

BY-LAW NO. 1

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

Hispanotech.ca

(the "Corporation")

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

SECTION 1 - GENERAL

1.01 Definitions ^{Footnote1}

In this by-law and all other by-laws of the Corporation, unless the context otherwise requires:

- a. "Act" means the *Canada Not-for-profit Corporations Act* S.C. 2009, c.23 including the Regulations made pursuant to the Act, and any statute or regulations that may be substituted, as amended from time to time;
- b. "Articles" means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation;
- c. "Board" means the board of directors of the Corporation and "Director" means a member of the Board;
- d. "By-law" means this by-law and any other by-laws of the Corporation as amended and which are, from time to time, in force and effect;
- e. "Meeting of Members" includes an annual meeting of members or a special meeting of members; "Special Meeting of Members" includes a meeting of any class or classes of members and a special meeting of all members entitled to vote at an annual Meeting of Members;
- f. "Ordinary Resolution" means a resolution passed by a majority (for example more than 50%) of the votes cast on that resolution;

- g. "Proposal" means a proposal submitted by a member of the Corporation that meets the requirements of section 163 (Shareholder Proposals) of the Act;
- h. "Regulations" means the regulations made under the Act, as amended, restated or in effect from time to time; and
- i. "Special Resolution" means a resolution passed by a majority of not less than two-thirds (2/3) of the votes cast on that resolution.

1.02 Interpretation

In the interpretation of this By-law, words in the singular include the plural and vice-versa, words in one gender include all genders, and "person" includes an individual, body corporate, partnership, trust and unincorporated organization.

Other than as specified in 1.01 above, words and expressions defined in the Act have the same meanings when used in this By-law.

1.03 Corporate Seal

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.

1.04 Execution of Documents

Deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring execution by the Corporation may be signed by any two (2) of its officers or Directors. In addition, the Board may from time to time direct the manner in which and the person or persons 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 signing officer may certify a copy of any instrument, resolution, By-law or other document of the Corporation to be a true copy thereof.

1.05 Financial Year End

The financial year end of the Corporation shall be determined by the Board.

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

1.07 Annual Financial Statements^{Footnote2}

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 subsection 172(1) are available at the registered office of the

Corporation and any member may, on request, obtain a copy free of charge at the registered office or by prepaid mail.

SECTION 2 - MEMBERSHIP – MATTERS REQUIRING SPECIAL RESOLUTION

2.01 Membership Conditions^{Footnote3}

Subject to the Articles, there shall be two classes of members in the Corporation, namely, Class A members and Class B members. The Board may, by resolution, approve the admission of the members of the Corporation. Members may also be admitted in such other manner as may be prescribed by the Board by resolution. The following conditions of membership shall apply:

Class A Members

- a. Class A voting membership shall be available only to Associate Members and who have applied and have been accepted for Class A voting membership in the Corporation. A person shall be an Associate Member when she/he satisfies the following criteria:
 - She/he is of Hispanic birth or descent, or has a strong affiliation with the Hispanic community as determined by two (2) Directors;
 - She/he has an education or interest in any technology field;
 - She/he has paid the required membership fee.
- b. The term of membership of a Class A voting member shall be annual, subject to renewal in accordance with the policies of the Corporation.
- c. As set out in the Articles, each Class A voting member is entitled to receive notice of, attend and vote at all meetings of members and each such Class A voting member shall be entitled to one (1) vote at such meetings.

Class B Members

- a. Class B non-voting membership shall be available only to Corporate Members and Honorary Members and who have applied and have been accepted for Class B non-voting membership in the Corporation. An organization may be eligible for Corporate Membership when it supports the objectives and values of our association and has paid the required membership fee. The Board may grant Honorary Membership to individuals or organizations that have served the interests of HispanoTech.ca.
- b. The term of membership of a Class B non-voting member shall be annual, subject to renewal in accordance with the policies of the Corporation.
- c. Subject to the Act and the Articles, a Class B non-voting member shall not be entitled to receive notice of, attend or vote at meetings of the members of the Corporation.

