

A by-law relating generally to the transaction of the business and affairs of NORTHERN EMPLOYEE BENEFITS SERVICES (the “**Corporation**”)

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

**1. Definitions.** In these bylaws, unless the context requires otherwise:

“**Benefits plan**” means a particular insurance program, pension plan or other benefits arrangement offered to one or more participating employees

“**Benefits program**” refers to all benefit plans offered or administered by the Corporation

“**Member**” means an employer who is deemed to be a member under paragraph 4.1 and who applies for and is accepted for membership under paragraph 4.2 of these bylaws;

“**Participating employee**” means a member’s employee who participates in one or more benefit plans of the Corporation;

“**Participating employer**” means an employer who participated in the benefits plan offered by the Community Employees Benefits Board under the *Community Employees’ Benefits Act* (N.W.T.) as of the date of incorporation of the Corporation and any employer is subsequently admitted as a member of the Corporation

**2. Head Office.** The head office of the Corporation shall be in the City of Yellowknife, in the Northwest Territories, at such place therein as the Board (as hereinafter defined) may from time to time by resolution determine.

**3. Seal.** The corporate seal of the Corporation shall be such as the Board may by resolution from time to time adopt, and shall be entrusted to the Secretary-Treasurer of the Corporation for its use and safe keeping.

**4. Membership**

**4.1 CEBA Participating Employers are Members.** Employers who were participating employers as defined in the *Community Employees Benefits Act* (CEBA) (Northwest Territories) as of the date of incorporation of the Corporation shall become members automatically upon the incorporation of the Corporation. All participating employees of such members shall become participating employees in the same or substantially similar benefit plans offered by the Corporation effective March 31, 1999, or such earlier transfer date as may be agreed upon between the Corporation and the Community Employees Benefits Program Board.

**4.2 New Members.** Employers:

- a) who satisfy such eligibility criteria as the Board may establish from time to time;

- b) who submit such information and application fees as the Board may require; and
- c) who are approved for membership by the Board,

may become members effective such date as the Board may specify.

**4.3 Designation of Participating Employees.** Where the Board accepts the application of an employer to become a member, the Board may:

- a) declare that employer a member;
- b) declare that members employees, or a class or group of that members employees, are participating employees in the benefits program;
- c) declare that the benefits program applies to the member and that the members participating employees may participate in the benefits program; and
- d) determine which benefits plans apply to, or are available to, the participating employer and its participating employees.

**4.4 Maintenance of Participating Employee Records.** The Corporation shall maintain at its head office a list of members and the participating employees employed by each such member. Members shall advise the Corporation promptly of any changes to their participating employees.

**4.5 Membership Fees.** There shall be no annual membership fees.

**4.6 Termination of membership.** The membership of any member may be terminated or the member's right to participate in a specific benefit program may be terminated by the Board if the member fails to pay any fee, levy, premium, assessment, contribution or other sum due to the Corporation within sixty days after it is due, provided however, that the Corporation shall give the member not less 30 days written notice prior to terminating the member and its participating employees. Such termination of membership may apply to all programs or a specific benefit program only as may be specified in the notice.

**4.7 Resignation.** Any member of the Corporation may resign as a member of the Corporation or from participation in a particular benefit plan only by consent of the Board, which consent shall not be unreasonably withheld. As a condition of the member's approval to resign or to withdraw from a specific benefit plan, the Board may require proof that notice of the member's intent to resign or withdraw (as the case may be) has been given to the member's participating employees who would be affected by the member's resignation or withdrawal from a specific benefit plan. The Board shall consider a member's request to resign as soon as reasonably practicable after receipt of the request and any supporting documents. The Board shall specify in any resolution accepting the resignation the effective

date of the member's resignation, which shall be not be more than 120 days after the date of approval of the member's application to resign.

**4.8 Obligations on Resignation or Termination.** Where the Board accepts the application of a member to withdraw from the benefits program or a specific benefit program, or terminates the membership of the member in the benefits plan or a specific benefit plan, the Board shall, in accordance with the terms of the benefits program or the specific benefit plan and any enactments of Canada regulating pension plans, determine:

- a) whether benefits are payable to or vested in persons formerly under the benefits program or specific benefits plan and the amount and nature of those benefits; and
- b) the amount of any outstanding balance to be refunded to or paid by the member and its participating employees.

