

Canadian Payments Association

By-law No. 8 – Administration

December 3, 2015

By-law No. 8 – Administration

Table of Contents

ARTICLE 1 INTERPRETATION	1
ARTICLE 2 HEAD OFFICE	1
ARTICLE 3 EXECUTION OF DOCUMENTS AND CORPORATE SEAL	1
3.1 Corporate Seal.....	1
3.2 Signature on Documents.....	2
3.3 Certified True Copies.....	2
3.4 Electronic Documents and Execution in Counterpart.....	2
ARTICLE 4 BANKING BUSINESS.....	2
4.1 Transaction of Banking Business.....	2
4.2 Form of Transactions	2
4.3 Deposits and Investments.....	2
ARTICLE 5 BOARD OF DIRECTORS	2
5.1. Quorum.....	2
5.2 Duties of Directors	2
5.3 Recall of Elected Director by Members	3
5.4 Ceasing to be a Director.....	3
5.5 Day, Time and Place of Meetings.....	3
5.6. Request for Meeting	3
5.7 Notice of Meeting	3
5.8 Meeting Without Notice	4
5.9 Schedule of Regular Meetings	4
5.10 Participation by Electronic Means	4
5.11. Voting.....	4
5.12 Invitation to Attend Meeting	4
5.13 Remuneration of Independent Directors.....	4
5.14 Expenses.....	5
ARTICLE 6 COMMITTEES OF THE BOARD	5
6.1 Required Committees	5
6.2 Other Committees	5

6.3	Committee Composition	5
6.4	Terms of Reference for Committees.....	5
6.5	Delegation of Board’s Powers and Duties	5
6.6	Review of Committee Decisions	6
6.7	Meeting Procedures.....	6
ARTICLE 7 STAKEHOLDER ADVISORY COUNCIL.....		6
7.1	Chairperson and Vice-chairperson.....	6
7.2	Invitation to Attend Meetings.....	7
7.3	Duties of Stakeholder Advisory Council Members	7
7.4	Invitations to Nominate	7
7.5	Nominations.....	7
7.6	Notification of Appointments	8
7.7	Place of Meetings.....	8
7.8	Number of Meetings.....	8
7.9	Request for Meeting	8
7.10	Notice of Meeting	8
7.11	Meeting Attendance	8
7.12	Participation by Electronic Means	9
7.13	Voting.....	9
7.14	Quorum.....	9
7.15	Expenses.....	9
7.16	Administrative Support.....	9
7.17	Annual Workplan	9
ARTICLE 8 MEMBER ADVISORY COUNCIL		9
8.1	Chairperson and Vice-chairperson.....	9
8.2	Invitation to Attend Meetings.....	10
8.3	Duties of Member Advisory Council Members.....	10
8.4	Invitations to Nominate	10
8.6	Notification of Appointments	11
8.7	Place of Meetings.....	11
8.8	Number of Meetings.....	11
8.9	Request for Meeting	11
8.10	Notice of Meeting	11

8.11	Meeting Attendance	11
8.12	Participation by Electronic Means	12
8.13	Voting.....	12
8.14	Quorum.....	12
8.15	Administrative Support.....	12
8.16	Annual Workplan and Workplan Report.....	12
ARTICLE 9 OFFICERS AND OTHER EMPLOYEES		12
9.1	Appointment of Officers	12
9.2	Secretary	13
9.3	Financial Officer	13
9.4	Powers and Duties of Other Employees	13
9.5	Termination.....	13
9.6	Obligations of Employment	14
ARTICLE 10 PROTECTION OF DIRECTORS AND EMPLOYEES		14
10.1	Indemnity	14
10.2	Liability Insurance	14
10.3	Director Dissents.....	15
ARTICLE 11 MEMBERSHIP LIST.....		15
11.1	List of Members	15
11.2	Change in Address.....	15
11.3	Availability of List	15
ARTICLE 12 MEETINGS OF MEMBERS		15
12.1	Annual Meeting.....	15
12.2	Special Meeting.....	15
12.3	Request for Meeting	15
12.4	Place of Meetings.....	16
12.5	Participation by Electronic Means	16
12.6	Notice of Meeting	16
12.7	Members Entitled to Notice.....	16
12.8	Record Date	17
12.9.	Meeting Without Notice	17
12.10	Chairperson, Secretary and Scrutineers	17
12.11	Persons Entitled to be Present.....	17

12.12	No Quorum	18
12.13	Appointment of Representative	18
12.14	Proxies.....	18
12.15	Voting.....	18
12.16	Voting by Show of Hands	19
12.17	Voting by Ballot.....	19
12.18	Adjournment.....	19
ARTICLE 13	NOTICE	19
13.1	Method of Giving Notices	20
13.2	Computing Days	20
13.3	Omissions and Errors	20
13.4	Waiver of Notice and Abridgement of Time	20

PROPOSED WORDING FOR BY-LAW 8

ARTICLE 1 INTERPRETATION

1.1 The following definitions apply in this By-law.

“**Act**” means the Canadian Payments Act.

