

## BY-LAW NO. 1

### ARTICLE I INTERPRETATION

#### 1.01 Definitions

In these By-laws, unless the context otherwise requires:

- a. “Act” means the *Canada Not-for-Profit Corporations Act, S.C. 2009 c.23* and the regulations enacted pursuant to that Act and any legislation that may be substituted therefore, as may be amended from time to time;
- b. “Charter Member” means The Financial Advisors Association of Canada;
- c. “Continuing Obligations” shall be the meaning assigned to it under Article 4.04;
- d. “Corporation” means The Institute of Chartered Life Underwriters of Canada and may be used interchangeably with the “Institute”;
- e. “Ethics Committee” means the Committee established in accordance with Article 10.01 hereof;
- f. “Executive Committee” means the Committee established in accordance with Articles 10 and 11 hereof;
- g. “Institute Designation” means any designation which was previously or is currently conferred and controlled by The Institute;
- h. “Institute Designation Program” means any education program which is offered by The Institute which, upon successful completion of all requirements, leads to the conferment of an Institute Designation;
- i. “Institute Member” has the meaning assigned to it by Section 3.03 hereof;
- j. “Institute Student Member” has the meaning assigned to it by Section 4.04 hereof;
- k. “TFAAC” means The Financial Advisors Association of Canada, as represented by TFAAC’s Board of Directors or such person or persons as TFAAC’s Board of Directors otherwise in writing directs;

- l. "The Institute" means The Institute of Chartered Life Underwriters of Canada and may be used interchangeably with the "Corporation";
- m. "Trustee" means a director of The Institute;
- n. "Trustees" means the board of directors of The Institute.

#### 1.02 **Interpretation**

- a. All terms which are contained in the By-laws and which are defined in the Act, but not in any By-law shall have the meaning given to such term in the Act;
- b. The insertion of headings in the division of this By-law into articles, sections and subsections are for the convenience of reference only, and shall not affect the construction or interpretation of this By-law.

### **ARTICLE II HEAD OFFICE**

- 2.01 a. Until changed in accordance with the Act, the Head Office of The Institute shall be in the City of Toronto, in the Province of Ontario.
- b. The Corporation may establish such other offices and agencies as the Board of Directors may from time to time determine.

### **ARTICLE III MEMBERSHIP**

#### 3.01 **Classes of Membership**

There shall be three classes of membership in The Institute, namely:

- a. Charter Member;
- b. Institute Member; and
- c. Institute Student Member.

#### 3.02 **Charter Member**

- a. The Charter Member shall be The Financial Advisors Association of Canada ("TFAAC"). The Charter Member shall be entitled to receive notice of and to attend all meetings of Members and the Charter Member shall have one (1) vote on every item of business, question or resolution transacted, discussed or presented at any such meeting. The Charter Member shall be entitled to vote in respect of any amendments to the Articles of Continuance or By-laws of The

Institute and no such amendment shall be enforced or acted upon until sanctioned by the Charter Member present at any meeting called for such purpose.

Pursuant to Section 197(1) of the Act, a special resolution of the Members is required to make any amendments to this section of the Bylaws, if those amendments affect membership rights and/or conditions described in Section 197(1) of the Act.

### 3.03 **Institute Member**

- a. Institute Members shall be those individuals who were admitted as Institute Members by The Institute, from time to time, in accordance with this Article 3.03.
- b. The Trustees shall admit as an Institute Member any individual:
  - i. who has applied for Institute membership in prescribed form;
  - ii. who has paid the appropriate fees to The Institute;
  - iii. who is authorized to use any Institute Designation;
  - iv. who meets the additional qualifications, if any, prescribed by the Trustees from time to time.
- c. The Trustees shall determine when Institute Members are required to renew their membership (and pay the applicable fees as provided for in Section 3.9) and the Trustees may, in their sole discretion and authority, determine not to renew any Institute Member's membership in The Institute.
- d. Institute Members shall be entitled to receive notice of and to attend all meetings of Members and shall have one vote only on those items of business which do not pertain to the Articles of Continuance and/or By-laws and/or appointment of Trustees of The Institute.

Pursuant to Section 197(1) of the Act, a special resolution of the Members is required to make any amendments to this section of the Bylaws, if those amendments affect membership rights and/or conditions described in Section 197(1) of the Act.

### 3.04 **Institute Student Member**

- a. Institute Student Members shall be those individuals who are admitted into an Institute Designation Program by The Institute, from time to time, in accordance with this Article 3.04.
- b. The Trustees shall admit as an Institute Student Member any individual:

- i. who has applied for enrollment in an Institute Designation Program in the prescribed form;
  - ii. who has paid the appropriate enrollment fees to The Institute;
  - iii. who meets the additional qualifications, if any, prescribed by the Trustees from time to time.
- c. The Trustees shall determine when Institute Student Members are required to renew their membership (and pay the applicable fees as provided for in Section 3.9) and the Trustees may, in their sole discretion and authority, determine not to renew any Institute Student Member's membership in The Institute.