**4.9 Honourary Members.** The Board may appoint any person as an Honourary Member of the Corporation for such period of time as may be stated in the resolution. An Honourary member shall be entitled to receive notice of and attend all meetings of the members, but shall not be entitled to vote.

**4.10 Categories of Membership.** The Board may establish categories of membership based on such criteria as the Board may determine appropriate including, but not limited to, geographic location of the member's business operations or the number of participating employees working for the member.

## **5. Meetings of Members**

**5.1 Annual meetings.** The Corporation shall hold an annual meeting of its members not later than eighteen months after its incorporation and subsequently not more than fifteen months after the holding of the last preceding annual meeting. The annual meeting of the members shall be held at the head office of the Corporation, or such other place within Canada, on such day in each year and at such time as the Board may by resolution determine. At annual meetings there shall be presented a report of the directors of the affairs of the Corporation for the previous year, a financial statement of the Corporation, the auditor's report and such other information or reports relating to the Corporation's affairs as the directors may determine.

**5.2 General meetings.** Other meetings of the members (to be known as "general meetings") may be convened by order of the President or by the Board to be held at any date and time and at any place within Canada. In addition, the President or, failing him, the Secretary-Treasurer shall call a general meeting of the members upon receipt of a written requisition to do so of not less than 15% of the members entitled to vote at such meeting.

**5.3 Notice.** A printed, written or typewritten notice stating the day, time and place of a meeting of the members and the general nature of the business to be transacted

shall be served by sending such notice to each member of such meeting and to the auditor of the Corporation through the post in a prepaid wrapper or letter not less than fourteen nor more than sixty days (exclusive of the day of mailing but including the day for which notice is given) before the date of every meeting directed to such address of each such member and of the auditor as appears on the books of the Corporation, or if no address is given therein, then to the last address of each such member or auditor known to the Secretary-Treasurer; provided always that a meeting of members may be held for any purpose at any date and time and at any place within Canada without notice if all the members are present in person at the meeting or if all the absent members shall have signified their assent in writing to such meeting being held in their absence. Notice of any meeting or any irregularity in any meeting or in the notice thereof may be waived by any member or by the auditor of the Corporation.

**5.4 Resolutions by Members.** Any member wishing to present a resolution for consideration of the membership at a Special General Meeting or Annual General Meeting of the Members shall provide a written text of the proposed resolution to the Secretary of the Corporation not less than 15 days before the date of the general meeting. The Secretary of the Corporation shall provide a copy of the proposed resolution to Members by mailing or otherwise circulating a copy of such resolution not later than 10 days before the date of the general meeting. Notwithstanding this requirement for notice, the Chair of the meeting may permit any resolution or any amendment to a proposed resolution to be brought forward by a Member at a general meeting if, in the opinion of the Chair of the meeting;

- a) the resolution reasonably arises from the subject matter of a resolution of which the Members have been given notice; or
- b) the resolution is not likely to be controversial.

**5.5 Omission of notice.** The accidental omission to give notice of any meeting or proposed resolution or the non-receipt of any notice or proposed resolution by any member or by the auditor of the Corporation shall not invalidate any resolution passed or any proceedings taken at any meeting of members.

**5.6 Contents of notice.** Notice of any meeting of members shall include a statement of the right of such member to appoint a proxy to exercise the same voting rights that the member appointing such proxy would be entitled to exercise if present at the meeting. The notice of such meeting shall contain sufficient information concerning such business to permit the member to form a reasoned judgment on the decision to be taken.

**5.7 Proxies.** At any meeting of members, a proxy duly and sufficiently appointed by a member shall be entitled to exercise, subject to any restrictions expressed in the instrument appointing such proxy, the same voting rights that the member appointing him or her would be entitled to exercise if present at the meeting. For greater certainty, a proxy need not be a member of the Corporation. A director or officer of the Corporation may serve as a proxy for a member, but shall not be entitled to vote on any vote requisitioned by the members.

