By-laws, shall each have one (1) vote.
- (c) Each Director shall be entitled to nominate an Alternate Representative that may serve as the Director's proxy in those circumstances where the Director is unable to attend a meeting of the Board. The Corporation shall provide Alternate Representatives with all of the correspondence and materials that would otherwise be sent to Directors so that Alternate Representatives may be fully apprised of the affairs of the Corporation. A Director who is unable to attend a Board meeting, shall advise the Chair of the Board as well as the President and CEO at least twenty-four (24) hours prior to the scheduled time of any Board meeting that he or she intends to have his or her Alternate Representative attend the Board meeting. To the extent a Director chooses to nominate an Alternate Representative, the Director shall ensure that the individual is an officer, director, or executive level employee of the Member business with whom the Director is affiliated. Alternate Representatives are expected to serve a term parallel to that of the Director. In circumstances where the Alternate Representative is no longer able to serve in this capacity, the Director may nominate a replacement Alternate representative. The Director shall notify the Chair and the President and CEO of the Corporation of his or her nominee for Alternate Representative. The Board shall be required to approve all nominees for Alternate Representative prior to their being able to serve in this capacity.

- 5.5 Meetings by Teleconference. A Director may participate in a meeting of the Board or of a committee of the Board by means of such conference telephone or other communications facilities as permit all persons participating in the meeting to

adequately communicate with each other, and a Director participating in such a meeting by such means is deemed to be present at the meeting.

- 5.6 Meetings by Other Electronic Means. The Directors of the Corporation may meet by other electronic means that permits each Director to communicate adequately with each other, provided that:
- (a) the Board of the Corporation has passed a resolution addressing the mechanics of holding such a meeting and dealing specifically with how security issues should be handled, the procedure for establishing quorum and recording votes;
 - (b) each Director has equal access to the specific means of communication to be used; and
 - (c) each Director has consented in advance to meeting by electronic means using the specific means of communication proposed for the meeting.

SECTION 6 **COMMITTEES**

6.1 Executive Committee.

- (a) Number and Composition. There shall be an Executive Committee composed of the Chair, the Secretary and the Treasurer of the Corporation.
- (b) Quorum. All Members of the Executive Committee shall be present to constitute a quorum.
- (c) Powers. The Executive Committee shall perform such duties and exercise such powers as the Board may from time to time determine.
- (d) Meetings. Meetings of the Executive Committee shall be held at any time and place to be determined by the Chair provided that two (2) clear day's written notice, by facsimile, electronic transmission or electronic mail, or ten (10) clear days' written notice by mail of any meeting of the Executive Committee shall be given to all Members of the committee and shall designate a time and place for such meeting. Notice of a meeting may be waived by all of the Members of the Executive Committee. No error or omission in giving notice of any meeting of the Executive Committee or any adjourned meeting of the Executive Committee of the Corporation shall invalidate such meeting and any Member of such committee may at any time waive notice of any proceedings taken or had thereat.
- (e) Remuneration. Executive Committee Members shall receive no remuneration for serving as such, but are entitled to reasonable expenses incurred in the exercise of

their duties. In that regard, the Board may authorize payment to each Director to compensate for expenses incurred in the exercise of their duties.

6.2 Nominating Committee.

- (a) Number and Composition. There shall be a Nominating Committee composed of at least three (3) Directors of the Corporation. In the second year of each term of the Board, the Board shall appoint the Nominating Committee, provided that (a) the Nominating Committee shall contain at least one (1) Director from each of subcategories of Director as defined in Article 3.2 (a), 3.2 (b), and 3.3 (c) of the By-laws. The Chair of the Corporation shall be appointed as Chair of the Nominating Committee. Subject to the foregoing, the Board may replace any member of the Nominating Committee.
- (b) Duties, Term and Expenses. The Nominating Committee shall be charged with nominating individuals for positions on the Board in the year that elections are to take place, ensuring that the nominations comply with the requirements of these by-laws. In addition to any nominees put forth by the Nominating Committee, any Member of the Corporation may provide their own nominees to the Nominating Committee by obtaining the signature of at least two Members of the Corporation on any such nomination. The Nominating Committee shall insert on to the ballot for electing the Directors of the Corporation both the Members' nominees as well as any additional nominees which it chooses to put forth in accordance with these by-laws.

6.3 Governance Committee.

- (a) Number and Composition. There shall be a Governance Committee composed of at least three (3) Directors of the Corporation. The Board shall appoint the Governance Committee. Subject to the foregoing, the Board may replace any member of the Governance Committee.
- (b) Duties, Term and Expenses. The Governance Committee shall be charged with overseeing compliance with the Board's Governance Guidelines and each of the committees of the Board. Governance Committee Members shall receive no remuneration for serving as such, but are entitled to reasonable expenses incurred in the exercise of their duties. In that regard, the Board may authorize payment to each Director to compensate for expenses incurred in the exercise of their duties.