“**bank**” means a bank listed in Schedule I or II to the Bank Act.

“**employee**”, in respect of the Association, includes the President, the secretary, the financial officer and any other officer of the Association.

“**Member Advisory Council**” means the Member Advisory Council established by section 21.4 of the Act.

“**nominating committee**” means the nominating committee established by the Board pursuant to subsection 20(1) of the Act.

“**payments system**” means a system or arrangement for the exchange of messages effecting, ordering, enabling or facilitating the making of payments, or of transfers of value that are eventually cleared and settled as payment items, through the systems operated by the Association.

“**Regulations**” means the regulations made under section 35 of the Act.

“**service provider**” means a person or an entity who is not a member that supports the operation, maintenance and development or enhancement of payments systems that directly or indirectly interface with the national clearing and settlement systems.

“**stakeholder**” means a person or an entity that is either a payment system user of or a payment service provider, or that represents the interests of a group of payment system users of or payment service providers, but is not a member of or eligible for membership in the Association.

“**Stakeholder Advisory Council**” means the Stakeholder Advisory Council established by section 21.2 of the Act.

“**user**” means a person or an entity that is a user of payments systems but is not a member.

ARTICLE 2 HEAD OFFICE

2.1 The head office of the Association shall be in the National Capital Region as described in the schedule to the National Capital Act.

ARTICLE 3 EXECUTION OF DOCUMENTS AND CORPORATE SEAL

3.1 Corporate Seal

The Chairperson, the President, the secretary or their delegates may affix the corporate seal to any document of the Association.

3.2 Signature on Documents

Documents required to be signed by the Association shall be signed in the manner specified by the Board.

3.3 Certified True Copies

The Chairperson, the President, the secretary or their delegates may certify a copy of any document of the Association to be a true copy of the original.

3.4 Electronic Documents and Execution in Counterpart

Any document, including electronic copies and facsimile transmissions, may be executed in counterparts, each of which shall be an original against any party whose signature appears on such counterpart and all of which together shall constitute one and the same document.

ARTICLE 4 BANKING BUSINESS

4.1 Transaction of Banking Business

The banking business of the Association shall be transacted with any bodies corporate or organizations designated for this purpose by or under the authority of the Board.

4.2 Form of Transactions

The banking business shall be transacted under any agreements, instructions and delegations of powers that the Board prescribes or authorizes.

4.3 Deposits and Investments

The Association may deposit its money with a member. It may otherwise invest its money in any manner that may be approved by the Board.

ARTICLE 5 BOARD OF DIRECTORS

5.1. Quorum

A quorum for any meeting of the Board is the quorum described in subsection 8(3) of the Act.

5.2 Duties of Directors

In addition to the duties imposed by section 16.1 of the Act, the directors shall, in exercising their powers and performing their duties,

- (a) disclose their interest in any material contract or proposed material contract with the Association, or in any other material matter if they have a reasonable possibility of conflict of interest;
- (b) make reasonable efforts to attend the meetings of the Board and of the committees of which they are members; and

- (c) comply with the relevant provisions of the Act, the Regulations, the by-laws and any other law that impose obligations on the directors as directors.

5.3 Recall of Elected Director by Members

- (1) A director ceases to be a director when a resolution calling for the recall of the director is passed in accordance with subsection 9.1(2) of the Act.
- (2) Notice of the resolution shall be given to the director.
- (3) If a notice of intention to fill the vacancy was given in the notice calling the special meeting, the vacancy created by the recall of the director may be filled at the same meeting.

5.4 Ceasing to be a Director

A director ceases to be a director when

- (a) the director's term expires;
- (b) the director dies;
- (c) the director is recalled by a resolution of the members as provided in the Act;
- (d) the director ceases to meet the eligibility requirements to be a director set out in section 9 or 14 of the Act or the Canadian Payments Association Election of Directors Regulations; or
- (e) the director resigns, in which case the resignation is effective on the later of
 - (i) the day on which the resignation is given to the Association, and
 - (ii) the day specified in the resignation.

5.5 Day, Time and Place of Meetings

Meetings of the Board may be held on such date and at such time and place as the Board or the Chairperson may decide.

5.6. Request for Meeting

If any three directors request in writing that the Chairperson call a meeting, the Chairperson shall without delay notify the other directors of the request and its subject-matter and call a meeting of the Board within 21 days after receiving the request to consider the matter specified in it.

5.7 Notice of Meeting

- (1) Notice of the day, time and place of each meeting of the Board shall be given to each director at least seven days before the day on which the meeting is to be held.
- (2) The notice shall specify the purpose of or the business to be considered at the meeting if the meeting is being called under section 5.6 or if the purpose or business includes a proposal to
 - (a) submit to the members any question or matter that require their approval;

- (b) fill a vacancy in the office of auditor;
- (c) issue debt obligations;
- (d) approve any annual financial statements;
- (e) adopt, amend or repeal by-laws or rules;
- (f) terminate the membership of a member or suspend one or more of their rights; or
- (g) approve for submission to the Minister of Finance the corporate plan or an amendment thereto.