- 5.8 President to Preside.** The President shall chair all meetings of the members. In the absence of the President, the members present at any meeting of members shall choose another director to act as chair of the meeting and if no director is present or if all the directors present decline to act as chair, the members present shall choose one of their number to chair the meeting.
- 5.9 Voting.**
- a) Every question submitted to any meeting of members shall be decided by a majority of votes given on a show of hands unless otherwise specifically provided by statute or by these by-laws. In case of an equality of votes, the chair of the meeting shall be not be entitled to cast a vote, either on a show of hands or on a poll, and the question shall be deemed to have been defeated. Each member shall be entitled to one vote if present at a meeting in person or by proxy.
  - b) At any meeting, unless a poll is demanded, a declaration by the chair that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the motion.
- 5.10 Polls.** If at any meeting a poll is demanded on the election of a chair or on the question of adjournment, it shall be taken forthwith without adjournment. If a poll is demanded on any other question it shall be taken in such manner and either at once or later at the meeting or after adjournment as the chair directs. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A demand for a poll may be withdrawn.
- 5.11 Adjournments.** The chair may with the consent of any meeting adjourn the same from time to time and no notice of such adjournment need be given to the members. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.
- 5.12 Quorum.** A quorum for the transaction of business at any meeting of members shall consist of no fewer than 5 members present in person, by teleconference, or represented by proxy.
- 5.13 Participation in Meetings by Telephone or other Electronic Means.** A member or the member's proxy shall be entitled to participate in any meeting of the members either in person or by telephone. The Board may, in its discretion, allow members to participate by video-conferencing or any other means which allows the members to adequately communicate with each other. Long distance charges or other costs the member may incur to participate in any meeting shall be the member's responsibility unless otherwise directed by the Board. For greater certainty, a member participating by telephone or other electronic means shall be included in calculating the necessary quorum for any meeting.

## 6. Directors

**6.1 Board of directors.** The affairs of the Corporation shall be managed by a board of directors (herein referred to as the “**Board**”) consisting of not fewer than 5 and not more than 12 directors, who may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation and are not by the by-laws or any resolution of the Corporation or by statute expressly directed or required to be done by the Corporation at a meeting of members.

**6.2 Qualification of directors.** Directors shall be individuals, eighteen or more years of age. Directors need not be members of the Corporation.

### **6.3 Election of directors and term of office.**

- a) Elections of directors shall be held in 2002, 2003 and thereafter in every other year in conjunction with or prior to the Annual General Meeting of the Corporation. Terms of directors shall be staggered so that approximately half of the positions on the board will be up for re-election at each election. For the election to be held in 2002, 4 of the directors shall be elected for terms of three years and the balance, if any, shall be elected for terms of one year. Therefore, in each subsequent election, all directors shall be elected for four-year terms unless the Board determines before the election is held that the term of a particular vacant position shall be for a shorter term only. Subject to the provisions of this by-law, directors shall be eligible for re-election.
- b) Members shall be entitled to a specified number of ballots based upon the number of participating employees that member had enrolled in the group benefits plan and pension plan as of the first reporting period in January of the year in which the election is held or such other date as the Board may establish by resolution prior to the mailing of the ballots (the Enrollment Determination Date@). The number of ballots a member shall be entitled to receive shall be calculated as follows:
  - (i) based on the number of employees the member had enrolled in the Corporation’s group benefits plan as of the Enrollment Determination Date, the number of ballots listed below:
    - one ballot – 1-4 employees
    - two ballots – 5-10 employees
    - three ballots – 11-20 employees
    - three ballots plus one additional ballot for every additional 20 employees or portion thereof, to the total for the number of employees
  - (ii) based on the number of employees the member had enrolled in the Corporation’s pension plan as of the Enrollment Determination

Date, the number of ballots listed below:

- one ballot – 1-2 employees
- two ballots – 3-4 employees
- three ballots – 5-10 employees
- three ballots plus one additional ballot for every additional 10 employees or portion thereof, to the total for the number of employees

(iii) where a member is phasing in their participation in the Corporation's pension plan as has been agreed by the Corporation, they shall receive that proportion of the ballots as determined in (ii) above equal to the proportion of total required pension contributions they are making at the Enrollment Determination Date, rounded up to the nearest number of ballots.

