

# CANADIAN LIFE AND HEALTH INSURANCE OMBUDSERVICE

(corporate name / doing business as OmbudService for Life & Health Insurance / OLHI)

## AMENDED AND RESTATED BY-LAW NO. 1 - GENERAL BY-LAWS

### DEFINITIONS

1. In these By-laws and in all other By-laws of the Corporation hereafter passed unless the context otherwise requires:
  - (a) "Act" means the *Canada Not-for-profit Corporations Act*, S.C. 2009, c. C-23 and any act that may be substituted therefore, as from time to time amended;
  - (b) "Articles" means the Articles of Continuance for the Corporation dated December 9, 2013, as from time to time amended and supplemented by articles of amendment;
  - (c) "Board" means the Board of Directors of the Corporation;
  - (d) "By-laws" means this By-law and any other By-laws of the Corporation as enacted, amended, altered or added to from time to time;
  - (e) "Chair" means the Chair of the Board;
  - (f) "CLHIA" means the Canadian Life and Health Insurance Association Inc.;
  - (g) "Corporation" means the Canadian Life and Health Insurance OmbudService/Service de conciliation des assurances de personnes du Canada continued as a corporation without share capital under the Act pursuant to the Articles;
  - (h) "Directors" means the Industry Directors and the Independent Directors, collectively;
  - (i) "FSON" means the Financial Services OmbudsNetwork, consisting of the industry-level OmbudServices and their respective member financial services providers from time to time;
  - (j) "Independent Directors" means the Directors appointed pursuant to paragraph 28(b);
  - (k) "Industry Directors" means the Directors appointed pursuant to paragraph 28(a);

- (l) "Industry-level OmbudService" means any one of the Ombudsman for Banking Services and Investments, the Canadian Life and Health Insurance OmbudService, the General Insurance OmbudService, and any other ombud entity or their successors, and "Industry-level OmbudServices" means those entities collectively;
- (m) "Member" means a member of CLHIA as that membership is constituted from time to time unless the Secretary is advised in writing that a member of the CLHIA does not wish to be a member of the Corporation and any other financial services company operating in Canada admitted as a Member of the Corporation pursuant to paragraph 6; the Directors of the Corporation and such other Members approved by the Board pursuant to paragraph 6;
- (n) "Secretary" means the Secretary of the Corporation; and
- (o) "Standards" means the Standards established from time to time by the FSON.

#### **INTERPRETATION**

- 2. In these By-laws and in all other By-laws hereafter passed, unless the context otherwise requires, words importing the singular number or the masculine gender shall include the plural number or the feminine gender, as the case may be, and vice versa, and references to persons shall include individuals, firms and corporations. The division of these Bylaws into articles and paragraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

#### **CORPORATE SEAL**

- 3. The Corporation may have a corporate seal in the form approved from time to time by the Board. If a corporate seal is approved by the Board, the secretary of the corporation shall be the custodian of the corporate seal.

#### **FINANCIAL YEAR**

- 4. Unless otherwise ordered by the Board, the financial year-end of the Corporation shall be March 31.

#### **HEAD OFFICE**

- 5. The Head Office of the Corporation shall be in the City of Montreal, in the Province of Quebec and the Corporation may have such other offices in Canada as may be deemed by the Board to be appropriate from time to time.

### **CONDITIONS OF MEMBERSHIP**

6. Subject to the Articles, there shall be one class of Members in the Corporation. Membership in the Corporation shall be available only to persons interested in furthering the Corporation's purposes and who have applied for and been accepted into membership in the Corporation by resolution of the Board or in such other manner as may be determined by the Board. Membership in the Corporation shall be limited to:
- (a) all members of the CLHIA as that membership is constituted from time to time, unless the Secretary is advised in writing that a member of the CLHIA does not wish to be a Member;
  - (b) any other financial services company operating in Canada whose application for admission as a Member has received the approval of the Board; and
  - (c) the current Independent Directors and Industry Directors of the Corporation.
7. Membership fees or dues for individual Members shall be determined by the Board and notwithstanding that all Members are of the same class, membership fees or dues may vary amongst Members. Members shall be notified in writing of the membership fees or dues at any time payable by them prior to the membership renewal date and, if any Member does not pay their membership fees or dues within two calendar months of the membership renewal date, such Member shall be in default and the Corporation shall have the right to terminate the membership of such Member. No membership fees or dues shall be levied by the Corporation in respect of those Members who are Directors.
8. A membership in the Corporation is terminated when:
- (a) in the case of a Director, such individual ceases to be a Director;
  - (b) the Member dies, or, in the case of a Member that is a body corporate, the body corporate is dissolved;
  - (c) the Member fails to maintain any qualifications for membership described in paragraph 6;
  - (d) the Member resigns by delivering a written resignation to the Secretary of the Board, in which case such resignation shall be effective on the date specified in the resignation;

