

**4/18/2008**

**DIRECTORS RIGHTS COLLECTIVE OF CANADA/LA  
SOCIÉTÉ CANADIENNE DE GESTION DES DROITS DES RÉALISATEURS**

**(the “Corporation”)**

**AMENDED AND RESTATED BY-LAW NUMBER 1**

**General by-law of the Corporation**

## TABLE OF CONTENTS

1.	DEFINITIONS .....	3
2.	CONDITIONS OF MEMBERSHIP .....	4
(A)	RESIGNATION.....	5
(B)	EXPULSION OR REMOVAL PURSUANT TO ARTICLE 4.2.....	5
(C)	SUSPENSION FROM OR TERMINATION OF MEMBERSHIP.....	5
3.	ADMINISTRATION OF RIGHTS .....	6
4.	CESSATION AND RESIGNATION OF MEMBERSHIP .....	9
5.	HEAD OFFICE .....	10
6.	BOARD OF DIRECTORS .....	10
7.	REMOVAL OF DIRECTORS .....	12
8.	PLACE AND NOTICE OF MEETINGS OF BOARD OF DIRECTORS.....	13
9.	VOTING BY BOARD OF DIRECTORS.....	14
10.	POWERS OF DIRECTORS.....	14
11.	REMUNERATION OF DIRECTORS .....	15
12.	PROTECTION FOR DIRECTORS AND OFFICERS.....	15
13.	EXECUTIVE COMMITTEE.....	16
14.	OFFICERS .....	16
15.	DUTIES OF CHAIRPERSON .....	17
16.	DUTIES OF THE PRESIDENT.....	17
17.	DUTIES OF THE TREASURER .....	17
18.	DUTIES OF SECRETARY.....	17
19.	DUTIES OF OTHER OFFICERS .....	18
20.	EXECUTION OF DOCUMENTS .....	18
21.	ANNUAL AND OTHER MEETINGS OF MEMBERS .....	18
22.	QUORUM .....	19
23.	ADJOURNMENTS.....	19
24.	VOTING.....	20
25.	CORPORATE SEAL .....	20
26.	FINANCIAL YEAR.....	20
27.	AMENDMENT OF BY-LAWS, LETTERS PATENT .....	20
28.	AUDITORS.....	21
29.	BOOKS AND RECORDS.....	21
30.	NOTICE .....	22
31.	RULES AND REGULATIONS .....	22
32.	NO LOANS .....	22
33.	GENERAL .....	22
34.	INTERPRETATION .....	22

A by-law relating generally to the transaction of the conduct of the business and affairs of the Corporation.

## 1. DEFINITIONS

Except where otherwise specified, the following terms shall have the following meanings:

- 1.1 “Administrator” means the administrator of the Corporation as appointed by the Board of Directors from time to time;
- 1.2 “Affiliated Society” means any society, agency or other organization within or outside of Canada with which the Corporation has entered into an affiliation agreement regarding the administration of rights;
- 1.3 “Audiovisual Rights” means any rights in respect of copyright, rights of remuneration, rights arising due to authorship, and other rights, property or interest, or any of them, in an Audiovisual Work, however and wherever such rights arise, and whether such rights now exist in whole or in part or are hereafter acquired, excluding any rights administered under any collective agreement or other industry-wide agreement (including, without limitation, any Guild Basic Agreement) and “Audiovisual Right” has a corresponding meaning;
- 1.4 “Audiovisual Work” means a work consisting of a series of related images, whether or not accompanied by sound, whether or not incorporating other elements, produced by whatever method and upon whatever medium, which is intended to be perceived, reproduced or communicated by means of a device; and “Audiovisual Works” has a corresponding meaning;
- 1.5 “Board” means the Board of Directors of the Corporation;
- 1.6 “DGC” means the Directors Guild of Canada;
- 1.7 “director” means a person who performs the services of a director of any Audiovisual Work;
- 1.8 “Director” means a member of the Board;
- 1.9 “Guild Basic Agreement” means any collective agreement, standard agreement, industry-wide agreement or guild basic agreement, entered into by the DGC, by one or more District Councils of the DGC, or by both the DGC and one or more District Councils of the DGC which seeks to regulate the terms and conditions of employment or engagement of directors by producers;

- 1.10 “Objects” means the objects of the Corporation as contained in its Letters Patent;
- 1.11 “Ordinary Member” means a member admitted to membership in the Corporation as a person eligible under paragraph (a) of Article 2.1;
- 1.12 “Rights Fees” means the membership requirements contemplated in Article 2.02;
- 1.13 “Rules” has the meaning ascribed thereto in Article 2.4;
- 1.14 “successor” means a person described under paragraph (b) of Article 2.1; and
- 1.15 “Successor Member” means a member admitted to membership in the Corporation as a successor under paragraph (b) of Article 2.1.