Pursuant to subsection 197(1) (Fundamental Change) of the Act, a Special Resolution of the members is required to make any amendments to this section of the By-law if those amendments affect membership rights and/or conditions described in paragraphs 197(1)(e), (h), (l) or (m).

2.02 Notice of Meeting of Members^{Footnote4}

Notice of the time and place of a Meeting of Members shall be given to each member entitled to vote at the meeting by the following means:

- a. by mail, courier or personal delivery to each member entitled to vote at the meeting, during a period of 21 to 60 days before the day on which the meeting is to be held; or
- b. by telephonic, electronic or other communication facility to each member entitled to vote at the meeting, during a period of 21 to 35 days before the day on which the meeting is to be held.^{Footnote5}

Pursuant to subsection 197(1) (Fundamental Change) of the Act, a Special Resolution of the members is required to make any amendment to the By-law to change the manner of giving notice to members entitled to vote at a Meeting of Members.

2.03 Absentee Voting by Mail Ballot^{Footnote6}

Pursuant to section 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.

Pursuant to subsection 197(1) (Fundamental Change) of the Act, a Special Resolution of the members is required to make any amendment to the By-law to change this method of voting by members not in attendance at a Meeting of Members.

SECTION 3 - MEMBERSHIP DUES, TERMINATION AND DISCIPLINE

3.01 Membership Dues

Members shall be notified in writing of the membership dues at any time payable by them and, if any are not paid within one (1) calendar month of the membership renewal date, the members in default shall automatically cease to be members of the Corporation.

3.02 Termination of Membership^{Footnote7}

A membership in the Corporation is terminated when:

- a. the member dies, or, in the case of a member that is a corporation, the corporation is dissolved;
- b. a member fails to maintain any qualifications for membership described in Section 2.01 of this By-law;
- c. the member resigns by delivering a written resignation to the chair of the Board in which case such resignation shall be effective on the date specified in the resignation;
- d. the member is expelled in accordance with Section 3.03 below or is otherwise terminated in accordance with the Articles or By-law;

- e. the member's term of membership expires; or
- f. 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.

3.03 Discipline of Members^{Footnote8}

The Board shall have authority to suspend or expel any member from the Corporation for any one or more of the following grounds:

- a. violating any provision of the Articles, By-law, or written policies of the Corporation;
- b. carrying out any conduct which may be detrimental to the Corporation as determined by the Board in its sole discretion;
- c. for any other reason that the Board in its sole and absolute discretion considers to be reasonable, having regard to the purpose of the Corporation.

In the event that the Board determines that a member should be expelled or suspended from membership in the Corporation, the president, or such other officer as may be designated by the Board, shall provide twenty (20) days notice of suspension or expulsion to the member and shall provide reasons for the proposed suspension or expulsion. The member may make written submissions to the president, or such other officer as may be designated by 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 president, the president, or such other officer as may be designated by the Board, may proceed to notify the member that the member is suspended or expelled from membership in the Corporation. If written submissions are received in accordance with this section, the Board will consider such submissions in arriving at a final decision and shall notify the member concerning such final decision within a further twenty (20) days from the date of receipt of the submissions. The Board's decision shall be final and binding on the member, without any further right of appeal.

SECTION 4 - MEETINGS OF MEMBERS

4.01 Persons Entitled to be Present

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, Articles or By-law 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.

4.02 Chair of the Meeting

In the event that the chair of the Board and the vice-chair of the Board are absent, the members who are present and entitled to vote at the meeting shall choose one of their number to chair the meeting.

4.03 Quorum^{Footnote9}

A quorum at any meeting of the members (unless a greater number of members are required to be present by the Act) shall be 10% of the members entitled to vote at the meeting. 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.