- (e) the Member is otherwise terminated in accordance with the Articles or By-laws;
- (f) the Member's term of membership expires; or
- (g) the Corporation is liquidated or dissolved under the Act.

Subject to the Articles, upon any termination of membership, the rights of the Member, including any rights in the property of the Corporation, automatically cease to exist. Notwithstanding the foregoing, a Member who is not a Director, may only withdraw from the Corporation on the final day of a fiscal year of the Corporation and only if: (i) such Member delivers written notice of its intention to withdraw from the Corporation at least six months prior to its intended date of withdrawal, and (ii) all membership fees payable by such Member have been paid in full.

### **MEETINGS OF MEMBERS**

9. The annual or any special general meeting of the Members shall be held at the head office of the Corporation or at any place in Canada as the Board may determine and on such day as the Board shall appoint.
10. An annual meeting of the Members of the Corporation shall be held at least once in every calendar year and not more than fifteen (15) months after the holding of the last preceding annual meeting. At every annual meeting, in addition to any other business that may be transacted,
  - (a) the audited financial statements, the report of the Directors and the report of the auditors shall be presented to the Members;
  - (b) the Directors shall be appointed in accordance with paragraph 32; and
  - (c) auditors shall be appointed for the ensuing year and the remuneration of the auditors shall be fixed or the Board shall be authorized to fix such remuneration.
11. The Board or the Chair shall have power to call at any time any meeting of the Members of the Corporation. In addition, the Board shall call a special general meeting of the Members on written requisition of Members carrying not less than twenty-five (25) percent of the voting rights.
12. A quorum shall consist of twenty (20) percent of members. No business shall be transacted at any meeting of the Members unless a quorum is present at the commencement of and throughout the meeting.

13. The only persons entitled to be present at a meeting of Members shall be those entitled to vote at the meeting, the Directors and the public accountant of the Corporation and such other persons who are entitled or required under any provision of the Act or the Articles or By-laws of the Corporation to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or by resolution of the Members.
14. Fourteen (14) days' written notice shall be given to each Member of any annual or special general meeting of Members if notice is sent by mail. Such notice may also be sent by electronic means, such as e-mail or facsimile provided that such notice generates a record of notice sent. Notice shall be given to each Member who, at the close of business on the record date for notice, or if no record date for notice is fixed, at the close of business on the day preceding the day on which the notice is given, is entered in the register of Members. Notice of any meeting where special business will be transacted should contain sufficient information to permit the Member to form a reasoned judgment on the decision to be taken. The auditor of the Corporation is entitled to receive all notices and other communications relating to any meetings of Members that any Member is entitled to receive. The statutory declaration of the Secretary or Chair that notice has been given pursuant to these By-laws shall be sufficient and conclusive evidence of the giving of such notice.
15. A meeting of Members may be held at any time and place without notice if all Members entitled to vote thereat are present or if not present, either before or after the meeting, waive notice or otherwise consent to such meeting being held, and at such meeting any business may be transacted which the Corporation may transact at a meeting of Members.
16. If all the Members of the Corporation consent thereto generally or in respect of a particular meeting, a Member may participate in any annual or special general meeting or any adjourned meeting of the Members of the Corporation by such conference telephone facilities as permit all persons participating in the meeting to hear or otherwise communicate with each other, and a Member participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the Members. Quorum shall be established and votes shall be recorded by voice or televisual identification of each Member by a roll-call of Members participating in the Meeting.
17. The Members may meet by any other electronic means that permits each Member to communicate adequately with each other, provided that the Board has passed a resolution addressing the mechanics of holding such a meeting, including how security issues should be handled, the procedure for establishing quorum and

recording votes. Each Member must have equal access to the specific means of communication to be used and each Member must consent in advance to meeting by electronic means using the specific means of communication proposed for the meeting.