6.4 Personnel Committee.

- (a) Number and Composition. There shall be a Personnel Committee composed of at least three (3) Directors of the Corporation one of whom shall be the Chair of the Corporation together with such other Directors as the Board, in their sole discretion,

determine is appropriate. Subject to the foregoing, the Board may replace any member of the Personnel Committee.

- (b) Duties, Term and Expenses. The Personnel Committee shall be charged with engaging, overseeing the employment of, and, if necessary the termination of the President and CEO, as well as consulting with the President and CEO regarding all matters of policy relating to personnel matters generally. Personnel Committee Members shall receive no remuneration for serving as such, but are entitled to reasonable expenses incurred in the exercise of their duties. In that regard, the Board may authorize payment to each Director to compensate for expenses incurred in the exercise of their duties.

6.5 Standing and Special Committees.

- (a) Establishment. The Board may designate such Standing and Special committees as may be necessary or desirable from time to time to consider and investigate matters for the Board and make recommendations to the Board in connection therewith. Each committee shall keep records and shall submit reports to the Board as the Board may require.
- (b) Composition, Term and Expenses. The Board shall appoint a chair and Members of the Standing and Special committees designated under these By-laws from among the Directors and Alternate Representatives of the Corporation. Members of the Corporation may also be appointed by the Board to serve on Standing and Special committees. Stakeholders and members of the public may be added to a committee in circumstances where the Board determines that it is advisable to do so. Any committee member may be removed by a majority vote of the Board. Standing and special committee members shall receive no remuneration for serving as such, but are entitled to reasonable expenses incurred in the exercise of their duties. In that regard, the Board may authorize an annual payment to each Director to compensate for expenses incurred in the exercise of their duties.

6.6 Governance Guidelines. The Board shall establish Governance Guidelines. Each committee of the Board shall comply with the Board's Governance Guidelines in carrying out their activities.

SECTION 7 **OFFICERS**

- 7.1 Officers. The officers of the Corporation shall be a Chair, President and Chief Executive Officer ("President and CEO"), a Secretary and a Treasurer and any such other officers as the Board may determine. Officers of the Corporation need not be Directors of the

Corporation, save and except for the Chair, the Secretary and the Treasurer who shall be Directors of the Corporation.

- 7.2 Appointment of Officers. The Chair, the Treasurer and the Secretary of the Corporation shall be elected at the first meeting of the Board following the election of such Directors every two years and thereafter in accordance with Section 7.3. Subject to section 7.3, the other officers of the Corporation may be appointed by the Board at any time.
- 7.3 Term of Office. All officers of the Corporation who are Members of the Board shall hold office for the balance of the term of the Directors who have appointed them. All officers who are not Members of the Board shall hold office in accordance with their employment contracts with the Corporation.
- 7.4 Removal from Office. All officers who are Members of the Board shall be subject to removal by Special Resolution of the Board at any time. Those officers who are not Members of the Board shall be subject to removal in accordance with their employment contracts. If the Chair, the Secretary or the Treasurer cease to be a Director of the Corporation they shall also cease to be an officer of the Corporation. If the office of any officer of the Corporation shall be or become vacant, the Board may appoint a person to fill such vacancy.

SECTION 8 **DUTIES OF OFFICERS**

- 8.1 Chair. The Chair of the Corporation shall chair and oversee the meetings of the Board and shall be responsible for the implementation of the policies, guidelines, directions and requirements of the Board. The Chair shall advise the Board at each meeting regarding the status of the business and affairs of the Corporation. In addition, the Chair shall perform such duties and exercise such powers as the Directors may specify. The Chair shall be a Director of the Corporation.
- 8.2 President and CEO. The President and CEO shall be hired by the Board and shall be a full-time employee of the Corporation responsible for the day to day management of the Corporation's affairs and activities. The President and CEO shall report to the Chair. The President and CEO shall not be a Member of the Board.
- 8.3 Secretary. The Secretary shall attend all meetings and record all votes and minutes of all proceedings in the books to be kept for that purpose. The Secretary shall give or cause to be given notice of all meetings of the Members and of the Board, and shall perform such other duties as may be directed by the Board. The Secretary shall be custodian of the seal of the Corporation and of all books, papers, records, documents

and other instruments belonging to the Corporation. The Secretary shall be a Director of the Corporation.

- 8.4 Treasurer. The Treasurer shall have custody of the funds and securities of the Corporation and shall keep full and accurate accounts of all assets, liabilities, receipts and disbursements in books belonging to the Corporation and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation and in such depositories as may be designated by the Board from time to time. The Treasurer shall disperse the funds of the Corporation under the direction of the Board, taking proper vouchers for such disbursements, and shall render to the Board, whenever they may require it, an account of all transactions and a statement of the financial position of the Corporation. The Treasurer shall perform such other duties as may from time to time be directed by the Board. The Treasurer shall be a Director of the Corporation.
- 8.5 Other Officers. The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the Board requires of them.