Pursuant to Section 197(1) of the Act, a special resolution of the Members is required to make any amendments to this section of the Bylaws, if those amendments affect membership rights and/or conditions described in Section 197(1) of the Act.

### 3.05 **Continuing Obligations**

Each Institute Member and Institute Student Member shall be required to adhere to and comply with the following Continuing Obligations, being:

- a. these By-laws;
- b. the Code of Professional Conduct and Disciplinary Procedures and the Standards approved by the Trustees and adopted by Institute Members and Institute Student Members for Institute Members and Institute Student Members, as the same may be from time to time;
- c. the rules and regulations, including those set out within the Institute's Code of Professional Conduct and Disciplinary Procedures prescribed from time to time by the Trustees;
- d. in the case of an Institute Member, the practice standards prescribed from time to time by the Trustees for those individuals authorized to use an Institute Designation in Canada; and
- e. the payment of fees hereunder.

### 3.06 **Suspension and Termination**

In accordance with the procedures prescribed by the Trustees from time to time, membership of any Institute Member who does not comply with the Code of Conduct and Disciplinary Procedures or as a result of a decision made by the decision making authority pursuant to the Disciplinary Procedures as a result of a breach of the association's Code of Professional Conduct, may be suspended or terminated. The Trustees may suspend or terminate an Institute Member's right to use Institute Designations and the membership in The Institute of any Institute Member or Institute Student Member who does not comply with the Continuing Obligations.

### 3.07 **Reinstatement**

In accordance with the procedure prescribed by the Trustees from time to time, the Trustees may reinstate an Institute Member's right to use an Institute Designation and such person's membership in The Institute, either on a conditional or unconditional basis, for any person whose Institute membership has been suspended or terminated.

### 3.08 **Resignation**

An Institute Member may resign such Member's right to use all Institute Designations and membership in The Institute by mailing, postage prepaid, addressed to The Institute at its head office such person's written resignation; provided that such resignation shall not relieve The Institute Member so resigning of the obligation to pay any fees or any charges theretofor accrued and unpaid. An Institute Student Member may also resign such Member's membership in The Institute. An Institute Student Member wishing to resign shall resign by providing notice in the same manner as set out above for a resigning Institute Member; provided that such resignation shall not relieve The Institute Member so resigning of the obligation to pay any fees or any charges theretofor accrued and unpaid. Notwithstanding anything herein contained, the Trustees shall not be obligated to accept such resignation.

### 3.09 **Membership Fees**

The Trustees may assess membership fees on Institute Members and/or Institute Student Members from time to time and in such manner and upon such terms as the Trustees may determine from time to time. For greater certainty, and without limiting the generality of the foregoing, no Institute Member or Institute Student Member, as the case may be, shall be entitled to a refund of such fees, once received and paid, notwithstanding that his or her membership may have been subsequently suspended or terminated in accordance with these By-laws. Services of The Institute and privileges of membership in The Institute may be suspended, at the Trustees determination, for any Institute Member or Institute Student Member, as the case may be, who is delinquent in the payment of fees, where such non-payment of fees lasts for a period of thirty (30) days or more.

### 3.10 **Transferability of Membership**

- a. An Institute Member's and Institute Student Member's membership in The Institute is not transferrable.

Pursuant to Section 197(1) of the Act, a special resolution of the Members is required to make any amendments to this section of the Bylaws, if those amendments affect membership rights and/or conditions described in Section 197(1) of the Act.

### 3:11 **Code of Professional Conduct and Disciplinary Procedures**

### Code of Professional Conduct

The Code of Professional Conduct sets out a list of principles that an Institute Member is expected to abide by in his/her business activities and in his/her liaison between clients and suppliers of financial products and services.

### Disciplinary Procedures

The Disciplinary Procedures are for the purpose of determining if the conduct of an Institute Member has breached the Code of Professional Conduct.

Amendments to the Code of Professional Conduct and/or rules and regulations dealing with the Disciplinary Procedures requires the approval of the board of Trustees, the Charter Member and a majority of Members.

### Enforcement

Enforcement of the Code of Professional Conduct has been delegated to the bodies constituted pursuant to the Disciplinary Procedures.

## **ARTICLE IV MEMBERS MEETINGS**

### **4.01 Annual Meeting**

The annual meeting of Members shall be held at such time in each year and such place as the Trustees may determine for the following purposes:

- a. reviewing and considering the report of the Trustees and of any committees who wish to issue a separate report;
- b. receiving and considering the balance sheet as at the year ending, and the statement of income and expenditures for the period prior to the date of such meeting;
- c. receiving and considering the report of the auditors and appointing the auditors for the ensuing year;
- d. transacting any other business that may be properly brought before the meeting.