18. Any meeting of the Members may be adjourned to any time and from time to time and such business may be transacted at such adjourned meeting as might have been transacted at the original meeting from which such adjournment took place. No notice shall be required of any such adjournment. Such adjournment may be made notwithstanding that no quorum is present.
19. No error or omission in giving notice of any annual or special general meeting or any adjourned meeting of the Members of the Corporation shall invalidate such meeting or make void any proceedings taken thereat and any Member may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. For the purpose of sending notice to any Member, Director or officer for any meeting or otherwise, the address shall be the last address recorded on the books of the Corporation for the Member, Director or officer.
20. A resolution in writing signed by all of the Members entitled to vote on that resolution at a meeting of Members is as valid as if it had been passed at a meeting of Members, provided that matters which are required by the Act to be dealt with at a meeting are excluded from this provision.

### **VOTING OF MEMBERS**

21. At any meeting of the Members, every question shall, unless otherwise required by the Act, the Articles or the By-laws or otherwise by law, be determined by the majority of the votes of Members duly cast on the question.
22. Unless the Act or the By-laws otherwise provide, each Member of the Corporation present in person shall, at all meetings of Members, be entitled to one (1) vote on each question.
23. All votes at any such meeting shall be decided by a show of hands unless:
  - (a) prior to a show of hands, a majority of the Members present resolve to vote on the matter by secret ballot, in which case the chair of the meeting shall distribute and collect ballots for such purpose and the result of the vote by secret ballot shall be the decision of the Members upon the said question; or

- (b) after a show of hands, a poll thereon is required or demanded by the chair of the meeting or any Member on the question, in which case the procedures set forth hereinafter shall be followed.
24. Whenever a vote by secret ballot or show of hands shall have been taken upon a question, (unless in the latter case a poll thereon is so required or demanded), a declaration by the chair of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the Members upon the said question.
25. If a poll is required or demanded, the poll shall be taken in such manner as the chair of the meeting shall direct. A demand for a poll may be withdrawn at any time prior to the taking of the poll. The result of the poll shall be the decision of the Members upon the said question.
26. In the case of an equality of votes of Members at any meeting of Members, either upon a show of hands or upon a poll, the chair of the meeting shall have a second or casting vote.
27. Pursuant to subsection 171(1) (Absentee Voting) of the Act, a Member entitled to vote at a meeting of Members may vote by mailed-in ballot if the Corporation has a system that:
- (a) enables the votes to be gathered in a manner that permits their subsequent verification; and
  - (b) permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each Member voted.

### **BOARD OF DIRECTORS**

28. Provided that the number of Independent Directors shall at all times be at least one (1) greater than number of the Industry Directors subject to any short-term vacancy existing among the directorships allocated to Independent Directors, the property and business of the Corporation shall be managed by a Board consisting of not fewer than five (5) and not more than eleven (11) Directors, of whom:
- (a) the Industry Directors shall be a minimum of two (2) and maximum of four (4) persons nominated by the CLHIA Board of Directors;

- (b) the Independent Directors shall be nominated by the Independent Directors Committee and shall not be fewer than a number of persons totalling not less than one (1) greater than the sum of the total number of Industry Directors and not more than seven (7) persons who meet the eligibility criteria described in paragraph 30; and
  - (c) all Directors must be individuals of at least 18 years of age with power under law to contract. No person who becomes bankrupt or suspends payment or makes an arrangement with his or her creditors shall be a Director.
29. The Board shall determine the number of Industry Directors and Independent Directors to be appointed at any annual meeting of the Members to be such number as is fixed by the Board prior to the annual meeting, but no resolution of the Board decreasing the number of Directors shortens the term of an incumbent Director.
30. (a) Individually, no Independent Director shall be:
- (i) a current director, officer or employee of any financial services provider that is a Member of the Corporation;
  - (ii) in the three (3) years prior to appointment as an Independent Director, a director, officer or employee of any financial services provider that is a Member of the Corporation;
  - (iii) a current director, officer or employee or, in the three (3) years prior to appointment as an Independent Director, a director, officer or employee of the CLHIA;
  - (iv) a current employee of a federal, provincial, territorial or municipal government, a current employee of an agency of the Crown in respect of such government or, in the one (1) year prior to appointment as an Independent Director, an employee of a federal, provincial, territorial or municipal government, an employee of an agency of the Crown in respect of such government, except that a person shall not be appointed as an Independent Director if, in the three (3) years prior to appointment as an Independent Director, the person was an employee of a financial services regulator or supervisor, or government department, ministry or agency responsible for the development of policy in respect of or the regulation or supervision of financial institutions or financial services;

