

**CHAMBER OF COMMERCE (ONTARIO) INC.
CHAMBRE DE COMMERCE D'ORLÉANS**

GENERAL OPERATING BY-LAW NO. 1

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A By-law relating generally to the conduct of the affairs of

**CHAMBER OF COMMERCE (ONTARIO) INC.
CHAMBRE DE COMMERCE D'ORLÉANS
(the "Corporation")
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SECTION I INTERPRETATION

1.01 Definitions

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

- (a) "Act" means the *Corporations Act* (Ontario) R.S.O. 1990, Ch. C.38 as amended from time to time, and any statute enacted in substitution thereof, and in the case of such substitution, any references in the By-law of the Corporation to provisions of the Act shall be read as references to the substituted provisions thereof in the new statute or statutes.
- (b) "Board" means the board of directors of the Corporation.
- (c) "By-laws" means this by-law and all other by-laws of the Corporation as amended and which are, from time to time, in force and effect.
- (d) "Director" means a member of the Board.
- (e) "Letters Patent" means the letters patent incorporating the Corporation, as amended and supplemented from time to time by Supplementary Letters Patent, including the objects, power clauses and special provisions
- (f) "Member" means a member of the Corporation and "Members" or "Membership" means the collective membership of the Corporation.
- (g) "Officer" means an officer of the Corporation.
- (h) "Operating Policies" means the operating policies approved by the Board in accordance with section (b) of this by-law.
- (i) "Ordinary Resolution" means a motion or resolution passed by a majority of the votes cast by persons entitled to vote (including those represented by proxy, where applicable) at the applicable meeting duly called for the purpose of considering the said motion or resolution, unless the Act or this By-law otherwise requires.
- (j) "Proposal" means a proposal submitted by a Member of the Corporation;

- (k) “Regulations” means the regulations made under the Act, as amended, restated or in effect from time to time.
- (l) “Special Resolution” means a motion or resolution passed by a majority of not less than two thirds (2/3) of the votes cast by persons entitled to vote (including those represented by proxy, where applicable) at the applicable meeting duly called for the purpose of considering the said motion or resolution, unless the Act or this By-law otherwise requires.

1.02 Interpretation

In the interpretation of this By-law, unless the context otherwise requires, the following rules shall apply:

- (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 only will include the plural and *vice versa*;
- (c) the word “person” shall an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate and a natural person in his or her capacity as trustee, executor, administrator, or other legal representative;
- (d) the headings used in the By-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions; and
- (e) if any of the provisions contained in the By-laws are inconsistent with those contained in the Letters Patent or the Act, the provisions contained in the Letters Patent or the Act, as the case may be, shall prevail.

SECTION II FINANCIAL AND OTHER MATTERS

2.01 Head Office

The head office of the Corporation shall be situated in the City of Ottawa, in the Province of Ontario.

2.02 Financial Year

Unless otherwise changed by resolution of the Board, the financial year end of the Corporation shall be the 31st of December in each year.

2.03 Banking Arrangements

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. The banking business or any part of it shall be transacted by an Officer or Officers of the Corporation and/or other persons as the Board may by resolution from time to time designate, direct or authorize.

2.04 Execution of Documents

Deeds, transfers, assignments, contracts, obligations and other instruments requiring execution by the Corporation upon approval of the Board may be signed by the Chair or his or her designee and one other member of the executive of the Board of Directors in addition, the Board may from time to time direct the manner in which and the person by whom a particular document or type of document shall be executed. Any person authorized to sign any document may affix the corporate seal, if any, to the document. Any Director or Officer may certify a copy of any instrument, resolution, by-law or other document of the Corporation to be a true copy thereof.

2.05 Auditor and Level of Financial Review

The Corporation shall be subject to the requirements relating to the appointment of an auditor or a person to conduct a review engagement and level of financial review required by the Act.

2.06 Presentation of Annual Financial Statements to Members

The Corporation shall send copies of the financial statements and any other documents required by the Act to all Members who have informed the Corporation that they wish to receive a copy of those documents not less than twenty-one (21) days before each annual meeting of the Members.

2.07 Borrowing

Subject to the limitations set out in the Act, the Letters Patent of the Corporation, and this By-law, the Board may:

- (a) borrow money on the credit of the Corporation;
- (b) charge, mortgage, hypothecate or pledge all or any of the real or personal property of the Corporation including book debts, rights, powers, franchises and undertakings, to secure any securities or any money borrowed or other debt or any other obligation or liability of the Corporation.