### **4.02 Special Meetings**

The Trustees or the Charter Member or fifty (50) Institute Members of The Institute shall have the power to call a special meeting of Members at any time.

#### 4.03 **Notice of Meeting**

- a. Notice of time and place of each meeting of Members shall be given in the manner provided in Article 17.01 and shall be given at least twenty eight (28) days and not more than ninety (90) days before the time fixed for the holding of such meeting, to each trustee, to the auditors and to each Member who is entitled to such notice and who at the close of business on the record date is entered in the record of The Institute as a Member of The Institute. Notice of any special meeting shall state the business to be transacted at such meeting in sufficient detail to permit each Member to form a reasonable judgment thereon. Any person entitled to notice may in any manner waive notice or otherwise consent to a meeting of Members.

Pursuant to Section 197(1) of the Act, a special resolution of the Members is required to make any amendments to this section of the Bylaws, if those amendments affect membership rights and/or conditions described in Section 197(1) of the Act.

#### 4.04 **List of Members Entitled to Notice**

For any meeting of Members, The Institute shall prepare a list of Institute Members and Institute Student Members entitled to receive notice of such meeting arranged in alphabetical order, identifying such member as either an Institute or Institute Student Member . This list shall be prepared on the date set in accordance with Article 4.05 hereof and shall be available for examination by any Member during regular business hours at the place where the record is kept or at the meeting.

#### 4.05 **Record Date for Notice**

The Trustees may fix in advance a record date preceding the date of any meeting of Members by not more than ninety (90) days and not less than twenty (28) days for the determination of Members entitled to notice of the meeting. If no record date is fixed, the record date for the determination of Members entitled to notice of the meeting shall be at the close of business on the day immediately preceding the day on which notice is given.

#### 4.06. **Persons Entitled to be Present**

The only persons entitled to be present at a meeting of Members shall be those entitled to notice, including duly appointed proxy holders, the Trustees, the auditors and any other persons determined by the Trustees or by consent of the meeting expressed by resolution passed at the meeting.

#### 4.07 **Chair and Secretary**

The chair of any meeting of the Members shall be the Chair of The Institute and if such person is not present at such meeting the Vice-Chair of The Institute. If no such officer is present within fifteen (15) minutes of the time fixed for holding such meeting, the persons present and entitled to vote shall choose a chair from among them. The secretary of the meeting shall be the Secretary of The Institute. If the Secretary is not present within fifteen (15) minutes of the time fixed for holding the meeting, the chair shall appoint a person, who need not be a Member, to act as secretary of the meeting.

#### 4.08 **Quorum**

A quorum for the transaction of business at any meeting of Members shall be the Charter Member alone (represented by proxy), with respect to amendments to the Articles of Continuance or By-laws of The Institute, appointment of Trustees and/or with respect to Article 5.03(a), and the Charter Member, majority of Trustees, and twenty (20) Institute Members entitled to vote thereat represented in person or by proxy, with respect to such other matters.

4.09 **Right to Vote**

At any meeting of Members in respect of which a list of Members is prepared in accordance with Article 4.04 hereof, every person named in such list, whether in person or represented by proxy, shall be entitled to one (1) vote at such meeting, subject to the qualification with respect to what subject matters a Member may vote on, as provided in Articles 3.02 , 3.03 and 3.04. In the absence of such a list prepared as aforesaid, every person who is entitled to a vote by these By-laws, whether present in person or by proxy, shall be entitled to one (1) vote at such meeting, subject to the qualification with respect to what subject matters a Member may vote on, as provided in Articles 3.02, 3.03 and 3.04.

4.10 **Proxy**

- a. Every Member entitled to vote at a meeting of Members may appoint a proxyholder, or one (1) or more alternate proxyholders, which proxyholder or proxyholders must be a Member to attend at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing and executed by the Member or such person's duly authorized attorney. The Trustees may specify in the notice calling a meeting of Members a time (preceding the time of such meeting by not more than two (2) business days) before which time the proxy to be used at such meeting shall be deposited. The proxy shall only be acted upon if, prior to the time so specified, it shall have been deposited with The Institute or with an officer or agent thereof specified in such notice, or if no such time is specified in such notice, unless it has been received by the said secretary or by the chairman of the meeting or any adjournment thereof prior to the time of voting.
- b. A proxy may be in the following form:

*The undersigned Member of The Institute of Chartered Life Underwriters of Canada hereby appoints \_\_\_\_\_ of \_\_\_\_\_ or failing the person appointed above, \_\_\_\_\_ of \_\_\_\_\_ as the proxy of the undersigned to attend and act at the \_\_\_\_\_ meeting of the Members of the Corporation to be held on the \_\_\_\_ day of \_\_\_\_\_, and at any adjournment or adjournments thereof in the same manner, to the same extent and with the same powers if the undersigned were present at the said meeting or such adjournment or adjournments thereof.*