- (v) a current member of the Senate of Canada, member of Parliament or member of a provincial or territorial legislative assembly or, in the three (3) years prior to appointment as an Independent Director, a member of the Senate of Canada, member of Parliament or member of a provincial or territorial legislative assembly;
  - (vi) an individual who provides goods or services to and receives direct compensation from a financial services provider that is a Member of the Corporation;
  - (vii) a person who has a significant interest, as that term is defined by legislation governing federally regulated financial institutions, in a class of shares of a financial service provider that is a Member of the Corporation; or
  - (viii) the spouse or common law partner of any person described in this paragraph 30(a);
- (b) collectively, the Independent Directors shall represent a diversity of experience and interests, including:
- (i) persons known and respected on a regional and national basis, either in their own right or by virtue of an appointment or office held;
  - (ii) persons with significant backgrounds in public and consumer affairs; and
  - (iii) persons representative of the Canadian population, including gender, linguistic, minority, and geographic representation; and
- (c) after considering the criteria in paragraphs (a) and (b), based on a standard that a reasonable person would apply, an Independent Director shall not, because of his or her current or previous experience and relationships, be perceived to have a bias in favour of or against financial services providers.
31. The powers of the Directors may be exercised by resolution passed at a meeting of the Board at which a quorum is present. The presence of a majority of the number of Directors in office from time to time - provided that no less than two (2) Independent Directors and one (1) Industry Director are present and such majority constitutes a total number of Independent Directors greater than the sum of the total number of the Industry Directors present at the meeting - shall be necessary to constitute a quorum for the transaction of business at meetings of the Board. No business shall be transacted at any meeting of the Board unless a quorum is present at the commencement of and throughout the meeting.

32. The Industry Directors of the Corporation and the Independent Directors of the Corporation shall be elected at the annual meeting of the Corporation and shall hold office until the next annual meeting. At such time the Directors shall retire but shall be eligible for re-election to the Board. Nominations for Independent Directors shall be made by the Independent Director's Committee described in paragraph 54. Industry Directors shall be appointed upon receiving instruction from the CLHIA Board of Directors in accordance with paragraph 28(a).
33. The office of Director shall be automatically vacated:
- (a) if a Director shall resign as such by delivering a written resignation to the Secretary of the Corporation;
  - (b) if the Director is found by a court to be of unsound mind;
  - (c) if the Director becomes bankrupt or suspends payment or makes an arrangement with the Director's creditors;
  - (d) on death;
  - (e) in the case of an Independent Director, where the Board by resolution of two-thirds (2/3rds) of Directors present at a meeting determines that an Independent Director no longer meets the eligibility criteria described in paragraph 30;
  - (f) in the case of an Industry Director, or on delivery to the Secretary of written notice of withdrawal from participation by the CLHIA.
34. If any vacancy shall occur for any reason pursuant to paragraph 33, a person may be appointed to fill the vacancy for the remainder of the term of the vacating Director by:
- (a) the board of the CLHIA, if that entity nominated the vacating Director;
  - (b) all the remaining Directors present at the Board meeting from among the nominees selected by the Independent Directors' Committee, if the vacating Director was an Independent Director.
35. The office of Director shall also be automatically vacated if a Director is removed from office for cause other than that described in paragraph 33 at a special general meeting of Members by a resolution that is passed by at least two-thirds (2/3rds) of the Members present at the meeting. In the event that a vacancy so occurs, a person shall be appointed to fill the vacancy for the remainder of the term of the vacating Director in accordance with the manner of appointment of the vacating Director set out in paragraph 34.