2.08 Operating Policies

The Board may adopt, amend, or repeal by Ordinary resolution such Operating Policies that are not inconsistent with the By-laws of the Corporation relating to such matters as

terms of reference of committees, duties of Officers, Board code of conduct and conflict of interest as well as procedural and other requirements relating to the By-laws as the Board may deem appropriate from time to time. Any Operating Policy adopted by the Board will continue to have force and effect until amended, repealed, or replaced by a subsequent resolution of the Board.

SECTION III MEMBERS

3.01 Classes and Conditions of Membership

There shall be one (1) class of Members in the Corporation. Membership in the Corporation shall be available to individuals, corporations, associations, partnerships, not for profit groups or other business entities who have applied for and been admitted into membership in accordance with the Corporation's Operating Policies.

3.02 Rights of Members

A Member of the Corporation shall have the right to receive notice of, attend, speak and participate at all meetings of Members and the right to one (1) vote at all meetings of Members.

3.03 Termination of Membership

Membership in the Corporation is terminated when:

- (f) the Member dies;
- (g) the Member ceases to maintain the qualifications for membership set out in section 3.01;
- (h) the Member resigns by delivering a written resignation to the Chair of the Board in which case such resignation shall be effective at the time the resignation is received by the corporation or at the time specified in the resignation, whichever is later; or
- (i) the Member is removed as a Member of the Corporation in accordance with section 3.05;
- (j) the Member's term of membership expires, if any; or
- (k) the Corporation is liquidated or dissolved under the Act.

Subject to the Letters Patent, upon any termination of membership, the rights of the Member automatically cease to exist. Where a person is no longer a Member, then such person shall be deemed to have also automatically resigned as a Director, an Officer and/or a committee member and as an Ambassador, as applicable provided that the Board may, in

its discretion, subsequently re-appoint such individual as an Officer or committee member or as an Ambassador if the Board deems it appropriate in the circumstances.

3.04 Membership Dues

The Directors may determine the amount and the manner in which membership dues are to be paid. Members shall be notified in writing of the dues payable at any time by them and, if any are not paid within two (2) calendar months of the membership renewal date, the Members in default shall thereupon cease to be Members of the Corporation.

3.05 Discipline of Members

The Board may suspend or remove any Member from the Corporation for any one or more of the following grounds:

- (a) violating any provision of the Articles, By-laws, or Operating Policies of the Corporation;
- (b) carrying out any conduct which would likely cause material harm or prejudice to the Corporation or its purposes as determined by the;

In the event that the Board determines that a Member should be expelled or suspended from membership in the Corporation, the process shall be done in good faith and in a fair and reasonable manner. The Chair of the Board shall provide fifteen (15) days notice of suspension or removal to the Member and shall provide reasons for the proposed suspension or removal. The Member may make written submissions to the Chair of the Board in response to the notice received within such twenty (20) day period. In the event that no written submissions are received by the Chair of the Board, he/she may proceed to notify the Member that the Member is suspended or removed from membership in the Corporation. Where 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.

SECTION IV MEETINGS OF MEMBERS

4.01 Meeting of Members

A “meeting of Members” or “Members’ meetings” shall include an annual meeting of Members and a special meeting of Members.

4.02 Annual Meetings

The annual meeting shall be held on a day and at a place within Ontario fixed by the Board provided that the annual meeting must be held not later than fifteen (15) months after holding the preceding annual meeting.

The business transacted at the annual meeting shall include:

- (a) receipt of the agenda;
- (b) receipt of the minutes of the previous annual and subsequent special meetings;
- (c) consideration of the financial statements;
- (d) report of the auditor or person who has been appointed to conduct a review engagement;
- (e) reappointment or new appointment of the auditor or person to conduct a review engagement for the coming year;
- (f) election of Directors; and
- (g) such other or special business as may be set out in the notice of meeting.

No other item of business shall be included on the agenda for annual meeting unless a Member's proposal has been given to the secretary prior to the giving of notice of the annual meeting in accordance with the Act, so that such item of new business can be included in the notice of annual meeting.

4.03 Special Meetings

The Board may at any time call a special meeting of the Members. The Board shall convene a special meeting on written requisition of the Members of the Corporation who hold at least ten percent (10%) of votes that may be cast at a meeting for any purpose connected with the affairs of the Corporation that does not fall within the exceptions listed in the Act or is otherwise inconsistent with the Act, within twenty-one (21) days from the date of the deposit of the requisition.