*Dated the \_\_\_\_ of \_\_\_\_\_, 20\_\_\_\_.*

\_\_\_\_\_  
*Signature of Member*

Pursuant to Section 197(1) of the Act, a special resolution of the Members is required to make any amendment to the By-laws of the Corporation to change its method of voting by members not in attendance at a meeting of Members

#### 4.11 **Votes to Govern**

At any meeting of Members, every question shall, unless otherwise required by the Letters Patent, the By-laws or the Act, be determined by a majority of votes cast from those members entitled to vote on the question. The chair of the meeting shall not be entitled to vote, save and except in the case of an equality of votes, in which case the chair of the meeting shall be entitled to a casting vote.

#### 4.12 **Method of Voting**

- a. Subject to the Act, any question at a meeting of Members shall be decided by a show of hands, unless a poll or ballot is required or demanded as hereinafter provided. Upon the show of hands, every Member who is entitled to vote and is present or represented by a proxy shall have one (1) vote. Whenever a vote by a show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chair of the meeting that the vote upon the question has been carried or not carried and an entry to that effect in the minutes shall be prima facie evidence of the fact without proof of the number or the proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the question, and the result of the vote so taken shall be the decision of the Members upon the said question.
- b. On any question proposed for consideration at a meeting of Members, whether or not a show of hands has been taken thereon, any Member entitled to vote on such question, whether present in person or represented by proxy, may require or demand a poll or ballot. A poll or ballot so demanded or required shall be taken in such manner as the chair of the meeting shall direct. The Member who so requests or demands a poll or ballot may withdraw such a requirement or demand at any time prior to the taking of the poll or ballot. If a poll or ballot is taken, each Member entitled to vote, whether present in person or by proxy, shall have one (1) vote and the result of the poll or ballot so taken shall be the decision of the Members upon the question.

#### 4.13 **Adjournment**

Any meeting of Members may, with the consent of the Trustees, be adjourned to a fixed time and place. A meeting shall be adjourned at the request of the Charter Member, to the time and place as determined by the Charter Member. If the meeting is adjourned prior to the meeting, notice of the adjourned meeting shall be given in the manner provided for in Article 17.01 hereof. At the time of the meeting, Members present entitled to vote at such meeting, whether present in person or represented by proxy, and regardless of whether a quorum is present at such meeting, may, with the consent of the Trustees, adjourn the meeting to a fixed time and place, giving notice only to those Members entitled to vote and present at such meeting or represented by proxy, to the Trustees and to the auditor.

#### 4.14 **Minutes of Meetings and Availability**

The Secretary of The Institute, or such other designated person, shall prepare and retain all minutes of the meetings of the Members of The Institute. Such minutes shall be available to the Members of The Institute whereby such minutes are posted on a Member only website within ninety (90) days of the applicable meeting.

### **ARTICLE V TRUSTEES**

#### 5.01 **Number of Trustees**

The property and business of The Institute shall be managed by a board of directors (herein referred to as the “Board of Trustees” or the “Trustees”) comprised of no less than seven (7) and no more than fifteen (15) trustees. The trustees shall be appointed from time to time by the Charter Member at a meeting duly called for the purpose of determining the trustees to be appointed as Trustees, such trustees to be chosen by the Charter Member from a list of nominees submitted by the Board of Trustees of The Institute. Trustees must be individuals, 18 years of age, with power under law to contract. A trustee must be a member in good standing of The Institute and be entitled to use an Institute Designation. At least two-thirds in number of the Board of Trustees must be members in good standing of TFAAC. The Trustees shall adopt a policy from time to time for regional or geographic representation on the Board of Trustees based on the geographic location of the Members of The Institute, in order to provide regional representation to Institute Members through the appointment of trustees on a regional or geographic basis. Wherever possible, there shall be at least one (1) trustee from each region as may be determined by the Board of Trustees from time to time.