### **MEETINGS OF THE BOARD**

36. Meetings of the Board may be held at any time and place to be determined by the Directors or the Chair provided that five (5) business days notice of such meeting shall be given by electronic means, such as e-mail or facsimile, or by another means other than by mail to each Director provided that such notice generates a record of the notice sent. If notice is given by mail, it shall be sent at least fourteen (14) days prior to the meeting. There shall be at least three (3) meetings of the Board in each financial year. No error or omission in giving notice of any meeting of the Board or any adjourned meeting of the Board shall invalidate such meeting or make void any proceedings taken thereat and any Director may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat.
37. A meeting of the Board may be held at any time and place without notice if all Directors who are present or if those who are not present, either before or after the meeting, waive notice or otherwise consent to such meeting being held, and at such meeting any business may be transacted which the Corporation may transact at a meeting of the Board, provided that a quorum of the Board is present.
38. Any meeting of the Board may be adjourned to any time and from time to time and such business may be transacted at such adjourned meeting as might have been transacted at the original meeting from which such adjournment took place and such adjournment may be made providing a quorum is present. Notice of an adjourned meeting of the Board is not required if the time and place of the adjourned meeting is announced at the original meeting.
39. Subject to the Act, the Articles and the By-laws, any question arising at any meeting of the Board shall be decided by a majority of votes. Each Director is entitled to exercise one (1) vote. All votes at any such meeting shall be taken by a show of hands in the usual manner of assent or dissent. Whenever a vote by show of hands shall be taken upon a question, a declaration by the chair of the meeting that a resolution has been carried and an entry to that effect in the minutes shall be admissible in evidence as prima facie proof of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution, and the result of the vote so taken shall be the decision of the Board upon the said question. Voting by proxy is prohibited.
40. In the case of an equality of votes at any Board meeting, the chair of the meeting shall have a second or casting vote.
41. If all the Directors of the Corporation consent thereto generally or in respect of a particular meeting, a Director may participate in a meeting of the Board or of a committee of the Board by means of such conference telephone facilities as permit

all persons participating in the meeting to hear or otherwise communicate with each other, and a Director participating in such a meeting by such means is deemed to be present at the meeting. Quorum shall be established and votes shall be recorded by voice or televisual identification of each Director by a roll-call of Directors participating in the meeting.

42. The Board may meet by any other electronic means that permits each Director to communicate adequately with each other, provided that the Board has passed a resolution addressing the mechanics of holding such a meeting, including how security issues should be handled, the procedure for establishing quorum and recording votes. Each Director must have equal access to the specific means of communication to be used and each Director must consent in advance to meeting by electronic means using the specific means of communication proposed for the meeting.
43. A retiring Director shall remain in office until the dissolution or adjournment of the meeting at which the retirement of the Director is accepted and the successor to the Director is appointed.
44. The Board may appoint such agents and engage such employees as the Board shall deem necessary from time to time and such persons shall have such authority and shall perform such duties as shall be prescribed by the Board at the time of such appointment.
45. The Directors shall be paid such remuneration as may be decided from time to time by resolution of the Members at any annual or special general meeting of the Members.
46. It shall be the duty of every Director of the Corporation who is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Corporation to declare such interest and to refrain from voting thereon in accordance with the Act.

### **POWERS OF THE BOARD**

47. The Board may administer the affairs of the Corporation in all things. The Board may make or cause to be made for the Corporation, in its name, any kind of contract which the Corporation may lawfully enter into and, save as hereinafter provided, generally may exercise all such other powers and do all such other acts and things as the Corporation is by its charter or otherwise authorized to exercise and do.

48. The Board shall:
- (a) appoint officers of the Corporation in accordance with paragraphs 59 to 63 hereof;
  - (b) provide the officers with such general guidance as may be required in carrying out their duties;
  - (c) approve a budget and business plan for the Corporation updating such plan at least annually;
  - (d) review the Corporation's financial statements;
  - (e) ensure that the Corporation adopts policies and procedures for the handling of consumer inquiries and complaints which are consistent with the Standards applicable to the FSON and that these policies and procedures are implemented in a manner consistent with the Standards applicable to the FSON;
  - (f) ensure periodic third party review of compliance by the Corporation with the Standards applicable to the FSON;
  - (g) authorize the Corporation to enter into a funding agreement from time to time with the CLHIA to allocate the costs of the Corporation among Members of the Corporation in accordance with the provisions of the funding agreement; and
  - (h) ensure that an appropriate funding arrangement or agreement for the Corporation is in place at all times.
49. Neither the Board nor any Director shall:
- (a) consider appeals of recommendations made by the Corporation or its Members to financial consumers;
  - (b) seek the identity of a financial consumer that has made an inquiry or a complaint to the Corporation;
  - (c) seek to obtain information or materials relating to any inquiry or complaint to the Corporation;
  - (d) make any representation relating to any inquiry or complaint to the Corporation; or

- (e) act on any information received, either directly or indirectly, that reveals the identity of a financial consumer or on any information or materials as described in subparagraphs (b) and (c) herein;

except that an officer or employee may advise a financial consumer about the Board's limitations described in subparagraph (b).