4.04 Votes to Govern^{Footnote10}

At any Meeting of Members every question shall, unless otherwise provided by the Articles or By-law or by the Act, be determined by a majority of the votes cast on the question. In case of an equality of votes either on a show of hands or on a ballot or on the results of electronic voting, the chair of the meeting in addition to an original vote shall have a second or casting vote.^{Footnote11}

SECTION 5 - DIRECTORS

5.01 Election and Term^{Footnote12}

Subject to the Articles, the members will elect the Directors at the first Meeting of Members and at each succeeding annual meeting at which an election of Directors is required, and the Directors shall be elected to hold office for a term expiring not later than the close of the third annual Meeting of Members following the election.^{Footnote13}

All members of the executive board of directors shall be elected by the Board from among their members at the first meeting of the Board after the Annual General Meeting.

The existing Board shall continue with their duties until the new Board is elected. The Board may publish once a year the names and relevant background of the Directors.

SECTION 6 - 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; provided that, for the first organization meeting following incorporation, such meeting may be called by any Director or incorporator^{Footnote14}. If the Corporation has only one Director, that Director may call and constitute a meeting. The board of directors' meetings shall be held at least once a month or ten in a year. All Directors may attend the meeting.

A quorum shall consist of four (4) Directors and must include the chair or vice-chair, treasurer and secretary.

In the absence of one of the main Directors, her/his duties may be exercised by a substitute member with the highest ranking among the substitute Directors.

All decisions shall be approved by a majority of the attendance in the meeting.

In the absence of one of the Directors from three (3) scheduled Board meetings in a year, she/he may be replaced by a substitute Director with the highest ranking at General Assembly. If three (3) Directors are absent from three (3) consecutive Board meeting or resign, the remaining Directors shall forthwith call an election. Directors may participate in any meeting of the Board through the use of conference telephone, electronic video screen communications, or other communications equipment. Directors who participate in such a manner shall be deemed to be present in person at any such meeting.

A summary of the Board's minutes, including a financial update, shall be distributed among the Directors within ten (10) working days after such meeting.

6.02 Notice of Meeting^{Footnote15}

Notice of the time and place for the holding of a meeting of the Board shall be given to every Director not less than 7 days before the time when the meeting is to be held by one of the following methods:

- a. delivered personally to the latest address as shown in the last notice that was sent by the Corporation in accordance with section 128 (Notice of Directors) or 134 (Notice of change of Directors);
- b. mailed by prepaid ordinary mail to the Director's address as set out in (a);
- c. by telephonic, electronic or other communication facility at the Director's recorded address for that purpose; or
- d. by an electronic document in accordance with Part 17 of the Act.

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 of 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. Unless the By-law otherwise provides, no notice of meeting need specify the purpose or the business to be transacted at the meeting except that a notice of meeting of Directors shall specify any matter referred to in subsection 138(2) (Limits on Authority) of the Act that is to be dealt with at the meeting.

6.03 Regular Meetings

The Board may appoint a day or days in any month or months for regular meetings of the Board at a place and hour to be named. A copy of any resolution of the Board fixing the place and time of such regular meetings of the Board shall be sent to each Director forthwith after being passed, but no other notice shall be required for any such regular meeting except if subsection 136(3)(Notice of Meeting) of the Act requires the purpose thereof or the business to be transacted to be specified in the notice.

6.04 Votes to Govern^{Footnote16}

At all meetings of the Board, every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the chair of the meeting in addition to an original vote shall have a second or casting vote.^{Footnote17}

6.05 Committees

The Board may from time to time appoint any committee or other advisory body, as it deems necessary or appropriate for such purposes and, subject to the Act, with such powers as the Board shall see fit. Any such committee may formulate its own rules of procedure, subject to such regulations or directions as the Board may from time to time make. Any committee member may be removed by resolution of the Board.

SECTION 7 - OFFICERS

7.01 Description of Offices^{Footnote18}

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, shall have the following duties and powers associated with their positions:

- a. **Chair of the Board** - The chair of the Board, if one is to be appointed, shall be a Director. The chair of the Board, if any, shall, when present, preside at all meetings of the board of directors and of the members. The chair shall have such other duties and powers as the Board may specify.
- 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 of directors and of the members. The vice-chair shall have such other duties and powers as the Board may specify.
- c. **President** – If appointed, the president shall be the chief executive officer of the Corporation and shall be responsible for implementing the strategic plans and policies of the Corporation. The president shall, subject to the authority of the Board, have general supervision of the affairs of the Corporation.
- d. **Secretary** – If appointed, the secretary shall attend and be the secretary of all meetings of the Board, members and 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.
- e. **Treasurer** - If appointed, the treasurer shall have such powers and duties as the board may specify.