SECTION 9

MINUTES OF THE BOARD AND SUB-COMMITTEES OF THE BOARD

- 9.1 Responsibilities of the Secretary. The Secretary of the Corporation, or his or her designate, shall keep minutes of all meetings of the Board and shall provide a copy of such minutes to all the Members of the Board prior to the next meeting of the Board.
- 9.2 Responsibilities of the Chair. The chair of each committee of the Board, or his or her designate, shall keep minutes of all meetings of such committees and shall provide a copy of such minutes to all the Members of the Board and of the appropriate committee prior to the next meeting of the Board or committee meeting, whichever is sooner.
- 9.3 Availability of Minutes. The minutes of the Board and each of the committees of the Board shall not be available to the Membership of the Corporation (except at the discretion of the Board) but shall be available to the Directors.

SECTION 10

MEETINGS OF MEMBERS

- 10.1 Place of Meetings. The annual or any other meeting of the Members shall be held at any place in Canada as the Board may determine. Annual meetings shall occur no later than

15 months after holding the preceding annual meeting but no later than six months after the end of the Corporation's preceding financial year.

10.2 Calling of Meetings. The Board, the Chair, President and CEO or any of them shall have the power to call, at any time, a general meeting of the Members of the Corporation. The Board shall have a special general meeting of the Members on written requisition of Members carrying not less than 5% of the voting rights.

10.3 Quorum. Fifteen (15) Members shall constitute a quorum at all meetings of the Members. If 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 by telephonic and/or other electronic means.

10.4 Notice Requirements. Notice of the time and place of a meeting of Members shall be given to each Member who, at the close of business on the record date for notice or if no date for notice is fixed, at the close of business on the preceding day on which the notice is given, is entitled to receive notice by the following means:

(a) by mail, courier or personal delivery to each such Member, during a period of 14 to 45 days before the day on which the meeting is to be held; or

(b) by telephonic, electronic or other communication facility to each Member, during a period of 10 to 45 days before the day on which the meeting is to be held.

Notice of a meeting of Members shall also be given to each Director of the Corporation and to the Public Accountant of the Corporation during a period of 14 to 45 days before the day on which the meeting is to be held.

Notice of any meeting of Members at which special business is to be considered 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 to be submitted at the meeting.

10.5 Annual Meetings. At every annual meeting, in addition to any other business that may be transacted, the report of the Directors, the financial statements of the Corporation, and the report of the Public Accountant shall be presented, and the Public Accountant appointed for the ensuing year. The Members may consider and transact any business either special or general at any meeting of the Members.

10.6 Voting Rights. Each Member present at a meeting shall have the right to exercise one vote. No Member is entitled to appoint a proxy holder to attend and act at any meeting of Members.

10.7 Voting. At all meetings of Members of the Corporation, every question shall be determined by a majority of votes unless otherwise specifically provided by statute or by

these By-laws. In the case of an equality of votes, the chair of the meeting, in addition to an original vote, shall cast a second vote.

10.8 Special Questions. The Board may place any question before the Members by means of a written Special Resolution, mail ballots or electronic mail ballot. In this event:

- (a) the Board shall send, by regular mail or facsimile transmission, or electronic mail, as the case may be, a ballot containing the question to every Member of the Corporation and shall indicate the date on which completed ballots must be returned;
- (b) the question on the ballot shall only be answerable by a "yes" or a "no";
- (c) each Member shall be given not less than twenty-one (21) days from the date the ballots are sent to return the ballot to the Corporation;
- (d) the Secretary of the Corporation shall appoint a scrutineer to tabulate the results of the vote and shall report the results to the Board ;
- (e) unless two-thirds (2/3) of the Members vote in favour of the question, the question or resolution shall be defeated.
- (f) the Board shall, unless the ballot stipulates otherwise, be bound by the results of a valid vote on the question.

SECTION 11 **INDEMNITIES**

11.1 Indemnity. Every Director or officer of the Corporation or other person who has undertaken or is about to undertake any liability on behalf of the Corporation or any company controlled by it and their heirs, executors and administrators and estate, respectively, shall from time to time and at all times, be indemnified and saved harmless out of the funds of the Corporation, from and against:

- (a) all costs, charges and expenses which such Director, officer or other person sustains or incurs in or about any action, suit or proceeding which is brought, commenced or prosecuted against him, or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by him or her, in or about the execution of the duties of his or her office or in respect of any such liability; and
- (b) all other costs, charges and expenses which he or she sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his or her own willful neglect or default.