- 50. The Board shall have power to authorize expenditures on behalf of the Corporation from time to time and may delegate by resolution to an officer or officers of the Corporation the right to authorize payment of the day-to-day expenditures of the Corporation, to enter into any contract on behalf of the Corporation in the usual and ordinary course of the Corporation's business, to employ employees and agents, and to fix a reasonable remuneration for all officers, agents and employees and committee members.
- 51. The Board shall have the power to enter into a trust arrangement with a trust company for the purpose of creating a trust fund in which the capital and interest may be made available for the benefit of promoting the interest of the Corporation in accordance with such terms as the Board may prescribe.
- 52. The Board shall see that all necessary books and records of the Corporation required by the By-laws of the Corporation or by any applicable statute or law, including without limitation, the minutes of meetings of the Board and of committees of the Corporation, are regularly and properly kept and made available for viewing to all Members and Directors.
- 53. The Board has the power to create, amend and repeal policies, rules and regulations with respect to procedural matters affecting the Corporation not covered in the By-laws or in contravention of the Act. According to the Act, the policies, rules and regulations shall not include provisions concerning any one or more of the following matters:
  - (a) conditions of membership, including societies or companies becoming Members of the Corporation;
  - (b) mode of holding meetings, provision for quorum, rights of voting and of enacting By-laws;
  - (c) mode of repealing or amending By-laws;
  - (d) appointment and removal of Directors, trustees, committees and officers, and their respective powers and remuneration;
  - (e) audit of accounts and appointment of auditors;

- (f) how a Member may withdraw from the Corporation; or
- (g) custody of the corporate seal and certifying documents issued by the Corporation.

### **BOARD COMMITTEES**

54. The Board shall appoint an Independent Directors' Committee, composed of all the Independent Directors of the Corporation. The Chair of the Board shall act as chair of the Independent Directors' Committee. The duties of the Independent Directors' Committee shall include, among other duties assigned by the Board from time to time, the review of appropriate candidates for appointment as Independent Directors for recommendation to the Members.

Any member of the Independent Directors' Committee shall be removable from such committee at any time at the discretion of the Board only upon a resolution of the Board being passed that was supported by a two-thirds (2/3rds) majority of the remaining Independent Directors.

55. The Board may from time to time constitute such committee or committees or other advisory body of the Board as it deems necessary, for such purposes and with such powers as may be prescribed by the Board, and whose members shall serve at the pleasure of the Board and may be removed at any time by resolution of the Board. The presence of a majority of committee members - provided that such majority constitutes a total number of those committee members who are Independent Directors greater than the sum of the total number of those committee members who are Industry Directors present at the meeting - shall be necessary to constitute a quorum for the transaction of business at committee meetings. No business shall be transacted at any committee meeting unless a quorum is present at the commencement of and throughout the meeting. The duties of such committees may include, among other duties assigned by the Board from time to time:
- (a) the review of the proposed budget of the Corporation prior to approval by the Board;
  - (b) the review of the remuneration and benefits of Directors, officers, agents and employees and committee members annually prior to the Board's approval of the budget for the next financial year and the committee shall report to the Board on the review; and
  - (c) the review of appropriate candidates for appointment as officers for recommendation to the Board.

### **OTHER COMMITTEES**

56. The Board or the Executive Director may from time to time constitute such committee or committees of the Corporation as are deemed necessary from time to time to carry out such duties, other than those duties of Board committees set out in paragraph 53, as the Board or Executive Director may direct. Each committee of the Corporation may formulate its own rules of procedure subject to such regulations and/or directions as the Board may from time to time make in respect thereof. Committees may meet for the transaction of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting of a committee shall be decided by a majority of votes. The Board may fix any remuneration to be paid, if any, to members of any committee. Any member of any such committee shall be removable from such committee at any time at the discretion of the Board or Executive Director, whoever constituted the committee.
57. Any committee of the Corporation to which any person other than a Director is officially appointed shall function only as an advisory committee of the Board.

