

Annex C: Examples of By-Laws

Model By-Laws

By-Law No. (*Indicate the number of the by-law*) (*Indicate the name of the corporation*)

A by-law relating generally to the transaction of the business and affairs of (*indicate the name of the corporation*) (hereinafter referred to as the “Corporation”)

Directors

- 1. Calling of and notice of meetings:** Meetings of the board shall be held at such place and time and on such day as the President, Vice President or Secretary or any two directors may determine. Notice of meetings of the board shall be given to each director not less than 48 hours before the time when the meeting is to be held. Each newly-elected board may without notice hold its first meeting for the purposes of organization and the appointment of officers immediately following the meeting of shareholders at which such board is elected.
- 2. Votes to govern:** At all meetings of the board, every question shall be decided by a majority of the votes cast on the question; and in case of an equality of votes, the chair of the meeting (*shall/ shall not [indicate one option]*) be entitled to a second or casting vote.
- 3. Interest of directors and officers generally in contracts:** No director or officer shall be disqualified by his/her office from contracting with the Corporation nor shall any contract or arrangement entered into by or on behalf of the Corporation with any director or officer or in which any director or officer is in any way interested be liable to be voided nor shall any director or officer so contracting or being so interested be liable to account to the Corporation for any profit realized by any such contract or arrangement by reason of such director or officer holding that office or of the fiduciary relationship thereby established, provided that the director or officer shall have complied with the provisions of the *Canada Business Corporations Act*.

Shareholders' Meetings

- 4. Location and quorum:** Meetings of shareholders shall be held at the registered office of the Corporation or elsewhere in the municipality in which the registered office is located or, if the board shall so determine, at some other place in Canada or, if all the shareholders entitled to vote at the meeting so agree, at some place outside Canada. At any meeting of shareholders, a quorum shall be (*any number you decide*) persons present in person and each entitled to vote thereat [and holding or representing by proxy not less than (*any number you decide*) percent of the votes entitled to be cast thereat].

Indemnification

- 5. Indemnification of directors and officers:** The Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his/her heirs and legal representatives to the extent permitted by the *Canada Business Corporations Act*.
- 6. Indemnity of others:** Except as otherwise required by the *Canada Business Corporations Act* and subject to paragraph 5, the Corporation may from time to time indemnify and save harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed activity, suit or proceeding, whether civil, criminal, administrative or investigative (other than an activity by or in the right of the Corporation) by reason of the fact that he or she is an employee or agent of the Corporation, or is or was serving at the request of

the Corporation as a director, officer, employee, agent of or participant in another body corporate, partnership, joint venture, trust or other enterprise, against expenses (including legal fees), judgments, fines and any amount actually and reasonably incurred by him/her in connection with such activity, suit or proceeding if he/she acted honestly and in good faith with a view to the best interests of the Corporation and, with respect to any criminal or administrative activity or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his/her conduct was lawful. The termination of any activity, suit or proceeding by judgment, order, settlement or conviction shall not, of itself, create a presumption that the person did not act honestly and in good faith with a view to the best interests of the Corporation and, with respect to any criminal or administrative activity or proceeding that is enforced by a monetary penalty, had no reasonable grounds for believing that his/her conduct was lawful.

7. **Right of indemnity not exclusive:** The provisions for indemnification contained in the by-laws of the Corporation shall not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of shareholders or directors or otherwise, both as to activity in his/her official capacity and as to activity in another capacity, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs and legal representatives of such a person.
8. **No liability of directors or officers for certain matters:** To the extent permitted by the by-laws, 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 joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation 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 body corporate with whom or which any

moneys, securities or other assets belonging to the Corporation shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever that may happen in the execution of the duties of his/her respective office or trust or in relation thereto unless the same shall happen by or through his/her failure to act honestly and in good faith with a view to the best interests of the Corporation and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. 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 body corporate that is employed by or performs services for the Corporation, the fact of his/her being a director or officer of the Corporation shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

Banking Arrangements, Contracts, etc.

9. **Banking arrangements:** The banking business of the Corporation, or any part thereof, shall be transacted with such banks, trust companies or other financial institutions as the board may designate, appoint or authorize from time to time by resolution and all such banking business, or any part thereof, shall be transacted on the Corporation's behalf by such one or more officers and/or other persons as the board may designate, direct or authorize from time to time by resolution and to the extent therein provided.
10. **Execution of instruments:** Contracts, documents or instruments in writing requiring execution by the Corporation shall be signed by any (*indicate a number*) officers or 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 or officers or any other person or persons on behalf of the Corporation to sign and deliver either contracts, documents or instruments in writing

generally or to sign either manually or by facsimile signature and deliver specific contracts, documents or instruments in writing. The term “contracts, documents or instruments in writing” as used in this by-law shall include deeds, mortgages, charges, conveyances, powers of attorney, transfers and assignments of property of all kinds (including specifically but without limitation transfers and assignments of shares, warrants, bonds, debentures or other securities), proxies for shares and other securities and all paper writings.

Miscellaneous

11. **Invalidity of any provisions of this by-law:**
The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.
12. **Omissions and errors:** The accidental omission to give any notice to any shareholder, director, officer or auditor or the non-receipt of any notice by any shareholder, director, officer or auditor or any error in any notice not affecting the substance thereof shall not invalidate any activity taken at any meeting held pursuant to such notice or otherwise founded thereon.

Interpretation

13. **Interpretation:** In this by-law and all other by-laws of the Corporation, words importing the singular number only shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter genders; words importing persons shall include an individual, partnership, association, body corporate, executor, administrator or legal representative and any number or aggregate of persons; “articles” include the original or restated Articles of Incorporation, Articles of Amendment, Articles of Amalgamation, Articles of Continuance, Articles of Reorganization, Articles of Arrangement and Articles of Revival; “board” shall mean the board of directors of the Corporation; “*Canada Business Corporations Act*” shall mean *Canada Business Corporations Act*, R.S.C. 1985, c. C-44 as amended from time to time or any Act that may hereafter be substituted therefore; and “meeting of shareholders” shall mean and include an annual general meeting of shareholders and a special meeting of shareholders.

Repeal

The next clause should be included only if previous by-laws are being replaced.

14. **Repeal:** By-laws No. (*indicate the number of the by-law*) of the Corporation are repealed as of the coming into force of this by-law, provided that such repeal shall not affect the previous operation of any by-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under or the validity of any contract or agreement made pursuant to any such by-law prior to its repeal. All officers and persons acting under any by-law so repealed shall continue to act as if appointed by the directors under the provisions of this by-law or the *Canada Business Corporations Act* until their successors are appointed.

Dated: (*indicate the day, month and year*)

President: (*signature*)

Secretary: (*signature*)

Resolution of the Directors and Shareholders of (*indicate the name of the corporation*)

Resolved that the foregoing By-law No. (*Indicate the number of the by-law*) is made a by-law of the Corporation.

The undersigned, being all the directors of (*indicate the name of the corporation*), hereby sign the foregoing resolution.

Dated: (*indicate the day, month and year*)

Director: (*signature*)

Director: (*signature*)

Resolved that the foregoing By-law No. (*Indicate the number of the by-law*) of the by-laws of the Corporation is hereby confirmed.

The undersigned, being all the shareholders of (*indicate the name of the corporation*), hereby sign the foregoing resolution.

Dated: (*indicate the day, month and year*)

Shareholder: (*signature*)

Shareholder: (*signature*)