5.8 Meeting Without Notice

- (1) The Board may, without notice, hold a meeting immediately following a meeting of members at which directors are elected.
- (2) Notice of a meeting of the Board that is adjourned is not required if the day, time and place for the resumption of the meeting are announced at the original meeting.

5.9 Schedule of Regular Meetings

- (1) The Board shall establish a schedule of its regular meetings and shall send without delay a copy of the schedule fixing the day of the regular meetings to each director.
- (2) No other notice is required for a regular meeting unless this By-law requires that the purpose of the meeting or the business to be considered be specified in the notice.

5.10 Participation by Electronic Means

- (1) With the consent of the Chairperson, one or more directors may participate in a meeting of the Board by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate adequately with each other during the meeting.
- (2) The consent referred to in subsection (1) may be given with respect to all meetings of the Board.

5.11. Voting

Subject to subsection 4(6) and paragraph 4(7)(b) of the Act, every question put to a vote at a meeting of the Board is decided by a majority of the votes cast. Each director shall be entitled to exercise one vote at each meeting of the Board. In the event of a tie vote on any matter before the Board at a meeting of the Board, the Chairperson, or in the absence of the Chairperson, the Deputy Chairperson, has a second vote.

5.12 Invitation to Attend Meeting

The Chairperson may invite any person to attend a meeting of the Board and to participate in its discussions.

5.13 Remuneration of Independent Directors

- (1) The remuneration of a director referred to in paragraph 8(1)(d) of the Act, other than the Chairperson, shall be an annual amount of \$70,000.
- (2) The remuneration of the Chairperson shall be an annual amount of \$150,000.
- (3) In addition to the remuneration under subsection (1), the remuneration of the chairperson of a committee of the Board, if he or she is a director referred to in paragraph 8(1)(d) of the Act, shall be an annual amount of \$7,000.

5.14 Expenses

- (1) Directors are entitled to be reimbursed for any reasonable travel and living expenses incurred by them in attending meetings of the Board or of any committee of the Association that requires certain members to be directors.
- (2) Directors who perform any service on behalf of the Association outside the work or services ordinarily required of a director are entitled to be reimbursed for any reasonable travel and living expenses incurred by them in the performance of the service.

ARTICLE 6 COMMITTEES OF THE BOARD

6.1 Required Committees

In addition to the nominating committee required under the Act, the Board shall establish such committees as necessary to oversee risk management and audit functions, however those committees may be named or described.

6.2 Other Committees

The Board may establish such other committees, as it considers appropriate.

6.3 Committee Composition

- (1) The nominating committee will have a minimum of three elected directors, excluding the Chairperson, a majority of whom shall be directors referred to in paragraph 8(1)(d) of the Act.
- (2) Other standing committees of the Board will have a minimum of three elected directors each, excluding the Chairperson, and shall have at least one director from the directors described in paragraphs 8(1)(b) and (c) and one director from the directors described in 8(1)(d) of the Act.
- (3) The Chairperson is an ex officio non-voting member of all committees.

6.4 Terms of Reference for Committees

The functions, duties, powers, composition and procedures of each committee will be contained in the terms of reference for that committee, as adopted by resolution of the Board.

6.5 Delegation of Board's Powers and Duties

The Board may not delegate any of the following powers and duties to its committees:

- (a) submitting to the members any question or matter that requires their approval;
- (b) filling a vacancy in the office of auditor or President;
- (c) terminating the membership of a member or suspending one or more of their rights;
- (d) approving any financial statements or the operating or capital budgets;
- (e) making, amending or repealing by-laws, rules or statements of principle;
- (f) authorizing any expenditures that were not previously approved in the budgets, except budget over-runs if the principal expenditure was approved in the budget;
- (g) terminating the employment of any employee appointed by the Board, unless the termination is for cause;
- (h) authorizing the borrowing of money on the credit of the Association, unless the borrowing is of a temporary nature to meet day-to-day requirements; or
- (i) approving for submission to the Minister of Finance the corporate plan or any amendments thereto.

6.6 Review of Committee Decisions

Any decision made by a committee in respect of a power delegated to it by the Board is subject to review by the Board, and the decision of the Board on the matter is final.

6.7 Meeting Procedures

The rules respecting the procedure and conduct of meetings of committees of the Board are the same as the rules applicable in the case of meetings of the Board, with any necessary modifications.

ARTICLE 7 STAKEHOLDER ADVISORY COUNCIL

7.1 Chairperson and Vice-chairperson

- (1) The chairperson and vice-chairperson elected under subsection 21.2(6) of the Act may be re-elected for a maximum of three consecutive terms.
- (2) The elected Board directors referred to in subsection 21.2(3) of the Act are not eligible to be or to vote for the chairperson or vice-chairperson.
- (3) The chairperson of the Stakeholder Advisory Council shall preside at all meetings of the Stakeholder Advisory Council and shall perform any other duties that may be required to ensure the proper functioning of the Stakeholder Advisory Council.
- (4) The vice-chairperson of the Stakeholder Advisory Council shall act as chairperson in the event of the absence or incapacity of the chairperson or, if the office is vacant, until a new chairperson is elected.