### **STANDARDS**

58. The Corporation's auditor or such other person or persons designated by the Board shall review and report on compliance by the Corporation with the Standards applicable to the FSON from time to time.

### **OFFICERS**

59. The officers of the Corporation shall be an Executive Director, a Chair, a Secretary, and any such other officers as the Board may by resolution determine. With the exception of the offices of Chair, Secretary and Executive Director appointed by resolution of the Board, other officers shall be appointed from time to time by the Executive Director. Any two offices may be held by the same person, who need not be a director, except as otherwise specifically provided in the Corporation's By-laws.
60. The Executive Director shall be an individual and shall not be a Director of the Corporation. The Executive Director shall be appointed by resolution of the Board and shall hold office during good behaviour at a remuneration and for any term as determined by the Board. The Board shall determine the eligibility criteria for the appointment of the Executive Director. The Executive Director may be reappointed on the expiration of his or her term of office and may be removed for cause at any time by at least two-thirds (2/3rds) of the Board. The Executive Director shall have the right to attend all meetings of the Board and of Members, but shall have no vote thereat.

61. The Chair shall be appointed from among the Independent Directors by resolution of the Board at the first meeting of the Board and thereafter following each annual meeting of Members at which the Directors are appointed.
62. The Secretary shall be appointed by resolution of the Board at the first meeting of the Board and thereafter following each annual meeting of Members at which the Directors are appointed. The Secretary shall be subject to removal by resolution of the Board at any time with or without cause.
63. The officers of the Corporation, other than the Executive Director and employees of the Corporation, shall hold office for one (1) year from their date of appointment or until their successors are appointed in their stead.

### **DUTIES OF OFFICERS**

64. The Executive Director shall have responsibility for the general and active management of the affairs of the Corporation. The principal powers and duties of the Executive Director shall be determined from time to time by the Board. The Executive Director shall perform such other duties as may from time to time be assigned to the Executive Director by the Board or as are incidental to the office.
65. The Chair shall preside at all meetings of the Members, the Board and the Independent Directors' Committee. The Chair shall see that all orders and resolutions of the Board are carried into effect. The Chair shall have such other powers and shall perform such other duties as may from time to time be assigned to the Chair by resolution of the Board or as are incidental to the office.
66. In the event of the absence or disability of the Chair, the Board may appoint an Independent Director to preside at any meeting of the Members, the Board or the Independent Directors' Committee, and to perform such other duties of the Chair as the Board may direct.
67. The Secretary may be empowered by the Board, on resolution of the Board, to carry on the affairs of the Corporation generally under the supervision of the officers thereof and shall attend all meetings and act as clerk thereof and record all votes and minutes of all proceedings in the books to be kept for that purpose. The Secretary shall give or cause to be given notice of all meetings of the Members, of the Board and of committees, and shall perform such other duties as may be prescribed by the Board or the Chair under whose supervision the Secretary shall be. The Secretary shall be custodian of the seal of the Corporation, which the Secretary shall deliver only when authorized by a resolution of the Board to do so and to such person or persons as may be named in the resolution.

68. The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the Board requires of them.

### **INDEMNITIES TO DIRECTORS AND OTHERS**

69. No Director or officer or former Directors or officers of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, former director or officers or employee, or for joining in any receipt or other 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 order of the Board 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 the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, firm or corporation with whom or which any of the monies, securities or effects of the Corporation shall be lodged or deposited, or for any loss occasioned by any error of judgment or oversight on such Director or officer's or former Director or officer's part, 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 or former Director or officer's office or in relation thereto unless the same are occasioned by such Director's or officer's or former Director or officer's own willful neglect or default.
70. Every Director and officer and former Director or officer of the Corporation and his or her heirs, executors, 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 that such Director or officer or former Director or officer sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against him or her, for or in respect of any act, deed, matter or thing whatever, 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 or she sustains or incurs, in or about or in relation to the affairs of the Corporation, except such costs, charges or expenses as are occasioned by his or her own willful neglect or default.
71. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of the action, suit, or proceeding as authorized by the Board in the specific case upon receipt of an

undertaking by or on behalf of the Director, officer, former Director or officer, employee or agent to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Corporation.