- c) Candidates shall be elected to positions by number of votes received. Those candidates receiving the most votes shall be deemed to be elected to a four -year term until all available four-year terms have been filled; thereafter, each candidate with the next most votes shall be deemed to be elected for the term of the next longest duration until all available positions have been filled.
- d) If there is a tie between two or more candidates and each tied candidate has received enough votes to be elected, all such tied candidates shall be deemed elected to terms of the longest duration for which they would have been eligible but for the tie. If there is a tie between two or more candidates tied for the last available seats or seats, the remaining members of the Board may, in their discretion, appoint all tied candidates to the Board for terms of equal duration or direct that a run-off election be held between the tied candidates for the remaining available seat or seats.
- e) Directors may be elected by the members by mail-in ballots. Ballots shall be circulated not less than 30 days before the date of the annual general meeting at which the directors are to be elected. Ballots shall be received by the corporation not later than the close of business on the 2nd business day preceding the annual general meeting or such other deadline as the Board may establish by resolution prior to the mailing of the ballots. The Directors may make resolutions respecting the form of ballots and the conduct of such mail-in ballots.
- f) From time to time in the event of any vacancy however caused occurring in the Board (including a decision to increase the size of the Board up to the permitted maximum number of directors allowed by these bylaws), such vacancy may, as long as there is a quorum of directors then in office, be filled by the directors if they shall see fit to do so. Any director

appointed to fill the vacancy of a resigning director shall hold office for the unexpired term of the director who ceased to be a director and who caused such vacancy. The term of any other director appointed by the Board shall be determined by the Board at the time of such appointment, but shall expire not later than the second general election following his or her appointment.

**6.4 Vacation of office.** A person ceases to be a director of the Corporation:

- a) if he or she becomes a bankrupt;
- b) if he or she is found by a court to be mentally incompetent or of unsound mind;
- c) if by notice in writing to the Secretary-Treasurer of the Corporation he or she resigns his office; or
- d) if he or she dies.

**6.5 a) Removal of directors by Members.** The members of the Corporation may, by resolution passed by at least two-thirds of the votes cast at a general meeting of which notice specifying the intention to pass such resolution has been given, remove any director before the expiration of his term of office and may, by majority of the votes cast at such meeting, elect any person in his stead for the remainder of his term.

b) **Removal of directors for cause.** The directors may, by resolution passed by at least two-thirds of the directors present at a duly-convened meeting of directors, remove any director before the expiration of his term of office for failure to attend three consecutive meetings or for other cause.

**6.6 Remuneration of directors.** The directors of the Corporation shall be paid such remuneration as the Board shall determine by resolution from time to time. No director shall directly or indirectly receive any profit from his position as such. A director shall be paid reasonable expenses incurred by him in the performance of his duties. A resolution establishing the remuneration of directors shall be effective immediately, but must be ratified by the members at the next general meeting of the members held after the adoption of the resolution.

**7. Meetings of Directors**

**7.1 Place of meeting and notice.**

- a) Meetings of the Board may be held either at the head office of the Corporation or at any place within Canada. A meeting of the Board may be convened by the President or any two directors at any time and the Secretary-Treasurer by direction of the President or any two directors shall convene a meeting of directors.
- b) The Board may meet in person, by telephone conference or by any other

means which allows each of the directors to hear each of the other directors in attendance at the meeting.

- c) Notice of any meeting of the Board shall be delivered or mailed or sent by telecopier or otherwise communicated to each director not less than seven days if mailed and not less than two days if delivered, sent by telecopier or otherwise communicated (exclusive of the day on which the notice is delivered or mailed or sent by telecopier or otherwise communicated but inclusive of the day for which notice is given) before the meeting is to take place; provided always that meetings of the Board may be held at any time without formal notice if all the directors are present or those absent have waived notice or have signified their assent in writing to such meeting being held in their absence. Notice of any meeting or any irregularity in any meeting or in the notice thereof may be waived by any director.
- d) For the first meeting of the Board to be held immediately following the election of directors at an annual or general meeting of the members or for a meeting of the Board at which a director is appointed to fill a vacancy in the Board, no notice of such meeting need be given to the director or directors so elected or appointed in order for the meeting to be duly constituted, provided that a quorum of the directors is present.

**7.2 Quorum.** A quorum at any meeting of the Board shall be 5 directors present in person or participating by telephone or video conference or by any other means by which each of the participants is able to hear each of the others.

**7.3 Voting.**

- a) Questions arising at any meeting of the Board shall be decided by a majority of votes. The chair of the meeting shall not vote, unless there is an equality of votes on a question, in which case the chair of the meeting shall cast a deciding vote.
- b) At any meeting, unless a poll is demanded, a declaration by the chair that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the motion.