7.2 Invitation to Attend Meetings

The chairperson may, with advance notice to the other members of the Stakeholder Advisory Council, invite any person to attend a meeting of the Stakeholder Advisory Council and to participate in its discussions.

7.3 Duties of Stakeholder Advisory Council Members

In performing their duties, the members of the Stakeholder Advisory Council referred to in subsection 21.2(4) of the Act shall

- (a) take into account the objects of the Association in support of the broad interests of the overall payments system;
- (b) fairly represent the stakeholder interest that they were appointed to represent and actively solicit the views of their sector;
- (c) withdraw from discussion of a particular item in respect of which they have a reasonable possibility of a conflict of interest;
- (d) submit their resignation if they have been absent without just cause from three consecutive meetings of the Stakeholder Advisory Council; and
- (e) comply with the relevant provisions of the Act and CPA By-laws.

7.4 Invitations to Nominate

- (1) At least 60 days before the day on which the Stakeholder Advisory Council members referred to in subsection 21.2(4) of the Act are to be appointed, the Association shall identify the stakeholders, notify them of any vacancies on the Stakeholder Advisory Council and invite them to submit nominations for membership on the Stakeholder Advisory Council.
- (2) The notice shall set out the requirements for membership on the Stakeholder Advisory Council and outline the nomination procedure and selection process.

7.5 Nominations

- (1) Any person, including a person who has not been invited to submit nominations, may submit nominations for membership on the Stakeholder Advisory Council, if the person complies with the procedures for submitting nominations that are set out in this By-law and in any notice of vacancy issued by the Association, and if the nominee meet the requirements for membership.
- (2) Each nomination shall contain the following information and any other information that may be required by the notice:
 - (a) the name, address and telephone number of the nominee;
 - (b) a description of the specific industry or group whose interests would be represented by the nominee; and

- (c) an explanation of how the nominee meets the requirements for membership on the Stakeholder Advisory Council.
- (3) An advisory committee on Stakeholder Advisory Council nominations, consisting of the chairperson and vice-chairperson of the Stakeholder Advisory Council, the two Board directors referred to in subsection 21.2(4) of the Act and two members of the CPA executive team, will
 - (a) review the nominations received;
 - (b) make recommendations on the nominations to the nominating committee; and
 - (c) review and make recommendations on the process for soliciting nominations.
- (4) The chairperson or vice-chairperson of the Stakeholder Advisory Council will be invited to provide counsel and advice to the nominating committee on the nominations and any recommendations of the advisory committee.

7.6 Notification of Appointments

Within 30 days after the day on which the Board appointed the required number of Stakeholder Advisory Council members referred to in subsection 21.2(4) of the Act, the Association shall notify the nominees, and the stakeholders who were invited to submit nominees, of the appointments.

7.7 Place of Meetings

Meetings of the Stakeholder Advisory Council may be held at any place in Canada.

7.8 Number of Meetings

The Stakeholder Advisory Council shall meet at least three times per year.

7.9 Request for Meeting

If any five Stakeholder Advisory Council members request in writing that the chairperson of the Stakeholder Advisory Council call a meeting, the chairperson shall notify the other members of the request and call a meeting of the Stakeholder Advisory Council within 21 days after receiving the request to consider any matter specified in the request.

7.10 Notice of Meeting

- (1) Notice of the day, time and place of each meeting of the Stakeholder Advisory Council shall be given to each member of the Stakeholder Advisory Council at least seven days before the day scheduled for the meeting, unless eighty percent of the Stakeholder Advisory Council members, including the chairperson, agree otherwise.
- (2) The notice of meeting need not specify the purpose of the meeting, except if the meeting is called under section 7.9.

7.11 Meeting Attendance

- (1) If a Stakeholder Advisory Council member is unable to attend a particular meeting, the member may, with the consent of the chairperson of the Stakeholder Advisory Council, send an alternate to attend the meeting on his or her behalf.
- (2) A Stakeholder Advisory Council member may not send an alternate to attend more than one third of Council meetings per year.

7.12 Participation by Electronic Means

If the chairperson of the Stakeholder Advisory Council consents in advance of the meeting, one or more Stakeholder Advisory Council members may participate in a meeting of the Stakeholder Advisory Council by means of such telephonic, electronic or other communications facilities that permit all persons participating in the meeting to be able to communicate adequately with each other during the meeting.

7.13 Voting

- (1) Every question put to a vote at a meeting of the Stakeholder Advisory Council is decided by a majority of the votes cast.
- (2) Stakeholder Advisory Council members referred to in subsection 21.2(3) of the Act are not entitled to vote on any issue.
- (3) In the case of a tie vote, the chairperson of the Stakeholder Advisory Council is entitled to a second vote.

7.14 Quorum

A quorum for a meeting of the Stakeholder Advisory Council is a majority of the members.