#### 5.02 **Term**

- a. Trustees shall be appointed for a term of two (2) years save and except the position of Past Chair, which shall be appointed for a term of one (1) year with the option of a second year if Trustees and Past Chair agree;
- b. An elected Trustee cannot be elected or serve for more than eight (8) consecutive years plus any years served as Chair or Past Chair;

#### 5.03 **Removal of Trustees**

The office of Trustee shall be automatically vacated:

- a. if at a Board of Trustees meeting called for that purpose, a resolution is passed by two-thirds (2/3) of the Trustees of The Institute that such person be removed

from office and subsequent thereto the written approval of TFAAC to such removal is provided by TFAAC;

- b. if at a special general meeting of Members, a resolution is passed by the Charter Member present at the meeting that such person be removed from office;
- c. if a Trustee has resigned such person's office by delivering a written resignation to the secretary of The Institute;
- d. if such trustee is found by a court to be of unsound mind;
- e. on such trustee's death;
- f. if such trustee ceases to be an Institute Member; and/or
- g. if such trustee is no longer entitled to use the title and description of an Institute Designation;

provided that if any vacancy shall occur for any reason in this paragraph contained, the Board of Trustees by majority vote, may, by appointment, fill the vacancy with a Member of The Institute with the consent of the Charter Member.

#### 5.04 **Remuneration**

The trustees shall serve as such without remuneration and no trustee shall directly or indirectly receive any profit from such position; provided that a trustee may be paid reasonable expenses incurred by such trustee in the performance of the duties of trustee. Nothing herein contained shall be construed to preclude a trustee from serving The Institute as an officer or in any other capacity and receiving compensation therefor.

#### 5.05 **Retiring Trustee**

A retiring trustee shall remain in office until the dissolution or adjournment of the meeting at which such trustee's retirement is accepted and such trustee's successor is appointed.

### **ARTICLE VI POWERS OF TRUSTEES**

#### 6.01 **Power of Board of Trustees**

With the consent of the Charter Member, the Trustees of The Institute may administer the affairs of The Institute in all things and make or cause to be made for The Institute, in its name, any kind of contract which The Institute may lawfully enter into and, subject to the prior written approval of TFAAC as noted above, and save as hereinafter

provided, generally, may exercise all such other powers, including the power to authorize expenditures, secure such borrowing against the property of The Institute and employ such employees and do all such other acts and things as The Institute is by its charter or otherwise authorized to exercise and do.

6.02 **Restriction on Trustees Authority**

Notwithstanding anything else contained in these By-laws to the contrary, it is specifically provided that The Institute, and the Trustees and/or anyone else acting on behalf of The Institute may not propose or operate on a deficit budget basis without the prior written approval of the Charter Member. In addition, the Trustees cannot make changes to the Letters Patent and/or By-laws of The Institute without the prior written approval of the Charter Member. Such written approval must be signed by the Chairperson and Secretary of the Charter Member, attached to a certified copy of the resolution passed by the board of directors of the Charter Member authorizing same.

**ARTICLE VII  
TRUSTEES MEETINGS**

7.01 **Meetings**

Meetings of the Trustees may be held at any time and place to be determined by the Trustees provided that fourteen (14) days written notice of such meeting shall be given to each trustee. Notice by mail shall be sent at least fourteen (14) days prior to the meeting. A trustee may waive notice of such meeting, or otherwise consent to a meeting of the Trustees without the requirement of the said fourteen (14) days written notice. There shall be at least one (1) meeting per year of the Trustees. No error or omission in giving notice of any meeting of the Trustees or any adjourned meeting of the Trustees of The Institute shall invalidate such meeting or make void any proceedings taken thereat and any trustee may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat.

7.02 **Voting**

- a. Each Trustee is authorized to exercise one (1) vote at all meetings of the Board of Trustees. The Trustee serving as chair of a meeting of the Board of Trustees shall not be entitled to vote, save and except in the case of an equality of votes, in which case the chair shall be entitled to a casting vote, in the best interests of The Institute, save and except in respect of a vote for the election of the chair.
- b. Any matter within the powers of the Board of Trustees in the administration of the affairs of The Institute shall be decided upon by the approval of a majority of the Trustees of The Institute attending at a meeting of Trustees duly called and properly constituted, subject to the qualifications set forth in Article 6.02.

### 7.03 **Meeting by Teleconference and Electronic Means**

- a. The Board of Trustees of The Institute may meet by teleconference provided that either a majority of the Board of Trustees consents to a meeting by teleconference or meetings by teleconference have been approved by resolution passed by the Board of Trustees at a meeting of the Board of Trustees.
- b. The Board of Trustees of The Institute may meet by other electronic means that permits each trustee to communicate adequately with each other, provided that:
  - i. the Board of Trustees have passed a resolution addressing the mechanics of holding such a meeting and dealing specifically with how security issues should be handled and the procedure for establishing a quorum and recording votes;
  - ii. each trustee has equal access to the specific means of communication to be used; and
  - iii. each trustee has consented in advance to meeting by electronic means using the specific means of communication proposed for the meeting.

### 7.04 **Quorum**

A majority of trustees in office, from time to time shall constitute a quorum for meetings of the Trustees. Any meeting of the Trustees at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the by-laws of The Institute, subject to the qualifications set forth in Article 6.02.