**8. Officers**

**8.1 Officers.** The Board shall annually or as often as may be required appoint from the directors a President, a Secretary-Treasurer, and one or more Vice-presidents. The Board may appoint such other officers and agents as it shall deem necessary who shall have such authority and shall perform such duties as may from time to time be prescribed by the Board.

**8.2 Remuneration and removal of officers.** The directors may by resolution fix the remuneration (if any) to be paid to officers of the Corporation. All officers, in the

absence of agreement to the contrary, shall be subject to removal by resolution of the Board at any time with or without cause. A resolution establishing the remuneration payable to officers shall be effective immediately, but shall be ratified by the members at the next general meeting of the members held after the adoption of the resolution.

**8.3 Delegation of duties of officers.** In the case of absence or inability to act of the President or any other officer of the Corporation or for any other reason that the directors may deem sufficient, the directors may delegate all or any of the powers of such officer to any other officer, a director, or such other person or persons as the Board may designate by resolution.

**8.4 President.**

- a) The President shall preside at all meetings of the Board and meeting of the members at which he is present.
- b) The President shall sign such contracts, documents or instruments in writing as require his or her signature.
- c) In addition to any other authority or duties conferred by direction of the Board, the President shall exercise general and active supervision over:
  - (i) the selection, employment, supervision and discharge of the Chief Executive Officer, subject to ratification of same by the Board;
  - (ii) the formation of a special *ad hoc* committee, from year to year, comprised of himself, the Chief Executive Officer and and at least one other officer or director of the Corporation, for the establishment of salary scales, benefits and any other administrative matters affecting the establishment and maintenance of the head office of the Corporation and the personnel employed therein;

**8.5 Vice-President.** The Board may appoint one or more Vice-Presidents from amongst the Board members. The Vice-President or, if more than one, the Vice-Presidents in order of seniority, shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or refusal to act of the President. The Vice-President or, if more than one, Vice-Presidents, shall have such other powers and duties as may from time to time be assigned to him, her or them by the Board.

**8.6 Secretary-Treasurer.** The Secretary-Treasurer shall, when present, act as secretary of all meetings of directors and members, shall have charge of the minute books of the Corporation and the documents and registers referred to in the *Canada Corporations Act*, R.S.C. 1970, c. C-32.

**8.7 Vacancies.** If the office of the President, Vice-President, or Secretary-Treasurer shall be or become vacant due to death, resignation, disqualification or otherwise, the directors may elect or appoint an officer to fill such vacancy.

## 8.8 Chief Executive Officer –

- a) The Board shall appoint a person, other than a director of the Corporation, to be the Chief Executive Officer of the Corporation. The Chief Executive Officer shall be responsible for the day to day administration of the affairs of the Corporation, including:
  - (i) selecting, supervising and discharging of the employees of the Corporation;
  - (ii) preparing and submitting such reports and statements as the Board may from time to time direct be prepared and submitted to the Board, to any director or officer of the Corporation or to any meeting of the members of the Corporation;
  - (iii) advising the Board as to the adequacy and sufficiency of contributions to benefit or pension plans administered by the Corporation;
  - (iv) monitoring all investments of the Corporation and reporting to the Board on the performance of such investments as and when required by the Board or its committees;
  - (v) ensuring all policies and directions of the Board are complied with by the Chief Executive Officer, as well as employees and members of the Corporation;
  - (vi) preparing the annual budget for the Corporation, showing expected revenues and expenditures;
  - (vii) ensuring the safe keeping and good state of repair of all physical properties of the Corporation; and
  - (viii) performing such other duties as may be specified in the Chief Executive Officer's employment contract or which the Board may establish by resolution from time to time.
- b) The Chief Executive Officer shall be an *ex officio* member of all committees of the Board, but shall not be entitled to vote at any meeting of the Board or its committees.
- c) The Board may, by resolution, appoint one or more employees of the Corporation or such other persons as the Board deems appropriate to perform some or all of the duties of the Chief Executive Officer of the Corporation during the absence or incapacity of the Chief Executive Officer or during any vacancy in the position of the Chief Executive Officer.
- d) The Chief Executive Officer shall report to and take direction from the Board. Between meetings, the Chief Executive Officer shall report to and

take instruction from the President.