The powers and duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the Board or president 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.

All services provided by the officers of the Corporation shall be on a voluntary basis with no financial compensation. In the future, once the Corporation has established enough funding to warrant employee status, the board of directors may fix the compensation of any officer of the Corporation.

7.02 Vacancy in Office

In the absence of a written agreement to the contrary, the Board may remove, 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 appointment) or
- d. such officer's death.

If the office of any officer of the Corporation shall be or become vacant, the Directors may, by resolution, appoint a person to fill such vacancy.

SECTION 8 - NOTICES

8.01 Method of Giving Notices

Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served), other than notice of a Meeting of Members or a meeting of the Board, pursuant to the Act, the Articles, the By-law or otherwise to a member, Director, officer or member of a committee of the Board or to the public accountant shall be sufficiently given:

- a. if delivered personally to the person to whom it is to be given or if delivered to such person's address as shown in the records of the Corporation or in the case of notice to a Director to the latest address as shown in the last notice that was sent by the Corporation in accordance with section 128 (Notice of Directors) or 134 (Notice of change of Directors);
or
- b. if mailed to such person at such person's recorded address by prepaid ordinary or air mail;
or
- c. if sent to such person by telephonic, electronic or other communication facility at such person's recorded address for that purpose; or
- d. if provided in the form of an electronic document in accordance with Part 17 of the Act.

A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The secretary may change or cause to be changed the recorded address of any member, Director,

officer, public accountant or member of a committee of the Board in accordance with any information believed by the secretary to be reliable. The declaration by the secretary that notice has been given pursuant to this By-law shall be sufficient and conclusive evidence of the giving of such notice. The signature of any Director or officer of the Corporation to any notice or other document to be given by the Corporation may be written, stamped, type-written or printed or partly written, stamped, type-written or printed.

8.02 Invalidity of any provisions of this By-law

The invalidity or unenforceability of any provision of this By-law shall not affect the validity or enforceability of the remaining provisions of this By-law.

8.03 Omissions and Errors

The accidental omission to give any notice to any member, Director, officer, member of a committee of the Board or public accountant, or the non-receipt of any notice by any such person where the Corporation has provided notice in accordance with the By-law or any error in any notice not affecting its substance shall not invalidate any action taken at any meeting to which the notice pertained or otherwise founded on such notice.

SECTION 9 - DISPUTE RESOLUTION

9.01 Mediation and Arbitration

Disputes or controversies among members, Directors, officers, committee members, or volunteers of the Corporation are as much as possible to be resolved in accordance with mediation and/or arbitration as provided in Section 9.02 of this By-law.

9.02 Dispute Resolution Mechanism

In the event that a dispute or controversy among members, Directors, officers, committee members or volunteers of the Corporation arising out of or related to the Articles or By-las, or out of any aspect of the operations of the Corporation is not resolved in private meetings between the parties, then without prejudice to or in any other way derogating from the rights of the members, Directors, officers, committee members, employees or volunteers of the Corporation as set out in the Articles, By-las or the Act, and as an alternative to such person instituting a law suit or legal action, such dispute or controversy shall be settled by a process of dispute resolution as follows:

- a. The dispute or controversy shall first be submitted to a panel of mediators whereby the one party appoints one mediator, the other party (or if applicable the Board) appoints one mediator, and the two mediators so appointed jointly appoint a third mediator. The three mediators will then meet with the parties in question in an attempt to mediate a resolution between the parties.
- b. The number of mediators may be reduced from three to one or two upon agreement of the parties.
- c. If the parties are not successful in resolving the dispute through mediation, then the parties agree that the dispute shall be settled by arbitration before a single arbitrator, who

shall not be any one of the mediators referred to above, in accordance with the provincial or territorial legislation governing domestic arbitrations in force in the province or territory where the registered office of the Corporation is situated or as otherwise agreed upon by the parties to the dispute. The parties agree that all proceedings relating to arbitration shall be kept confidential and there shall be no disclosure of any kind. The decision of the arbitrator shall be final and binding and shall not be subject to appeal on a question of fact, law or mixed fact and law.