4.04 Place of Meetings

Meetings of Members shall be held at the head office of the Corporation or at any place within Ontario as the Board may determine.

4.05 Special Business

All business transacted at a special meeting of Members and all business transacted at an annual meeting of Members, except consideration of the financial statements, the audit or review engagement report, if any, an extraordinary resolution to have a review engagement instead of an audit or to not have an audit or a review engagement, the election of Directors and re-appointment of the incumbent auditor or person appointed to conduct a review engagement, is special business.

4.06 Notice

Notice of any annual or special meeting of Members shall be provided to Members by any of the following means:

- (a) by email or regular mail or by facsimile transmission sent to the Member to the address or number shown on the books of the Corporation not less than ten (10) days before the meeting of Members is to take place; or
- (b) by publication in a newspaper in the municipality in which a majority of the Members resides two (2) consecutive weeks before the meeting of Members is to take place.

Such Notice shall include the date, time, place and purpose of the meeting of Members and shall contain sufficient information to permit the Members to make a reasonable judgment on the decision to be taken. Notice of each meeting of Members must remind Members that they have the right to vote by proxy.

4.07 Waiving Notice

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

4.08 Persons Entitled to be Present

The only persons entitled to attend a Members' meeting are the Members, the Directors, the auditors of the Corporation (or the person who has been appointed to conduct a review engagement, if any) and others who are entitled or required under any provision of the Act or the articles to be present at the meeting. Any other person may be admitted only if invited by the chair of the meeting or with the majority consent of the Members present at the meeting.

4.09 Chair of the Meeting

The chair of Members' meetings shall be the Chair of the Board or the Vice-Chair of the Board or an appointee by the Board of Directors.

4.10 Quorum

A quorum for the transaction of business at a Members' meeting shall be ten (10) Members present. If a quorum is present at the opening of a meeting of Members, the Members present may proceed with the business of the meeting even if a quorum is not present throughout the meeting. For the purpose of determining quorum, a Member may be present in person or by proxy.

4.11 Votes to Govern

All Members shall be entitled to one (1) vote on each question put to the Members at any meeting of Members with the exception of the Chair. Unless otherwise required by the provisions of the Act or this By-law, all questions proposed for consideration at a meeting

of Members shall be determined by Ordinary Resolution of the votes cast in person or represented by proxy. In the case of equality of votes, the Chair of the Members' meeting, shall cast the deciding vote.

4.12 Voting Procedure

At all meetings of Members, every question shall be decided by a show of hands, unless a poll on the question is required by the Chair of the meeting or requested by any Member. Whenever a vote by a show of hands has been taken upon a question, a declaration by the chair that a Resolution has been carried or lost by a particular majority is determinative and an entry to that effect in the minutes of the Corporation is conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the motion, except in such cases where a poll is conducted.

4.13 Secret Ballot

If, at any meeting, a secret ballot is requested, it shall be taken in the manner as the Chair of the Members' meeting directs. The result of a secret ballot shall be deemed to be the Resolution of the meeting at which the secret ballot was requested. A request for a secret ballot may be withdrawn by the proposer at any time prior to its taking. If secret ballots are utilized at any meeting, such secret ballots are to be destroyed following the completion of the meeting.

4.14 Voting Rights and Proxies

Votes at Meetings of Members may be given either personally or by proxy, provided that the proxy appointed is either the Secretary or the Chair, or alternatively a Member who represents no more than one other Member at such meeting by proxy. At every meeting at which a Member is entitled to vote, every Member and/or Person present or appointed by proxy to represent a Member shall have be entitled to exercise their personal vote if they are a member and only one (1) proxy vote, providing all of the proxy conditions are met. A proxy shall be executed by the Member or the Member's attorney authorized in writing.

The Board may from time to time make rules regarding the lodging of proxies at some place or places other than the place at which a meeting or adjourned meeting of Members is to be held and to determine particulars of such proxies being cabled, telegraphed or sent by facsimile, e-mail or other electronic means, or in writing before the meeting of Members or adjourned meeting to the Corporation. The chair of Members' meetings may, subject to any rules made as aforesaid, in the discretion of the chair of Members' meetings, accept telegraphic, cable, facsimile, e-mail or other electronic means, or written communication as to the authority of any person claiming to vote on behalf of and to represent a Member notwithstanding that no proxy form as stated above conferring such authority has been lodged with the Corporation, and any votes given in accordance with such communication accepted by the chair of Members' meetings shall be valid and shall be counted.