7.15 Expenses

The chairperson and vice-chairperson of the Stakeholder Advisory Council and the Stakeholder Advisory Council members who represent the interests of consumer groups are entitled to be reimbursed for their reasonable travel and living expenses incurred by them while engaged in the business of the Stakeholder Advisory Council and absent from their ordinary place of residence.

7.16 Administrative Support

The Association shall provide administrative support to the Stakeholder Advisory Council.

7.17 Annual Workplan

- (1) No later than sixty days after the start of each fiscal year, the Stakeholder Advisory Council shall submit an annual workplan for the Board's approval.
- (2) Subject to the Board's approval of the workplan, the Association is responsible for any reasonable costs associated with holding meetings of the Stakeholder Advisory Council.

ARTICLE 8 MEMBER ADVISORY COUNCIL

8.1 Chairperson and Vice-chairperson

- (1) The Member Advisory Council will elect from its members one member to be chairperson and one member to be vice-chairperson of the Council for a terms of not more than two years.
- (2) The chairperson and vice-chairperson may be re-elected for a maximum of three consecutive terms.
- (3) Any Board director that is a member of the Member Advisory Council is not eligible to be or to vote for chairperson or vice-chairperson.
- (4) The chairperson of the Member Advisory Council shall preside at all meetings of the Member Advisory Council and perform any other duties that may be required to ensure the proper functioning of Member Advisory Council.
- (5) The vice-chairperson of the Member Advisory Council shall act as chairperson in the event of the absence or incapacity of the chairperson or, if the office is vacant, until a new chairperson is elected.

8.2 Invitation to Attend Meetings

The chairperson may, in his or her own discretion, invite any person to attend a meeting of the Member Advisory Council and to participate in its discussions.

8.3 Duties of Member Advisory Council Members

In performing their duties, the members of the Member Advisory Council, other than the elected directors appointed to the Council by the Board, shall

- (a) take into account the objects of the Association in support of the broad interests of the overall payments system;
- (b) fairly represent the member interests that they were appointed to represent;
- (c) withdraw from discussion of a particular item in respect of which they have a reasonable possibility of a conflict of interest;
- (d) submit their resignation if they have been absent without just cause from three consecutive meetings of the Member Advisory Council; and
- (e) comply with the relevant provisions of the Act and CPA By-laws.

8.4 Invitations to Nominate

- (1) At least 60 days before the day on which Member Advisory Council members are to be appointed, the Association shall notify its membership of any vacancies on the Council and invite them to submit nominations for membership on the Member Advisory Council.
- (2) The notice shall set out the eligibility and skills requirements for membership on the Member Advisory Council and outline the nomination procedure and selection process.

8.5 Nominations

- (1) Any member may submit nominations for membership on the Member Advisory Council, if the member complies with the procedures for submitting nominations that are set out in this By-law and in any notice of vacancy issued by the Association, and if the nominee meet the requirements for membership on the Council.
- (2) Each nomination shall contain the following information and any other information that may be required by the notice:
 - (a) the name, address and telephone number of the nominee; and
 - (b) an explanation of how the nominee meets the eligibility and skills requirements for membership on the Member Advisory Council.
- (3) The Chairperson of the Member Advisory Council may be invited to provide counsel and advice to the committee on the nominations.

8.6 Notification of Appointments

Within 30 days after the day on which the Board appointed the required number of Member Advisory Council members, the Association shall notify the nominees of the appointments.

8.7 Place of Meetings

Meetings of the Member Advisory Council may be held at any place in Canada.

8.8 Number of Meetings

The Member Advisory Council shall meet at least three times per year.

8.9 Request for Meeting

If any five Member Advisory Council members request in writing that the chairperson of the Member Advisory Council call a meeting, the chairperson shall notify the other members of the request and call a meeting of the Council within 21 days after receiving the request to consider any matter specified in the request.

8.10 Notice of Meeting

- (1) Notice of the day, time and place of each meeting of the Member Advisory Council shall be given to each member of the Member Advisory Council at least seven days before the day scheduled for the meeting, unless eighty percent of the Member Advisory Council members, including the chairperson, agree otherwise.
- (2) The notice of meeting need not specify the purpose of the meeting, except if the meeting is called under section 8.9.

8.11 Meeting Attendance

- (1) If a Member Advisory Council member is unable to attend a particular meeting, the member may, with the consent of the chairperson of the Member Advisory Council, nominate another person to attend the meeting on his or her behalf.
- (2) A Member Advisory Council member may not send an alternate to attend more than one third of Council meetings per year.

8.12 Participation by Electronic Means

If the chairperson of the Member Advisory Council consents in advance of the meeting, one or more Member Advisory Council members may participate in a meeting of the Member Advisory Council by means of such telephonic, electronic or other communications facilities that permit all persons participating in the meeting to be able to communicate adequately with each other during the meeting.

8.13 Voting

- (1) Every question put to a vote at a meeting of the Member Advisory Council is decided by a majority of the votes cast.
- (2) The elected directors appointed by the Board are not entitled to vote on any issue.
- (3) In the case of a tie vote, the chairperson of the Member Advisory Council is entitled to a second vote.