## **9. Committees**

**9.1 Creation of Committees.** The Board may from time to time constitute such committees as it deems necessary to assist the directors in carrying on the affairs of the Corporation and shall prescribe the duties of any such committees.

**9.2 Pension Committee.** There shall be a committee entitled the Pension Committee, whose composition, responsibilities and powers shall be set out in Terms of Reference adopted by the Board and thereafter amended from time to time by the members of the committee with the approval of the Board. The Pension Committee shall be the administrator of the pension plan. The President shall be a member of and shall chair the Pension Committee.

## **10. Benefits Program Administration.**

**0.1 Board to Manage.** The Board may do such things as it considers necessary and advisable for the proper administration of any benefits plan offered by the Corporation. The Board shall not be obligated to obtain the approval of any member for any such matters unless expressly required by any written agreement with the member, these bylaws, the Corporation's Letters Patent, or any law applicable to the Corporation. Without limiting the generality of the foregoing, the Board may, without approval of the members:

- a) establish such policies and procedures as it considers necessary or advisable for the administration of its affairs and the administration of the benefits program in particular;
- b) determine and design the specific benefit plans available within the benefits program, which may include plans or retirement benefits, death benefits, disability benefits, health benefits, and other employee benefits;
- c) establish different classes or groups of employees that are eligible to participate in the benefits program;
- d) determine the amount of 's participating employees;
- e) establish procedures for the collection and remittance of contributions;
- f) make certain benefit plans, and certain benefits within a plan, optional;
- g) appoint actuaries and such other actuaries as may be required to advise the Board;
- h) enter into such contracts or other arrangements with any person it deems advisable to provide for all or part of the administration of the benefits plan.

**0.2 Changes to Benefits Plans.** The Board may make changes to a benefit plan and determine the dates on which the changes are to take effect, provided, however, that:

- a) the Board shall give notice in writing of any proposed change to the benefit plan to members and their participating employees not less than 30 days before the effective date of such proposed change; and
- b) the Board shall inform the members and their participating employees of the estimated effect of the proposed change on future contributions.

**0.3 Retroactive Changes to Benefits Plans.** The Board may make a retroactive change to a benefit plan and determine the dates on which the changes are to take effect from, provided, however, that:

- a) the amount of contributions payable by members or their participating employees cannot be increased retroactively;
- b) benefits under the plan shall not be reduced retroactively unless such reduction is required to comply with the requirements of an enactment governing the plan.

## **11. Contributions**

**11.1 Board May Make Policies Respecting Benefit Plan Contributions** The Board make such policies as it deems appropriate respecting contributions made to any benefits plan offered by the Corporation, including but not limited to, policies respecting:

- a) use and investment of contributions
- b) obligations of members and participating employees to pay contributions;
- c) collection and remittance of contribution by members;
- d) payment of contributions by participating employees;
- e) non-remittance of contribution by members or participating employees;
- f) termination of benefits plans for non-payment of contributions; and
- g) such other matters as the Board deems appropriate.

**11.2 Pension Committee May Make Policies Respecting Pension Plan Contributions** The Pension Committee make such policies as it deems appropriate respecting contributions made to any pension plan offered by the Corporation, including but not limited to, policies respecting:

- a) use and investment of contributions;
- b) obligations of members and participating employees to pay contributions;
- c) collection and remittance of contribution by members;
- d) payment of contributions by participating employees;
- e) non-remittance of contribution by members or participating employees;
- f) termination of benefits plans for non-payment of contributions; and
- g) such other matters as the Board deems appropriate.

## **12. Indemnities to Directors, Officers and Others**

Every director or officer of the Corporation or any other person who has undertaken or is about to undertake any liability on behalf of the Corporation and his or her heirs, executors and administrators, and estate and effects, 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 whatsoever which such director, officer or other person sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against him, for 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; and

- b) all other costs, charges and expenses that he sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his own wilful neglect or default.

### **13. For the Protection of Directors and Officers**

**13.1 Protection of Directors and Officers** No director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by order of the Board or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or company with whom any moneys, securities or effects shall be lodged or deposited or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of such director's or officer's respective office or trust or in relation thereto unless the same shall happen by or through such director's or officer's own wrongful and wilful act or through his or her own wrongful and wilful neglect or default.

**13.2 Responsibility for Contracts** The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the Board. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a company which is employed by or performs services for the Corporation, the fact of his being a director or officer of the Corporation shall not disentitle such director or officer or such firm or company, as the case may be, from receiving proper remuneration for such services.