4.15 Adjournments

Subject to other provisions of this By-law, any meeting of Members may be adjourned to

any time and from time to time by the Chair of Members' meetings with the consent of the meeting and any business may be transacted at any adjourned meeting that might have been transacted at the original meeting from which the adjournment took place in accordance with the notice calling the same, provided that no notice of such adjournment needs to be given to the Members.

SECTION V **DIRECTORS**

5.01 Powers

Subject to the Act and the Letters Patent, the Board shall manage or supervise the management of the activities and affairs of the Corporation.

5.02 Number of Directors

The Board shall consist of nine (9) Directors.

5.03 Qualifications

Each Director shall be an individual who is not less than eighteen (18) years of age. Each Director shall at the time of his or her election or within ten (10) days thereafter be a Member of the Corporation. No person who has been found under the *Substitute Decisions Act, 1992* or under the *Mental Health Act* to be incapable of managing property, who has been found to be incapable by any court in Canada or elsewhere, or who has the status of a bankrupt shall be a Director.

5.04 Election of Directors and Term

- (a) Directors shall be elected by the Members by Ordinary Resolution at an annual meeting of Members at which an election of Directors is required.
- (b) The terms of office of Directors shall be two (2) years or as determined by Ordinary Resolution of the Members.
- (c) If Directors are not elected at a meeting of Members, the incumbent Directors shall continue in office until their successors are elected.
- (d) Directors shall be eligible for re-election for a maximum of four consecutive terms or 8 consecutive years.
- (e) The Board may establish a nominating committee, the details of which shall be set forth in the Operating Policies. In that event, the nominating committee shall present their recommendations of Directors for election to the Board of Directors and the Board of Directors shall present those qualified to the membership and such report will be prepared in accordance with the requirements of this By-law and the Operating Policies.

5.05 Consent

An individual who is elected or appointed to hold office as a Director is not a Director, and is deemed not to have been elected or appointed to hold office as a Director, unless:

- a) the individual consents in writing to hold office as a Director before their election or appointment; or
- b) the individual elected or appointed is re-elected or reappointed where there is no break in his or her term of office.

5.06 Standard of care

Every director and officer in exercising his or her powers and discharging his or her duties to the corporation shall,

- a) comply with all applicable Statutes and regulations and the corporation's articles and by-laws.
- b) act honestly and in good faith with a view to the best interests of the corporation; and
- c) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

5.07 Ceasing to Hold Office

A Director ceases to hold office when the Director dies, resigns, no longer fulfils all of the qualifications to be a Director set out in section 5.03 or is removed from office by the Members in accordance with section 5.09. 5.09.

5.08 Resignation

A resignation of a Director becomes effective at the time a written resignation is sent to the Corporation and the Chair of the Board or at the time specified in the resignation, whichever is later.

5.09 Removal

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

5.10 Filling Vacancies

A vacancy on the Board shall be filled as follows:

- (a) a quorum of Directors may fill a vacancy among the Directors;

- (b) if there is not a quorum of Directors or there has been a failure to elect the minimum number of Directors set out in the Letters Patent, the Directors then in office shall, without delay, call a special meeting of the Members to fill the vacancy and, if they fail to call such a meeting or if there are no Directors then in office, the meeting may be called by any Member.

A Director appointed or elected to fill a vacancy holds office for the unexpired term of their predecessor.

5.11 Delegation

Subject to the Act, the Board may appoint from their number a managing director or a committee of Directors (which may be referred to as an executive committee) and delegate to the managing director or committee any of the powers of the Board, except those which may not be delegated by the Board pursuant to the Act. Unless otherwise determined by the Board, such a committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chair and to otherwise regulate its procedure.

5.12 Committees

The Board may from time to time establish any committee or other advisory body, as it deems necessary or appropriate for such purposes and, subject to the Act and the Bylaws, with such powers as the Board shall see fit. The Board will appoint the Committee Chairs. The Committee Chairs will recommend to the Board, the individuals whom they feel are appropriate for that specific committee. Committee members shall be appointed by the Board and may be removed by the Board. Unless otherwise determined by the Board, a committee shall have the power to fix its quorum at not less than a majority of its Members, and to otherwise regulate its procedure.