8.14 Quorum

A quorum for a meeting of the Member Advisory Council is a majority of the members.

8.15 Administrative Support

The Association shall provide administrative support to the Member Advisory Council.

8.16 Annual Workplan and Workplan Report

- (1) No later than sixty days after the start of each fiscal year, the Member Advisory Council shall submit an annual workplan for the Board's approval.
- (2) As soon as feasible after the end of each fiscal year, the Member Advisory Council shall prepare and submit an annual workplan report to the Board on the activities of the Council for that preceding year.
- (3) Subject to the Board's approval of the workplan, the Association is responsible for any reasonable costs associated with holding meetings of the Member Advisory Council. Council members are responsible for their own costs incurred related to their participation on the Council.

ARTICLE 9 OFFICERS AND OTHER EMPLOYEES

9.1 Appointment of Officers

- (1) The Board may appoint a secretary and a financial officer, however they are described.

- (2) The Board may appoint any other officer as the Board may determine by resolution.
- (3) A person may hold more than one office.

9.2 Secretary

The powers and duties of the secretary are

- (a) except when another employee has been given these duties under section 9.4, to attend and be the secretary at all meetings of the Board and committees of the Board and members;
- (b) to enter or cause to be entered in records kept for that purpose, minutes of all meetings referred to in paragraph (a);
- (c) to give or cause to be given all notices to members, directors, employees, the auditor and members of committees of the Board;
- (d) to be the custodian of the corporate seal of the Association and of all official records of the Association;
- (e) to file the reports required by law;
- (f) to keep up to date a list of current members, specifying for each member their address of its head office (or another address designated by the member for the delivery of notices, including an electronic mail address), date of membership, as well as a list of current directors; and
- (g) to exercise any other powers and perform any other duties that the Board or the President may specify.

9.3 Financial Officer

The powers and duties of the financial officer are

- (a) except when another employee has been given these duties under section 9.4, to keep proper accounting records in compliance with the law and to be responsible for the deposit of money, the disbursement of funds and the safekeeping of securities of the Association;
- (b) to render to the Board as required an account of all of his or her transactions as financial officer and of the financial position of the Association; and
- (c) to exercise any other powers and perform any other duties that the Board or the President may specify.

9.4 Powers and Duties of Other Employees

The powers and duties of the other employees shall be set out in their contracts of employment and/or position descriptions with the Association or as the Board or the President may specify.

9.5 Termination

- (1) The Board may terminate the employment of the President and rescind the appointment of any officer appointed by the Board.
- (2) The President may terminate the employment of any employee, other than an officer appointed by the Board.

9.6 Obligations of Employment

- (1) It is a term of the contract of employment of every employee of the Association that the employee shall act honestly and in good faith with a view to the best interests of the Association and shall avoid conflicts of interest.
- (2) Every employee is required to disclose his or her interest in any material contract or proposed material contract with the Association.
- (3) Subsections (1) and (2) shall be made known, and their substance shall be explained, to every employee on the commencement of his or her employment.

ARTICLE 10 PROTECTION OF DIRECTORS AND EMPLOYEES

10.1 Indemnity

- (1) The Association may indemnify any director or employee, or former director or employee, and his or her heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or to satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal, administrative, investigative or other action or proceeding to which he or she was involved by reason of being or having been a director or employee of the Association, if
 - (a) the director, employee, former director or former employee acted honestly and in good faith with a view to the best interests of the Association; and
 - (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the director, employee, former director or former employee had reasonable grounds for believing that his or her conduct was lawful.
- (2) The Association shall indemnify any person referred to in subsection 1 who both fulfils the requirements of subsection 1 and was not judged by the court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done, against all costs, charges and expenses reasonably incurred by him or her in connection with the defence of an action or proceeding referred to in subsection 1.
- (3) The Association may advance moneys to a person referred to in subsection 1 for the costs, charges and expenses of a proceeding referred to in subsection 1. For greater certainty, the individual shall repay the moneys if the individual does not fulfill the requirements of subsection 1.

10.2 Liability Insurance

The Association may purchase and carry liability insurance coverage for the benefit of any person referred to in section 10.1 in any amount that it may determine.

10.3 Director Dissents

- (1) Subsections 123(1) to (3) of the Canada Business Corporations Act apply in respect of dissents by directors to actions taken or resolutions passed by the Board or any committee of the Board.
- (2) The secretary shall give a copy of those provisions to each director on their election.

ARTICLE 11 MEMBERSHIP LIST

11.1 List of Members

The secretary, or another person designated by the Board for that purpose, shall cause to be established and maintained a list of the members, the address of their head office (or another address designated by them for the delivery of notices, including an electronic mail address) and the date of their membership.

11.2 Change in Address

Members shall inform the secretary of any change in their address.

11.3 Availability of List

The membership list, without individual contact information, shall be available on the Association's website.

ARTICLE 12 MEETINGS OF MEMBERS

12.1 Annual Meeting

Subject to section 25 of the Act, the annual meeting of members shall be held on the day and at the time and place in Canada that the Board or the Chairperson may determine.