### 7.05 **Indemnity**

Every trustee or officer of The Institute or other person who has undertaken or is about to undertake any liability on behalf of The Institute or any company controlled by it and their heirs, executors and administrators, and estate and effects, respectively, shall from time to time and at all times, be indemnified and saved harmless out of the funds of The Institute, from and against:

- a. all costs, charges and expenses which such trustee, officer or other person sustains or incurs in or about any actions, suit or proceedings which is brought, commenced or prosecuted against such individual, or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by such individual, in or about the execution of the duties of such person's office or in respect of any such liability;
- b. all other costs, charges and expenses which such individual sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by such person's own willful neglect or default.

## 7.06 **Protection of Trustees and Officers**

Any trustee or officer of The Institute shall not be liable for any act, receipt, neglect or default of any other trustee, officer or employee or for any loss, damage or expense happening to The Institute through any deficiency of title to any property acquired by The Institute or for any deficiency of any security upon which any moneys of The Institute shall be invested or for any loss or damage arising from bankruptcy, insolvency or tortious act of any person including any person with whom any moneys, securities or effects shall be deposited or for any loss, conversion, or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to The Institute or for any other loss, damage or misfortune which may happen in the execution of the duties of such person's respective office or trust unless such occurrence is as a result of such person's own willful neglect or default. The Board of Trustees of The Institute shall not be responsible for any contract or transaction entered into in the name of The Institute, except such contracts or transactions that are submitted to and authorized by the Trustees. If any trustee or officer shall be employed by The Institute or shall have an interest in a person who is employed by The Institute, such trustee or officer shall not be disentitled from receiving remuneration from such employment.

## 7.07 **Conflicts of Interest**

- a. Any trustee of The Institute who:
  - i. is a party to a material contract or proposed material contract with The Institute; or
  - ii. is a director or officer of or has a material interest in any body corporate or business firm which is a party to a material contract or proposed material contract with The Institute,

shall disclose in writing or have entered in the minutes, the nature and extent of such trustee's interest in such material contract or proposed material contract with The Institute.

- b. The disclosure required by a. above, shall be made:
  - i. at the meeting at which a proposed contract is first considered;
  - ii. if the trustee was not then interested in a proposed contract, at the first meeting after said trustee becomes so interest; or
  - iii. if the trustee becomes interested after a contract is made at the first meeting held after the trustee becomes so interested.

c. A trustee referred to in subparagraph a. above is liable to account for any profit made on the contract by the trustee or by a corporate entity or business firm in which the trustee has a material interest, unless:

- i. the trustee disclosed his interest in accordance with subparagraphs a. or b. above;
- ii. after such disclosure the contract was approved by the Trustees or the Charter Member; and
- iii. the contract was reasonable and fair to The Institute at the time it was approved; and

provided that a trustee who has made a declaration of such trustee's interest in a contract or a proposed contract and has not voted in respect of such contract contrary to the prohibition contained in subparagraph d. below, if such prohibition applies, is not accountable to The Institute or any of its Members or creditors by reason only of such trustee holding that office or of the fiduciary relationship thereby established, for any profit realized by such contract.

d. A trustee referred to in subparagraph a.i. above shall not vote on any resolution to approve the contract, unless the contract is:

- i. an arrangement by way of security for money lent to or obligations undertaken by such trustee for the benefit of The Institute; or
- ii. one relating primarily to such trustee's remuneration as an officer or employee of The Institute.

e. For the purposes of this Article VII, a general notice to the trustees by a trustee declaring that said trustee is a director or officer of or has a material interest in a body corporate or business firm and is to be regarded as interested in any contract made therewith, is a sufficient declaration of interest in relation to any contract so made.

f. A contract is not void by reason only of the failure of a trustee to comply with the provisions of this Article VII, but the court may upon the application of The Institute or the Charter Member, set aside a contract in respect of which a trustee has failed to comply with the provisions of this Article VII, and the court may make any further order it thinks fit.

## **ARTICLE VIII OFFICERS**

### **8.01 Officers**

The officers of The Institute shall be a Chair, a Vice-Chair, a Past Chair, a Secretary, a Treasurer and a Chief Operating Officer and any such other officers as the Trustees may by by-law determine. Any two (2) offices may be held by the same person. Save and except for the Chief Operating Officer, each officer must be a Trustee and a member of The Institute in good standing.

### **8.02 Appointment of Officers**

Officers shall be appointed by resolution of the Trustees at the first meeting of the Trustees following an annual meeting of members. The Trustees shall appoint as Chief Operating Officer that individual designated by the Charter Member from time to time. The Chair must be a member in good standing of both The Institute and TFAAC. The Chair of The Institute shall hold office for two (2) years from the date of appointment or until the Chair's successor is appointed in such person's stead.