5.13 Remuneration of Directors

As required by the Letters Patent, Directors shall serve without remuneration, and no Director shall directly or indirectly receive any profit from his or her position as such, provided that a Director may be reimbursed for reasonable expenses incurred in performing his or her duties.

SECTION VI MEETINGS OF DIRECTORS

6.01 Calling of Meetings

Meetings of the Board may be called by the Chair of the Board, the Vice-Chair of the Board or any two (2) Directors at any time

6.02 Place of Meetings

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

6.03 Notice of Meeting

Notice of the time and place for the holding of a meeting of the Board shall be given in the manner provided in section 10.01 of this By-law to every Director of the Corporation not less than 48 hours before the time when the meeting is to be held. Notice of a meeting shall not be necessary if all of the Directors are present, and none objects to the holding of the meeting, or if those absent have waived notice or have otherwise signified their consent to the holding of such meeting. Notice of an adjourned meeting is not required if the time and place of the adjourned meeting is announced at the original meeting. A Board of Directors meeting may be held without notice immediately before or following the annual meeting of Members.

6.04 Regular Meetings

Provided that meetings take place no less than once per year, the Board may fix the place and time of regular Board meetings and send a copy of the resolution fixing the place and time of such meetings to each Director, and no other notice shall be required for any such meetings.

6.05 Chair

The chair of all Board meetings shall be the Chair. If the Chair is absent or unable to act, then the Vice-Chair shall be the chair. If the Chair and the Vice-Chair are absent or unable to act, then a Director appointed by the Board by Ordinary Resolution shall be the chair.

6.06 Participation at Meeting by Telephone or Electronic Means

A Director(s) may participate a meeting of the Board of Directors by telephone conference call or by other electronic means which permits each Director to communicate adequately with each other, provided that:

- (a) a recognized procedure exists to establish quorum and for the recording of a vote whether open or by secret ballot vote; and
- (b) each Director has equal access to the specific means of communication to be used.

6.07 Quorum

Subject to the Letters Patent, a majority of the number of Directors constitutes a quorum at any meeting of the Board, provided that a quorum shall be a majority of the number of Directors determined in accordance with section 5.02. For the purpose of determining quorum, a Director may be present in person, or, if authorized under this By-law, by teleconference and/or by other electronic means or by proxy.

6.08 Votes to Govern

Each Director has one vote with the exception of the Chair. Questions arising at any Board meeting shall be decided by a majority of votes. In the case of equality of votes, the Chair of the Members' meeting, shall cast the deciding vote.

6.09 Voting Procedures

At all meetings of the Board, every question shall be decided by a show of hands unless a secret ballot on the question is required by the Chair of Board Meetings or requested by any Director. When a recorded vote on the question is required by the Chair of Board Meetings or requested by any Director, the Secretary shall record the names of the Directors and whether they voted in support or opposition. A declaration by the Chair of Board Meetings that a Resolution has been carried and an entry to that effect in the Minutes of the Board is conclusive evidence of the fact without proof of the number of proportionate votes recorded in favour or against the Resolution.

SECTION VII OFFICERS

7.01 Appointment

The Board may designate the offices of the Corporation, appoint Officers, specify their duties and, subject to the Act, and the Bylaws, delegate to such Officers the power to manage the affairs of the Corporation. A Director may be appointed to any office of the Corporation. An Officer may, but need not be, a Director unless this By-law otherwise provides.

7.02 Description of Offices

Unless otherwise specified by the Board (which may, subject to the Act, modify, restrict or supplement such duties and powers), the offices of the Corporation, if designated and if Officers are appointed thereto, shall have the following duties and powers associated therewith, as well as such other duties and powers as the Board may specify from time to time:

- (a) **Chair of the Board** - The Chair of the Board shall be a Director. The Chair of the Board shall, when present, preside at all meetings of the Board and of the Members. The Chair will only cast a vote in the event of a tie.
- (b) **Vice-Chair of the Board** - The Vice-Chair of the Board, if one is to be appointed, shall be a Director. If the Chair of the Board is absent or is unable or refuses to act, the Vice-Chair of the Board, if any, shall, when present, preside at all meetings of the Board and of the Members.
- (c) **Secretary** - If appointed, the Secretary shall attend and be the Secretary of all meetings of the Board, and of Members, but not for the committees of the Board. The Secretary shall enter or cause to be entered in the Corporation's minute book,

minutes of all proceedings at such meetings; the Secretary shall give, or cause to be given, as and when instructed, notices to Members, Directors, the public accountant and members of committees; the Secretary shall be the custodian of all books, papers, records, documents and other instruments belonging to the Corporation.