12.2 Special Meeting

The Board or the Chairperson may call a special meeting of members at any time for the consideration of any business that the members may transact.

12.3 Request for Meeting

- (1) Any group of members may, by a written request signed by twenty percent of the total membership, requisition the Chairperson to call a meeting of members.
- (2) The requisition shall state the business to be considered at the meeting and shall be sent to each director and to the head office of the Association.
- (3) On receiving the requisition, the Chairperson shall call a meeting of members to consider the business stated in the requisition, unless

- (a) a record date has been fixed under section 12.8; or
 - (b) a meeting of members has been called and notice of the meeting has already been given under section 12.6.
- (4) If the circumstance described in paragraph (3)(a) or (b) exists, the business stated in the requisition shall be considered at the next meeting of members.
- (5) If the Chairperson does not call a meeting within 21 days after receiving the requisition and if neither of the circumstances described in paragraph (3)(a) or (b) exist, any three members who signed or voted for that requisition may call the meeting.

12.4 Place of Meetings

Meetings of members shall be held at any place in Canada that the Board or Chairperson may determine as stated in the notice calling the meeting.

12.5 Participation by Electronic Means

If the Chairperson consents in advance of the meeting, one or more members may participate in a meeting of members by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate adequately with each other during the meeting.

12.6 Notice of Meeting

- (1) Notice of the day, time and place of each meeting of members shall be given not more than 50 days and not less than 21 days before the day of the meeting, to each director, to the auditor (except in the case of a meeting for the sole purpose of electing directors) and to each member entitled to notice under section 12.7.
- (2) Notice of a meeting of members called for any purpose other than consideration of the auditor's report, an election of directors or a reappointment of the incumbent auditor shall state the nature of the business to be considered in sufficient detail to permit the members to form a reasoned judgment on the business and shall include the text of any resolution to be submitted at the meeting.

12.7 Members Entitled to Notice

- (1) If a record date for a meeting of members is fixed under section 12.8, the members registered and in good standing at the close of business on the record date are entitled to receive notice of the meeting.
- (2) If no record date is fixed under section 12.8, the members registered and in good standing at the close of business on the day immediately preceding the day on which notice of the meeting is given are entitled to receive notice of the meeting.
- (3) Before every meeting of members the Association shall prepare a list of the members entitled to receive notice of the meeting.

- (4) The list shall be available for examination by any member during usual business hours at the head office of the Association, or at the place where the list is maintained, and at the meeting for which the list was prepared.
- (5) No member is precluded from attending and voting at a meeting of members by reason only of the fact that they became a member of the Association after a record date was fixed under section 12.8 or after the day on which notice of the meeting was given, as the case may be.

12.8 Record Date

The Board may fix a day as a record date for the determination of the members entitled to notice of any meeting of members, but the record date must not precede the day of the meeting by more than 50 days or less than 21 days.

12.9 Meeting Without Notice

- (1) Despite sections 12.6 to 12.8, a meeting of members may be held without notice if
 - (a) all of the members entitled to vote at the meeting are represented either personally or by proxy, or if those not represented either personally or by proxy waive notice of or otherwise consent to the meeting being held; and
 - (b) except in the case of a meeting to elect directors, the auditor and the directors are present or waive notice of or otherwise consent to the meeting being held.
- (2) Subsection (1) does not apply if any member or director or the auditor attends the meeting for the express purpose of objecting to the meeting being held on the grounds that the meeting was not lawfully called.

12.10 Chairperson, Secretary and Scrutineers

- (1) The Chairperson or, in the Chairperson's absence or incapacity, the Deputy Chairperson presides at all meetings of members. If the Chairperson and the Deputy Chairperson are both absent or unable to preside, the President shall do so.
- (2) If neither the Chairperson, the Deputy Chairperson nor the President is present 15 minutes after the time fixed for holding the meeting, the members entitled to vote who are represented either personally or by proxy shall choose one of themselves to be chairperson, to preside at the meeting until the Chairperson, Deputy Chairperson or the President arrives.
- (3) If the secretary is absent, the chairperson of the meeting shall designate a person, who need not be a representative of a member, to act as secretary of the meeting.
- (4) One or more scrutineers, who need not be the representatives of any members, may be appointed by the board in advance of the meeting or by the chairperson of the meeting with the consent of the members present.

12.11 Persons Entitled to be Present

- (1) The only persons entitled to be present at a meeting of members are not more than two representatives or proxyholders of each member entitled to vote at the meeting, the directors, the auditor of the Association (except in the case of a meeting solely to elect directors) and any other person who, although not entitled to vote, is entitled or required under any provision of the Act or the by-laws to be present at the meeting.
- (2) Any other person may be admitted only on the invitation of the chairperson of the meeting or with the consent of the members present at the meeting.

12.12 No Quorum

- (1) A quorum for any meeting of members is the quorum described in subsection 4.1(3) of the Act.
- (2) If there is no quorum at the opening of any meeting of members, the members represented either personally or by proxy may adjourn the meeting to a day, time and place that they may fix, but they may not consider any other business.