### **8.03 Term**

The officers of The Institute shall hold office for two (2) years from the date of appointment or until their successors are appointed in their stead, save and except the position of Past Chair who shall hold office for a term of one (1) year with the option of a second year if Trustees and Past Chair agree. Officers (other than the Chief Operating Officer) shall be subject to removal by resolution of the Trustees at any time, with or without cause. The Chief Operating Officer shall also be subject to removal by the Chief Executive Officer of TFAAC at any time, with or without cause.

### **8.04 Duties of Officers**

- a. the Chair shall be the chief executive officer of The Institute, and shall preside at all meetings of The Institute and of Trustees. Such person shall have the general and active management of the affairs of The Institute, and shall see that all orders and resolutions of the Trustees are carried into effect.
- b. the Vice-Chair shall, in the absence or disability of the Chair, perform the duties and exercise the powers of the Chair and shall perform such other duties as shall from time to time be imposed upon the Vice-Chair by the Trustees.
- c. the Treasurer shall have the custody of the funds and securities of The Institute and shall keep full and accurate accounts of all assets, liabilities, receipts and disbursements of The Institute in the books belonging to The Institute and shall deposit all monies, securities and other valuable effects in the name and to the credit of The Institute in such chartered bank or trust company or, in the case of

securities, in such registered dealer in securities as may be designated by the Trustees from time to time. Such person shall disburse the funds of The Institute as may be directed by proper authority taking proper vouchers for such disbursements, and shall render to the Chair and trustees at the regular meeting of Trustees, or whenever they may require it, an accounting of all the transactions and a statement of the financial position of The Institute. The Treasurer shall also perform such other duties as may from time to time be directed by the Trustees.

- d. the Secretary may be empowered by the Trustees, upon resolution of the Trustees, to carry out the Secretary's affairs of The Institute 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 and of the Trustees, and shall perform such other duties as may be prescribed by the Trustees or Chair, under whose supervision such person shall be. The Secretary shall be custodian of the seal of The Institute, which shall be delivered only when authorized by a resolution of the Trustees to do so and to such person or persons as may be named in the resolution.
- e. the Chief Operating Officer shall perform those duties of The Institute and exercise those powers on behalf of The Institute, as determined by the Charter Member, in consultation with the Trustees.
- f. the duties of all other officers of The Institute shall be such as the terms of their engagement call for or the Trustees requires of them.

## **ARTICLE IX COMMITTEES**

- 9.01 The Trustees may appoint committees whose members will hold their offices at the will of the Trustees. The Trustees shall determine the duties of such committees and may fix any remuneration to be paid. The Trustees shall, at a minimum, create three (3) committees, being the Executive Committee, as noted in Article X, the Ethics Committee, and the Nominations Committee.

**ARTICLE X  
EXECUTIVE COMMITTEE**

**10.01 Number and Authority**

There shall be an executive committee composed of five (5) trustees who shall be appointed by the Trustees, and the Chief Operating Officer (who shall be a non-voting member of the Executive Committee). The executive committee shall exercise such powers as are authorized by the Trustees. Any executive committee member may be removed by a majority vote of the Trustee. Executive committee members shall receive no remuneration for serving as such (except the Chief Operating Officer as a salaried employee of TFAAC), but are entitled to reasonable expenses incurred in the exercise of their duty.

**10.02 Meetings**

Meetings of the executive committee shall be held at any time and place to be determined by the members of such committee provided that forty-eight (48) hours written notice of such meeting shall be given, other than by mail, to each member of the committee. Notice by mail shall be sent at least fourteen (14) days prior to the meeting. Four (4) members of such committee shall constitute a quorum. An executive committee member may waive notice of such meeting, or otherwise consent to a meeting of the executive committee without the required written notice. No error or omission in giving notice of any meeting of the executive committee or any adjourned meeting of the executive committee of The Institute shall invalidate such meeting or make void any proceedings taken thereat and any member of such committee may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat.

**10.03 Meetings by Telephone**

If all of the members of the executive committee present at such meeting consent, an executive committee member may participate in the meeting of the executive committee by means of telephone or other method of communication which permits all persons participating in the meeting to hear each other and the executive members participating in such meeting by such means are deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates.

**ARTICLE XI  
EXECUTION OF DOCUMENTS**

11.01 Contracts, documents or any instruments in writing requiring the signature of The Institute, shall require the prior written approval of the Charter Member and it shall be required, after obtaining such written approval, that such contracts, documents and instruments be signed by any two (2) officers and all contracts, documents and instruments in writing so signed (after obtaining the aforementioned written approval) shall be binding upon The Institute without any further authorization or formality. The Trustees shall have power from time to time by resolution to appoint an officer or officers on behalf of The Institute to sign specific contracts, documents and instruments in writing. The Trustees may give The Institute's power of attorney to any registered dealer in securities of The Institute. The seal of The Institute when required may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any officer or officers appointed by resolution of the Trustees.