- (d) **Treasurer** - The Treasurer shall be a Director. The Treasurer shall be responsible for the maintenance of proper accounting records in compliance with the Act as well as the deposit of money, the safekeeping of securities and the disbursement of funds of the Corporation; whenever required, the Treasurer shall render to the Board an account of all such person's transactions as Treasurer and of the financial position of the Corporation.
- (e) **Executive Director** - The Executive Director, if one is appointed, shall not be a Director but shall be entitled to attend ex officio all meetings of the Board except for in camera meetings or as directed by the Chair of the Board. The Executive Director shall supervise the day to day operations and administration of the Corporation. The Board may delegate to the Executive Director the power to manage and direct the business and affairs of the Corporation and to employ and discharge agents and employees of the Corporation. The Executive Director shall conform to all lawful orders given by the Board of Directors of the Corporation and shall at all reasonable times give to the Board all information it may require regarding the affairs of the Corporation.

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

7.03 Term of Office

Officers, save and except the Chair, shall hold their position for a period of one (1) year, or, in those cases where an Officer is appointed by the Board to fill a vacancy during the year, until the first meeting of the Board immediately following the annual general meeting.

The Chair shall hold his/her position for a term of two (2) years or, in those cases where a Chair is appointed by the Board to fill a vacancy, until the first meeting of the Board immediately following the next annual general meeting.

7.04 Vacancy in Office

In the absence of a written agreement to the contrary, the Board may remove by special resolution, whether for cause or without cause, any Officer of the Corporation. Unless so removed, an Officer shall hold office until the earlier of:

- (a) the Officer's successor being appointed;
- (b) the Officer's resignation;
- (c) such Officer ceasing to be a Director (if a necessary qualification of this appointment); or
- (d) such Officer's death.

If the office of any Officer of the Corporation shall be or become vacant, the Board may appoint a person to fill such vacancy until the end of the term of the previous incumbent.

SECTION VIII

CONFLICT OF INTEREST AND CONFIDENTIALITY

8.01 Application

- (a) This policy applies to the volunteer Board of Directors, [the “Board”], committee members of the Orleans Chamber of Commerce [”chamber”], Ambassadors and members of the chamber.
- (b) Definition of conflict:
 - (i) A conflict of interest is any situation where:
 - (1) One’s personal interests, financial, political or otherwise, or
 - (2) Those of a close friend, family member, business associate, corporation or partnership in which you hold an interest or a person to whom you owe and obligation, could influence your decision and impair your ability to:
 - (A) Act in the chamber’s best interest and in the best interest of its members:
or
 - (B) Represent the chamber fairly, impartially and without bias.
- (c) It is important to note that a conflict of interest exists if the decision could be, or could *appear* to be influenced [it is not necessary that influence actually takes place]. This is what typically is known as “the appearance of a conflict of interest”.
- (d) The appearance of a conflict of interest must be included in the definition of conflict of interest and it occurs when a reasonably well-informed person improperly could have reasonable perception that you are making a decision or decisions on behalf of the chamber that promote your personal interests or those of a person or entity described in paragraph [8.01, (b), (i), (2).]

8.02 Procedure

- (a) A director or officer of a corporation who,
 - (i) is a party to a contract or transaction or proposed contract or transaction or who is in a conflict or perceived conflict of interest with the corporation,

- (ii) is a director or an officer of, or has a material interest in, any person who is a party to a contract or transaction or proposed contract or transaction with the corporation; or
- (iii) shall disclose to the Board or request to have entered in the minutes of meetings of the directors the nature and extent of his or her interest.

By director

- (b) The disclosure required by subsection (a) must be made, in the case of a director,
 - (i) at the meeting at which a proposed contract or transaction is first considered;
 - (ii) if the director was not then interested in a proposed contract or transaction, at the first meeting after he or she becomes so interested;
 - (iii) if the director becomes interested after a contract is made or a transaction is entered into, at the first meeting after he or she becomes so interested; or
 - (iv) if a person who is interested in a contract or transaction later becomes a director, at the first meeting after he or she becomes a director.

By officer

- (c) The disclosure required by subsection (a) must be made, in the case of an officer who is not a director,
 - (i) forthwith after the officer becomes aware that the contract or transaction or proposed contract or transaction is to be considered or has been considered at a meeting of directors;
 - (ii) if the officer becomes interested after a contract is made or a transaction is entered into, forthwith after he or she becomes so interested; or
 - (iii) if a person who is interested in a contract or transaction later becomes an officer, forthwith after he or she becomes an officer.