**13.3 Liability Insurance** The directors shall be entitled to obtain liability insurance for directors and officers of the Corporation and to pay the premiums for such insurance from the general revenues of the Corporation.

### **14. Enactment, Repeal and Amendment of By-laws**

**14.1 Enactment and Repeal of By-laws.** By-laws of the Corporation may be enacted, and the by-laws of the Corporation repealed or amended, by by-law enacted by a majority of the Board at a meeting of the Board and sanctioned by an affirmative vote of a majority of the members at a meeting of members duly called for the purpose of considering such by-law; provided always that the repeal or amendment of a by-law of the Corporation shall not be enforced or acted upon until the amendment has been filed with Industry Canada.

**14.2 Copy to Members** A copy of any by-law to be sanctioned at an annual or general meeting of members (including a by-law which amends or repeals an existing by-law) shall be sent to every member of the Corporation with the notice of such meeting.

**15. Auditors**

The members shall at each annual meeting appoint an auditor to audit the accounts of the Corporation to hold office until the next annual meeting provided that the directors may fill any casual vacancy in the office of the auditor. The remuneration of the auditor shall be fixed from time to time by the Board.

**16. Notices**

**16.1 Service.** Any notice to be given to any member or director or auditor shall be served by sending it through the mail in a prepaid envelope or wrapper addressed to such member, participating employee, director or auditor at his address as the same appears in the books of the Corporation or, if no address be given therein, then to the last address of such member, participating employee, director or auditor known to the Secretary-Treasurer of the Corporation. With respect to every notice sent by mail, it shall be sufficient to prove that the envelope or wrapper containing the notice was properly addressed and put into a Post Office or into a Post Office letter box.

**16.2 Signatures to notices.** The signature to any notice may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

**16.3 Computation of time.** Where a given number of days notice or notice extending over any period is required to be given, the day of service or posting of the notice shall, unless it is otherwise provided herein, be counted in such number of days or other period.

**16.4 Proof of service.** A certificate of the President, a Vice-President, or the Secretary-Treasurer or of any other officer of the Corporation in office at the time of the making of the certificate as to facts in relation to the mailing or delivery of any notice to any member, director, officer or auditor or publication of any notice shall be conclusive evidence thereof and shall be binding on every member, director, officer or auditor of the Corporation, as the case may be.

**17. Cheques, Drafts, Notes, etc.**

All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers or person or persons, whether or not officers of the Corporation, and in such manner as the Board may from time to time designate by resolution.

## **18. Execution of Contracts, etc.**

**18.1 Signing Authority** Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by

- a) the Chief Executive Officer , together with the President or any other Officer of the Corporation, or
- b) any two directors,

and all contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The Board is authorized from time to time by resolution to appoint any officer acting alone or officers acting together or any person acting alone or persons acting together on behalf of the Corporation either to sign contracts, documents or instruments in writing generally or to sign specific contracts, documents or instruments in writing.

**18.2 Affixing Corporate Seal** The corporate seal of the Corporation may when required be affixed to contracts, documents or instruments in writing signed as aforesaid, by any officer or officers, person or persons, appointed by resolution of the Board. The term “contracts, documents or instruments in writing” shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, bonds, debentures or other securities and all paper writings.

**18.3 Execution of Securities** In particular, without limiting the generality of the foregoing,

- a) the Chief Executive Officer, together with the President or any other Officer of the Corporation or
- b) any two directors,

are authorized to sell, assign, transfer, exchange, convert or convey any and all shares, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the Corporation and to sign and execute (under the corporate seal of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, bonds, debentures, rights, warrants or other securities.

## **19. Financial Year**

The Board may by resolution fix the financial year end of the Corporation and the Board may from time to time by resolution change the financial year end of the Corporation.

**20. Interpretation**

In all by-laws and special resolutions of the Corporation, the singular shall include the plural and the plural the singular; the word "person" shall include firms and corporations, and the masculine shall include the feminine and the neuter. Whenever reference is made in any by-law or any special resolution of the Corporation to any statute or section thereof, such reference shall be deemed to extend and apply to any amendment or re-enactment of such statute or section thereof, as the case may be.

APPROVED BY the members at a duly convened General Meeting held the 26 day of May 2008.