**ARTICLE XII  
MINUTES OF TRUSTEES (AND EXECUTIVE COMMITTEE)**

12.01 The minutes of the Trustees (and the minutes of the executive committee) shall not be available to the general membership of The Institute but shall be available to the Trustees, each of whom shall receive a copy of such minutes.

**ARTICLE XIII  
FINANCIAL YEAR**

13.01 Unless otherwise ordered by the Trustees, the fiscal year end of The Institute shall be December 31.

**ARTICLE XIV  
AUDITORS**

14.01 The Members shall, at each annual meeting, appoint an auditor to audit the accounts of The Institute for report to the Members at the next annual meeting. The auditor shall hold office until the next annual meeting provided that the Trustees may fill any casual vacancy in the office of the auditor. The remuneration of the auditor shall be fixed by the Trustees.

**ARTICLE XV  
BOOKS AND RECORDS**

15.01 The Institute shall cause a book or books to be kept by the Secretary, or some other officer of The Institute especially charged with that duty, wherein shall be kept recorded:

- a. a copy of the By-laws of The Institute;
- b. the names, alphabetically arranged, of all persons who are and have been members of The Institute;
- c. the address of every member of The Institute;
- d. all other necessary books and records of The Institute required by the By-laws of The Institute or by any applicable statutory law; and
- e. the names and addresses of all persons who are or have been trustees of The Institute, with the dates on which each became or ceased to be such trustee.

15.02 The book or books of The Institute shall be kept at the Head Office of The Institute.

#### **ARTICLE XVI RULES AND REGULATIONS**

16.01 The Trustees may prescribe such rules and regulations not inconsistent with this By-law relating to the management and operation of The Institute as they deem expedient, provided that such rules and regulations shall have force and effect only until the next annual meeting of the Members of The Institute when they shall be confirmed, and failing such confirmation at such annual meeting of Members, shall at and from that time cease to have any force and effect.

#### **ARTICLE XVII INTERPRETATION**

17.01 **Method of Giving Notice**

Any notice to a Member, trustee, officer, auditor, a member of a committee or any other person shall be sufficiently given if delivered personally to the person to whom it is to be given or delivered to such person's recorded address or if mailed to such person's recorded address by pre-paid ordinary or airmail or sent to such person's recorded address by any means of pre-paid, transmitted or recorded communication. 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 the 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, trustee, officer, auditor or member of a committee in accordance with any information believed by such person to be reliable.

17.02 **Computation of Time**

In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the date of giving the notice shall be excluded and the date of the meeting or other event shall be included.

17.03 **Undelivered Notices**

If any notice given is returned on two (2) consecutive occasions because the person to whom it is to be given cannot be found, The Institute shall not be required to give any further notices to the person to whom it is to be given until such person informs The Institute in writing of the new address.

17.04 **Omissions and Errors**

The accidental omission to give any notice to any Institute Member, trustee, officer, auditor or member of a committee, or the non-receipt of any notice to any Institute Member, trustee, officer, auditor or member of a committee or any error contained in any such notice not affecting the substance of the notice shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

17.05 **Waiver of Notice**

An Institute Member (or such person's duly appointed proxyholder), trustee, officer, auditor or member of a committee may at any time waive any notice, or waive or abridge the time for any notice, required to be given to such person hereunder or otherwise and such waiver or abridgement 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 waver of notice of a meeting of Institute Members or of the Trustees, which may be given in any manner.

**ARTICLE XVIII  
AMENDMENT OF BY-LAWS**

18.01 The by-laws of the Corporation not embodied in the Articles of Continuance may be repealed or amended by by-law enacted by a majority of the trustees at a meeting of the Board of Trustees and sanctioned by an affirmative vote of the Charter Member at a meeting duly called for the purpose of considering the said by-law, provided that the repeal or amendment of such by-laws shall not be enforced or acted upon until the written approval of TFAAC. A by-law signed by the Charter Member is valid as if passed at such meeting.

This Section does not apply to a By-law that requires a special resolution of the Members according to Section 197(1) of the Act because amendments or appeals of such Sections of the By-law are only effective when confirmed by the Members.

**ARTICLE XIII  
REPEAL**

19.01 Upon this By-law coming into force, the By-law No. 1 of the Corporation dated October 2010 is repealed. However, such repeal shall not affect the previous operation of such By-law or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under the validity of any contract or agreement made pursuant to such By-law prior to such repeal. All officers and persons acting under such repealed By-law shall continue to act as if appointed under the provisions of this By-law and all resolutions of the Members or Board with continuing effect passed under such repealed By-law shall continue as good and valid, until amended or repealed, except to the extent inconsistent with this By-law.

**WITNESS** the corporation seal of the Corporation.

Chair

Signature