- d. All costs of the mediators appointed in accordance with this section shall be borne equally by the parties to the dispute or the controversy. All costs of the arbitrators appointed in accordance with this section shall be borne by such parties as may be determined by the arbitrators.

SECTION 10 - EFFECTIVE DATE

10.01 Effective Date Footnote19

Subject to matters requiring a Special Resolution, this By-law shall be effective when made by the Board.

CERTIFIED to be By-Law No. 1 of the Corporation, as enacted by the Directors of the Corporation by resolution on the 18th day of February, 2015 and confirmed by the members of the Corporation by Special Resolution on the 18th day of February, 2015.

Dated as of the 18th day of February, 2015.

Galo Ginocchio, Secretary of the Board

Footnotes

Footnote 1

Other Definitions – Depending on the particular structure of the corporation, other definitions may be included.

Footnote 2

Annual Financial Statements – Subsection 172(2) of the Act allows the by-laws to include this provision, which is optional.

Footnote 3

Membership Conditions – Subsection 7(1)(c) requires the articles to set out the classes, or regional or other groups, of members that the corporation is authorized to establish and, if there are two or more classes or groups, any voting rights attaching to each of those classes or groups. Subsection 154(1) requires the by-laws to set out the conditions required for being a member, including whether a corporation or other entity may be a member. The examples in the precedent are for (1) a single class of members and (2) two classes of membership.

Footnote 4

Notice of Meeting and Record Date – The notice periods referred to in this section are prescribed notice periods under Subsection 63(1)(a) and (b) of the Regulations. Subsection 63(1)(c) of the Regulations also permits the corporation to affix the notice of meeting, no later than 30 days before the day on which the meeting is to be held, to a notice board where information respecting the corporation's activities is regularly posted and that is located in a place frequented by the members. Subsection 63(1)(d) permits a corporation with over 250 members to publish the notice of meeting (i) at least once in each of the 3 weeks immediately before the date of the meeting in one or more newspapers where the majority of the members of the corporation resides or (ii) at least once in a publication of the Corporation that is sent to all members, during the period of 21 to 60 days before the meeting. The corporation may want to include either of these options in the by-laws, if desired. It should also be noted that under Subsection 161(1) of the Act, the corporation may fix a record date in accordance with the Regulations for determining the members entitled to receive notice of a meeting of members and to vote at such meeting.

Footnote 5

Electronic means of giving notice – Under Subsection 63(2) of the Regulations, if the by-laws provide for an electronic means of giving notice, the by-laws must also provide for a non-electronic means of giving notice.

Footnote 6

Absentee Voting – Subsection 171(1) of the Act provides that the by-laws may set out any prescribed methods of voting by members not in attendance at a meeting of members. The methods of voting prescribed by Section 74 of the Regulations are: (a) voting by proxy, (b) voting by mailed-in ballot, and (c) voting by means of telephonic, electronic or other communication facility in accordance with the Regulations. If the by-laws prescribe any method of absentee voting they are also required to set out procedures for collecting, counting and reporting the results of any vote.

Footnote 7

Retention of rights on Termination – Section 157 of the Act provides that the articles or by-laws may specify retention of rights by members, for example, for a particular period of time.

Footnote 8

Discipline – Subsection 158 allows the articles or by-laws to provide that the directors, members or a committee of directors or members has the power to discipline a member or to terminate their membership. If they do, they must also set out the circumstances and the manner in which the power may be exercised. The above section is an example.