SECTION 12
POLICIES

- 12.1 Policies. The Board may prescribe such policies not inconsistent with these by-laws and the Act relating to the management and operation of the Corporation as they deem expedient, provided that such policies shall have force and effect only until the next annual meeting of the Members of the Corporation when they shall be confirmed, and, failing such confirmation at such annual meeting of the Members, shall cease to have any force and effect.

SECTION 13
AMENDMENT OF BY-LAWS

- 13.1 Amendment of By-laws. The Board may, by Special Resolution, make, amend or repeal any By-laws that regulate the activities or affairs of the Corporation. Any such By-law, amendment or repeal shall be effective from the date of the resolution of Directors until the next meeting of Members where it may be confirmed, rejected or amended by the 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.

This section further applies to any amendment that requires a Special Resolution of the Members according to subsection 197(1) of the Act, namely, any amendment to the articles or the By-laws of the Corporation to:

- (a) change the Corporation's name;
- (b) change the province in which the Corporation's registered office is situated;
- (c) add, change or remove any restriction on the activities that the Corporation may carry on;
- (d) create a new class or group of Members;
- (e) change a condition required for being a Member;
- (f) change the designation of any class or group of Members or add, change or remove any rights and conditions of any such class or group;

- (g) divide any class or group of Members into two or more classes or groups and fix the rights and conditions of each class or group;
- (h) add, change or remove a provision respecting the transfer of a Membership;
- (i) increase or decrease the number of or the minimum or maximum number of Directors fixed by the articles;
- (j) change the statement of the purpose of the Corporation;
- (k) change the statement concerning the distribution of property remaining on liquidation after the discharge of any liabilities of the Corporation;
- (l) change the manner of giving notice to Members entitled to vote at a meeting of the Members;
- (m) change the method of voting by Members not in attendance at a meeting of Members; or
- (n) add, change or remove any other provision that is permitted by the Act to be set out in the articles.

Such amendments are only effective when confirmed by the Members.

SECTION 14 **NOTICES**

- 14.1 **Computation of Time.** Where a given number of days' notice or notice extending over a period is required to be given under the By-laws, the day of service, posting or other delivery of the notice shall not, unless it is otherwise provided, be counted in such number of days or other period.
- 14.2 **Undelivered Notices.** If any notice given to a Member is returned on two consecutive occasions because such Member cannot be found, the Corporation shall not be required to give any further notices to such Member until such Member informs the Corporation in writing of his or her new address. For the purpose of sending notice to any Member, the address of the Member shall be its last address recorded on the books of the Corporation.
- 14.3 **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.

- 14.4 Waiver of Notice. Any Member, Director, officer, member of a committee of the Board or public accountant 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 except a waiver of notice of a meeting of Members or of the Board or of a committee of the Board, which may be given in any manner.

SECTION 15

GENERAL

- 15.1 Corporate Seal. The seal, an impression of which is stamped in the margin hereof, shall be the seal of the Corporation.
- 15.2 Head Office. The Head Office of the Corporation shall be in the City of Toronto, in the Province of Ontario.
- 15.3 Execution of Instruments.
- (i) Contracts, documents or any instruments in writing requiring the signature of the Corporation, shall be signed by any two of the Chair, President and CEO (if any), Secretary or Treasurer together with any other Director and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality.
 - (ii) Notwithstanding the foregoing, the Directors shall have power from time to time by resolution to appoint officers or senior staff Members on behalf of the Corporation to sign specific contracts, documents and instruments in writing and to fix any material limits to that authority. The seal of the Corporation, when required, may be affixed to contracts, documents and instruments in writing signed by the aforesaid or by any officer or officers designated by the Board.
- 15.4 Fiscal Year End. Unless otherwise ordered by the Board, the fiscal year-end of the Corporation shall be September 13, 2019.

- 15.5 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 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 resolution, from time to time designate, direct or authorize.
- 15.6 Public Accountant. At each annual meeting, the Members shall appoint a public accountant to hold office until the close of the next annual meeting and, if an appointment is not so made, the public accountant in office will continue in office until a successor is appointed. The Members may, at any special meeting, remove the public accountant by Special Resolution before the expiration of such public accountant's term of office, and shall, by a majority of the votes cast at that meeting, appoint another public accountant in such public accountant's place for the remainder of such public accountant's term. If the Members fail to appoint a successor public accountant, the Directors shall immediately fill any vacancy in the office of public accountant. The remuneration of the public accountant shall be fixed by the Board.
- 15.7 Annual Financial Statements. Notice shall be given to each Member during a period of 14 to 45 days before the day on which each annual meeting of Members is to be held that the Corporation's annual financial statements are available at the registered office of the Corporation and that any Member may request a copy free of charge at the registered office or by prepaid mail.

ENACTED by the Board of Directors as of the 30th day of September, 2019.