12.13 Appointment of Representative

- (1) Every member entitled to vote at a meeting of members shall appoint a representative and may appoint a proxyholder as well as one or more alternate representatives or proxyholders, with full authority to attend and act for the member at the meeting.
- (2) Every member shall give notice of the appointment of their representative to the secretary at least 48 hours before the commencement of the first meeting at which the representative is to act. The appointment remains in effect until the member gives notice of revocation of the appointment to the secretary.

12.14 Proxies

- (1) Proxies shall be in a written or printed format or in a format generated by telephonic or electronic means and shall bear the written or electronic signature of the member. A proxy lapses at the close of the meeting in respect of which it was given or at the close of any meeting to which the meeting was adjourned.
- (2) The secretary shall provide a form of proxy to any member that requests one.
- (3) The Board shall specify, in the notice of the meeting of members, the name of the person with whom proxies are to be deposited and the time, which must not precede the meeting by more than 48 hours (exclusive of holidays), before which proxies must be deposited.
- (4) A proxy is valid only if it was deposited with the person, or an agent of that person, specified in the notice of the meeting, within the period specified in the notice.

12.15 Voting

- (1) Subject to subsection 9.1(2) of the Act, every question put to a vote at a meeting of members is, decided by a majority of the votes cast on the question.

- (2) The chairperson of the meeting shall specify the manner in which the vote on each question is to be taken.
- (3) Every vote that a member is entitled to cast on a particular question shall be cast by the same representative or proxyholder.
- (4) The chairperson of the meeting may only vote:
 - (a) if the chairperson is a representative of a member; and
 - (b) in the case of a tie.

12.16 Voting by Show of Hands

- (1) When a question is to be voted on by a show of hands, every member who is entitled to vote and represented personally has one vote.
- (2) When a vote by a show of hands has been taken on a question, unless a ballot on the question is requested, a declaration by the chairperson of the meeting that the vote was carried, carried by a particular majority or not carried is the decision of the members on the question.
- (3) The entry of a declaration in the minutes of the meeting is prima facie proof that the vote on the question was carried, carried by a particular majority or not carried, without having to prove the number of the votes recorded in favour of or against any resolution.

12.17 Voting by Ballot

- (1) Any representative of a member or any proxyholder entitled to vote at the meeting may request a ballot on any question proposed for consideration at a meeting of members, whether or not a show of hands has been taken on the question.
- (2) If such a ballot is requested, it shall be taken in the manner that the chairperson of the meeting directs.
- (3) A request for a ballot may be withdrawn at any time before the taking of the ballot.
- (4) If a ballot is taken, each person present is entitled to cast one vote in each capacity as a representative of a member or as a proxyholder.

12.18 Adjournment

- (1) Notice of a meeting of members that is adjourned for less than 30 days is not required if the day, time and place for the resumption of the meeting are announced at the original meeting.
- (2) If a meeting of members is adjourned one or more times for a total of 30 days or more, notice of the resumption of the meeting shall be given as for an original meeting.

ARTICLE 13 NOTICE

13.1 Method of Giving Notices

- (1) Any notice to be given under the by-laws or otherwise is sufficiently given if it is given by personal delivery, transmitted by facsimile or electronic mail, or sent by registered mail (except during periods of actual or threatened interruption of normal postal service because of labour disturbance) addressed to the intended recipient at the recipient's address as recorded on the membership list or in the records of the Association.
- (2) A notice given by personal delivery is considered to have been given on the day it is delivered.
- (3) A notice sent by registered mail is considered to have been given on the fifth day after it was mailed.
- (4) A notice transmitted by facsimile, or electronic mail is considered to have been given on the day it is transmitted.
- (5) The secretary may change or cause to be changed in the records of the Association the address of any member, director, officer, auditor or member of a committee of the Board in accordance with any reliable information.

13.2 Computing Days

In computing the day when notice must be given under any provision requiring a specified number of days notice of any meeting or other event, the day that the notice is given is excluded and the day of the meeting or other event is included.

13.3 Omissions and Errors

The accidental omission to give a notice to a person entitled to the notice, the non-receipt of a notice by any such person, or any error in a notice not affecting its substance does not invalidate any action taken at any meeting held pursuant to the notice or otherwise founded on the notice.

13.4 Waiver of Notice and Abridgement of Time

- (1) Any person entitled to be given a notice may, at any time, waive any notice or abridge the time for any notice required to be given to that person under any provision of the by-laws or otherwise.
- (2) A waiver or abridgment, whether given before, at or after the meeting or other event of which a notice was required to be given, cures any default in the giving of or in the time for the notice, as the case may be.
- (3) A person who attends a meeting of which they were entitled to be given notice is considered to have waived notice of the meeting, except if that person attends for the express purpose of objecting to the meeting being held on the grounds that the meeting was not lawfully called.
- (4) A waiver or abridgment shall be given in writing, but a waiver of notice of a meeting of members, of the Board or of a committee of the Board, may be given in any manner.