Footnote 9

Quorum – Section 164(1) of the Act allows the by-laws to establish the quorum for members' meetings as long as it complies with the Regulations which require the quorum to be a fixed number, a percentage or a determinable

formula. If not set out in the by-laws, Subsection 164(2) of the Act provides that the default is a majority of the members entitled to vote. Note that Section 164(3) specifically allows the by-laws not to allow an opening quorum to be sufficient if there is a loss of quorum later in the meeting.

Footnote 10

Voting – Subsection 137(1) of the Act permits the by-laws to specify that the members may make decisions by consensus, with certain exceptions. However, consensus decision-making is generally only an appropriate means of making decisions at members meetings when the size of membership is small. If consensus decision making is desired for members, the following may be used: "Unless otherwise required by the Act or the articles of the Corporation, questions arising at any meeting of the members shall be decided by a consensus of the members present at the meeting. A consensus will be considered to have been reached when no member objects to the question on the floor before the meeting. Should the chair of the meeting determine, after a reasonable effort to achieve consensus has been made, that a consensus will not be reached regarding a particular question then the chair shall refer the question to be decided by a majority vote of the members."

Footnote 11

Tie-Vote – The example provided in the precedent gives the chair a second or casting vote to break a tie-vote. There are other variations possible, such as stating that the chair shall not exercise a vote except to break a tie.

Footnote 12

Election of Directors – Subsection 128(3) provides that directors are to be elected by the members by ordinary resolution at an annual meeting for a term expiring within the prescribed period set out in the Regulations (4 years). Subsection 128(4) of the Act allows directors to be elected for staggered terms. The by-laws may specifically provide for staggered terms or the by-laws may be left silent so that the staggered terms are provided by resolution.

Footnote 13

Appointment by Directors – Subsection 128(8) of the Act states that if the articles provide, the directors may appoint directors to the board but the total number may not exceed 1/3 of the number of directors elected at the previous annual meeting of members. If appointment by directors is desired, the articles could provide: "The board of directors may appoint additional directors for a term expiring not later than the close of the next annual meeting of members but the total number of directors appointed may not exceed 1/3 of the number of directors elected at the previous annual meeting. The precise number of directors to be appointed in this manner may be fixed by ordinary resolution of the members."

Footnote 14

First Organizational Meeting Following Incorporation – The phrase "provided that for the first organization meeting following incorporation, such meeting

may be called by any director or incorporator" is not required unless the corporation is being created (i.e. it is not needed on continuance).

Footnote 15

Notice of Board of Directors' Meeting – Subsection 136(1) allows the by-laws to provide for any notice of a meeting of directors. The example provided by the precedent gives the board flexibility to establish a greater number of days notice for regular board meetings while being able to call a board meeting on short notice where pressing matters require an urgent meeting.

Footnote 16

Voting – Subsection 137(1) of the Act permits the by-laws to specify that the directors will make decisions by consensus, with certain exceptions. If consensus decision making is desired, the following may be used:
"Unless otherwise required by the Act or the articles of the Corporation, questions arising at any meeting of the board shall be decided by a consensus of the directors present at the meeting. A consensus will be considered to have been reached when no director objects to the question on the floor before the meeting. Should the chair of the meeting determine, after a reasonable effort to achieve consensus has been made, that a consensus will not be reached regarding a particular question, then the chair shall refer the question to be decided by a majority vote of the directors. In that event, each director is authorized to exercise one vote".

Footnote 17

Tie-Vote – Where there is a tie vote, the example provided in the precedent gives the chair a second or casting vote to break a tie. There are other variations possible, such as stating that the chair shall not exercise a vote except to break a tie.

Footnote 18

Officers – Section 142 of the Act allows the board of directors to appoint the officers of the corporation and any offices may be specified in the by-laws. If appointment by members or in some other manner is preferred, it must be set out in the articles, by-laws or, if applicable, a unanimous member agreement.

Footnote 19

Transition is a special case for the effective date of the by-laws. The new by-laws typically take effect on the date that the corporation continues under the NFP Act. This is the effective date of the Certificate of Continuance.