72. The indemnification herein provided shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under the Articles or these By-laws or any agreement, vote of the Members or disinterested Directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding any office with the Corporation, 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, executors and administrators of such a person.
73. The Board may authorize the purchase of such directors' and officers' insurance or any other insurance as it deems necessary or advisable to be paid for out of the funds of the Corporation.

#### **EXECUTION OF DOCUMENTS**

74. The following are the only persons authorized to sign any document on behalf of the Corporation, other than in the usual and ordinary course of the Corporation's business:
- (a) any one (1) Director or officer of the Corporation, provided that no individual shall execute, acknowledge, or verify any instrument in more than one capacity; or
  - (b) any individual or individuals appointed by resolution of the Board to sign a specific document or that type of document or generally on behalf of the Corporation.

Any document so signed may, but need not, have the corporate seal applied.

75. The signatures of any person authorized to sign on behalf of the Corporation may, if specifically authorized by resolution of the Board, be written, printed, stamped, engraved, lithographed or otherwise mechanically reproduced. Anything so signed shall be as valid as if it had been signed manually, even if that person has ceased to hold office when anything so signed is issued or delivered, until revoked by resolution of the Board.
76. The banking business of the Corporation shall be transacted with such banks, trust companies or other financial institutions as may from time to time be designated by or under the authority of the Board. Such banking business or any part of it shall

be transacted under such agreements, instructions and delegations of powers as the Board may, from time to time, prescribe or authorize.

### **AUDITORS**

77. The Members, at each annual meeting, shall appoint one (1) or more auditors to hold office until the close of the next annual meeting and, if an appointment is not so made, the auditor in office will continue in office until a successor is appointed. The Directors may fill any casual vacancy in the office of auditor, but while the vacancy continues, the surviving or continuing auditor, if any, may act. A person other than a retiring auditor is not capable of being appointed auditor at such a meeting unless the notice requirements of the Act have been met.
78. The responsibilities of the auditor or auditors shall be:
- (a) to audit the financial statements of the Corporation;
  - (b) to report to the Members at each annual general meeting on whether the financial statements of the Corporation are fairly presented in accordance with generally accepted accounting principles; and
  - (c) such other responsibilities as are assigned by the Board.
79. No Director, officer or employee of the Corporation or of an affiliated corporation or associated with that Director, officer or employee may be appointed as auditor, unless all the Members have unanimously consented to such appointment.
80. The remuneration of an auditor appointed by the Members shall be fixed by the Members or by the Board if it is authorized to do so by the Members, and the remuneration of an auditor appointed by the Board shall be fixed by the Board.
81. The Corporation may, instead of sending copies of the annual financial statements and other documents referred to in subsection 172(1) (Annual Financial Statements) of the Act to the Members, publish a notice to its Members stating that the annual financial statements and documents provided in such subsection 172(1) are available at the registered office of the Corporation, and that any Member may, on request, obtain a copy free of charge at the registered office or by prepaid mail.

### **AMENDMENT OF BY-LAWS**

82. Subject to the Articles, the Board may, by resolution, make, amend or repeal any By-laws that regulate the activities or affairs of the Corporation. Any such By-law,

amendment or repeal shall be effective from the date of the resolution of the Board until the next meeting of Members where it may be confirmed, rejected or amended by the Members by ordinary resolution. If the By-law, amendment or repeal is confirmed or confirmed as amended by the Members, it remains effective in the form in which it was confirmed. The By-law, amendment or repeal ceases to have effect if it is not submitted to the Members at the next meeting of Members or if it is rejected by the Members at the meeting.

83. Paragraph 82 does not apply to a By-law that requires a special resolution of the Members according to subsection 197(1) (Amendment of Articles or By-laws) of the Act. Pursuant to subsection 197(1) of the Act, a special resolution of the Members is required if those amendments affect membership rights and/or conditions described in subsections 197(1)(e), (h), (l) or (m) of the Act.

**IN WITNESS WHEREOF** we have hereunto set our hands at the City of Montréal in the Province of Québec as of the 26<sup>th</sup> day of June 2014.

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**Chair: Dr. Janice MacKinnon**

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**Secretary: Olga Kuplowska**