Contract or transaction does not require approval

- (d) Despite subsections (b) and (c), if subsection (a) applies to a director or officer in respect of a contract or transaction or proposed material contract or transaction that, in the ordinary course of the corporation's business, would not require approval by the directors or members, the director or officer shall disclose to the Board or request to have entered in the minutes of meetings of the directors, the nature and extent of his or her interest forthwith after the director or officer becomes aware of the contract or transaction or proposed contract or transaction.

Director not to attend meeting and not to vote

- (e) A director referred to in subsection (a) shall not attend any part of a meeting of the directors during which the contract or transaction is discussed and shall not vote on any resolution to approve the contract or transaction unless the contract or transaction is,
 - (i) one relating primarily to his or her remuneration as a director of the corporation or an affiliate; and
 - (ii) one for indemnity or insurance.

Remaining directors deemed quorum

- (f) If no quorum exists for the purpose of voting on a resolution to approve a contract or transaction only because a director is not permitted to be present at the meeting by reason of subsection (e), the remaining directors are deemed to constitute a quorum for the purposes of voting on the resolution.

Members' approval

- (g) If all of the directors are required to make disclosure under subsection (1), the contract or transaction may be approved only by the members unless the contract or transaction is one described in clause (e) (i) or (ii).

Continuing disclosure

- (h) A general notice to the directors by a director or officer disclosing that he or she is a director or officer of or has a material interest in a person, or that there has been a material change in the director's or officer's interest in the person, and is to be regarded as interested in any contract made or any transaction entered into with that person is sufficient disclosure of interest in relation to any such contract or transaction for the purposes of this section.

Effect of disclosure

- (i) A contract or transaction for which disclosure is required under subsection (a) is not void or voidable, and the director or officer is not accountable to the corporation or its members for any profit or gain realized from the contract or transaction, because of the director's or officer's interest in the contract or transaction or because the director was present or was counted to determine whether a quorum existed at the meeting of directors or of the committee of directors that considered the contract or transaction, if,
 - (i) disclosure of the interest was made in accordance with this section;
 - (ii) the directors approved the contract or transaction; and
 - (iii) the contract or transaction was reasonable and fair to the corporation when it was approved.

Confirmation by members

- (j) Despite anything in this section, a director or officer, acting honestly and in good faith, is not accountable to the corporation or to its members for any profit or gain realized from any contract or transaction by reason only of his or her holding the office of director or officer, and the contract or transaction, if it was reasonable and fair to the corporation at the time it was approved, is not by reason only of the director's or officer's interest in it void or voidable if,
 - (i) the contract or transaction is confirmed or approved by special resolution at a meeting of the members duly called for that purpose; and
 - (ii) the nature and extent of the director's or officer's interest in the contract or transaction are disclosed in reasonable detail in the notice calling the meeting.

Confidentiality

- (k) Every Director, Officer, committee member, Ambassador and employee, shall respect the confidentiality of all matters brought before the Board or before any committee of the Board, unless the Director, Officer, committee member or employee has been authorized by the Chair of the Board or Chair of the committee to discuss the matter with other persons and in such cases the disclosure shall be limited to the extent such disclosure is reasonably necessary and authorized.

SECTION IX **PROTECTION AND INDEMNITY**

9.01 Protection and Indemnity to Directors, Officers and Others

- (a) Protection of Directors, Officers and Others

Except as otherwise provided in the Act, no Director, Officer, Member, committee member, employee or volunteer shall be liable for the acts, receipts, neglects or defaults of any other Director, Officer, Member, committee member, employee or volunteer of the Corporation 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 for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys, securities or effects of or belonging to the Corporation shall be placed or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person (with "person" in this section to include corporations, partnerships, joint ventures, sole proprietorships, unincorporated associations and all other forms of business organizations) including any person with whom or which any moneys, securities or effects 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 which may happen in the execution of the duties of the Director's, Officer's, Member's, committee member's, employee's or volunteer's

respective office or trust or in relation thereto unless the same shall happen by or through such person's intentional act or wilful.

(b) Indemnity to Directors, Officers and Others

Every Director, Officer, Member, committee member, employee and volunteer of the Corporation, and his/her/its heirs, executors and administrators, and estate and effects, respectively, who has undertaken or is about to undertake any liability on behalf of the Corporation, shall from time to time and at all times, be indemnified and saved harmless out of the funds of the Corporation from and against the following:

- (i) all costs, charges and expenses whatsoever that such Director, Officer, Member, committee member, employee and volunteer sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against the Director, Officer, Member, committee member, employee and volunteer for or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by them, in or about the execution of the duties of their office or in respect of any such liability; and
- (ii) all other costs, charges and expenses that the Director, Officer, Member, committee member, employee and volunteer sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges and expenses as are occasioned by their own intentional act or wilful default.

(c) Indemnity to Others

The Corporation may, by decision of the Board, also indemnify such other persons in such other circumstances as the Act or the law permits or requires. Nothing in this By-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provision of this By-law to the extent permitted by the Act or the law.

9.02 Insurance

The Corporation may purchase and maintain insurance for the benefit of any person entitled to be indemnified by the Corporation pursuant to the immediately preceding section, provided that due consideration is first given to the requirements under the *Charities Accounting Act* (Ontario) for the purchase of directors and officers liability insurance.

SECTION X
NOTICES

10.01 Method of Giving Notices

Any notice required to be sent to any Member or Director or to the auditor or person who has been appointed to conduct a review engagement shall be provided by telephone, delivered personally, or sent by prepaid mail, facsimile, email or other electronic means to

such Member at the Member's latest address as shown in the records of the Corporation; or such Director at his or her latest address as shown in the records of the Corporation or in the most recent notice or return filed under the *Corporations Information Act*, whichever is the more current; or such auditor or the person who has been appointed to conduct a review engagement at its business address; provided that if no address be given then to the last address of such person known to the secretary; provided further always that notice may be waived or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto. A notice, communication or document so delivered shall be deemed to have been given when it is delivered personally or at the address aforesaid; a notice, communication or document so mailed shall be deemed to have been given when it is deposited in a post office or public letter box; and a notice, communication or document so sent by facsimile, email or other electronic means, shall be deemed to have been given when it is received by the addressee or when the notice enters the information system designated by the addressee, whichever is earlier.

10.02 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 not, unless it is otherwise provided, be counted in such number of days or other period.

10.03 Undelivered Notices

If any notice given to a Member is returned on three (3) 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.

10.04 Omissions and Errors

The accidental omission to give any notice to any Member, Director, Officer, member of a committee of the Board or auditor, 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.

10.05 Waiver of Notice

Any Member, proxyholder, Director, Officer, member of a committee of the Board or auditor 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 XI
AMENDMENT OF LETTERS PATENT AND BY-LAWS

11.01 Amendment of Letters Patent

Notwithstanding the Act, the Letters Patent of the Corporation may only be amended by a Special Resolution of the Board at a meeting called for that purpose and sanctioned by a Special Resolution of the Members at a meeting of Members duly called for the purpose of considering the said amendment, provided that notice of such Members meeting shall be given at least thirty (30) days prior to such membership Meeting and provided further that the notice shall state the proposed amendment and the purpose thereof.

11.02 Amendment of By-laws

The By-laws of the Corporation not embodied in the Letters Patent may be repealed or amended by By-law and enacted by a Special Resolution of the Board at a meeting called for that purpose and sanctioned by a Special Resolution of the Members at a meeting of Members duly called for the purpose of considering the said By-law. Except as otherwise provided, a By-law or an amendment to a By-law passed by the Board has full force and effect from the time the motion is passed or from such future time as may be specified in the motion. A By-law or an amendment to a By-law passed by the Board shall be presented for confirmation at the next annual meeting of Members or to a special general meeting of Members of the Corporation called for that purpose, provided that notice of such Members meeting shall be given at least thirty (30) days prior to such membership meeting and provided further that the notice shall state the proposed amendment and the purpose thereof. The Members at the annual meeting or special general meeting may confirm the By-law as presented or reject or amend it, and if rejected, it thereupon ceases to have effect, and if amended, it thereupon takes effect as amended. Any rejection, amendment or refusal to approve the By-law or part of the By-law made in accordance with this section shall not invalidate any act done or right acquired under any such By-law prior to its rejection, amendment or refusal to approval.

ENACTED by the Directors of the Corporation this ____ day of _____, _____, under the seal of the Corporation

Chair

Director

CONFIRMED by a Special Resolution of Members this ____ day of _____, _____.

Director