## **2. CONDITIONS OF MEMBERSHIP**

- 2.1 Membership in the Corporation shall consist of the original applicants for a Grant of Letters Patent incorporating the Corporation and any person who is:
  - (a) a director; or
  - (b) the heir, executor, administrator, trustee or legal representative of the estate of a deceased director;who is interested in furthering the Objects of the Corporation and whose application for admission as a member has been accepted in accordance with these by-laws.
- 2.2 Any person who is eligible for membership in the Corporation (other than the original applicants for Letters Patent) may apply to the Corporation for admission to membership in writing, signed by the applicant in the form which the Board from time to time determines. The application shall include those documents contemplated by Article 3.4 and shall include a provision that the applicant agrees to be bound by the Letters Patent and by-laws of the Corporation, all resolutions and any applicable agreement to which the Corporation is or may become a party. The Board may require any applicant to supply evidence of eligibility as it considers reasonably necessary and impose such other requirements and rules as the Board may require.
- 2.3 An application for membership will not be considered unless accompanied by the payment (either in the form of actual payment, set-off or otherwise) of the application fee as set by the Board of Directors from time to time.
- 2.4 The Board of Directors will consider any application and, if reasonably satisfied that the applicant is eligible, may admit the applicant as a member. The Board shall have

full and unrestricted power to refuse any application and is not required to give any reasons should it reject an application. The Board may delegate to the Administrator the ability to accept Members who satisfy the Rules.

- 2.5 Any person who is eligible for membership may be admitted to one of the following categories of membership by the Board of Directors, or in accordance with such procedure as the Board may from time to time prescribe:
  - (a) a person eligible under paragraphs (a) of Article 2.1 may be admitted as an Ordinary Member; and
  - (b) a person eligible under paragraph (b) of Article 2.1 may be admitted as a Successor Member.
- 2.6 When an applicant has been accepted for membership, the Administrator will as soon as possible send to the applicant written notice of acceptance.
- 2.7 Membership fees (in addition to any application fee) payable by Members of the Corporation shall be as directed by the Board of Directors from time to time. Membership fees must be paid in full, by actual payment, set-off or otherwise, and no delay or partial payment shall be accepted for any reason.
- 2.8 The Corporation shall have the right to apply any amounts collected on behalf of a Member against any membership or other fees outstanding by the Member to the Corporation.
- 2.9 A Successor Member shall have the rights and privileges and shall be subject to the same obligations as an Ordinary Member.
- 2.10 The rights and privileges of a Member are personal to the Member and no Member shall be at liberty to transfer his membership to any other person.
- 2.11 A Member is no longer on good standing upon:
  - (a) resignation
  - (b) expulsion or removal pursuant to Article 4.2
  - (c) suspension from or termination of membership.
- 2.12 Only Members in good standing are entitled to vote or exercise any other rights as a member in respect of the Corporation.

### 3. ADMINISTRATION OF RIGHTS

Subject to Article 3.2, the Corporation shall administer on behalf of a Member of the Corporation such of the Audiovisual Rights as the Board of Directors shall in its discretion determine from time to time.

Every Member, by virtue of such Member's acceptance as a Member, grants to the Corporation, for and during the Member's period of membership, subject as hereinafter provided, the power and authority (but not the duty), whether in the name of the Member or of the Corporation, to administer, on behalf of the Member, the Audiovisual Rights of that Member, including, without limitation, the power and authority:

- (a) to collect, administer, allocate and distribute fees, royalties, levies and other remuneration or payments (collectively, "Rights Fees") which the Corporation believes may be due to the Member in respect of the Member's Audiovisual Rights throughout the world whether payable by collecting societies within or outside of Canada or by other persons or entities;
- (b) to establish, exercise and enforce on behalf of the Member all the Member's rights and remedies under any legislation, contract or other legal authority either of Canada or another country in relation to the exploitation or use in any way of the Member's Audiovisual Works;
- (c) in the establishment, exercise or enforcement of such rights and remedies, to make, rescind, vary or alter any arrangements and agreements in relation to the Member's Audiovisual Rights in respect of such Audiovisual Works, to take any necessary action to collect, receive, recover and give effective discharges for all amounts payable to the Member arising from such Audiovisual Rights, to institute and prosecute proceedings against any persons infringing the Member's Audiovisual Rights, to restrain, and recover damages for any infringement of the Audiovisual Rights of the Member, or of the Corporation on the Member's behalf, to release, compromise and settle any disputes or differences in relation to the Member's Audiovisual Rights;
- (d) to protect generally the Member's Audiovisual Rights;

provided that the Corporation may, in its discretion, accept and act upon the authority of any Member or Affiliated Society to exercise rights in their Audiovisual Works to a greater or lesser extent than that provided for above.

Every Member shall, upon acceptance as a Member, or at any time thereafter if so requested by the Corporation, execute such agreements, assignments, grants of license, assurances, powers of attorney, appointments of it as their agent and other authorizations as may be necessary or desirable to permit the Corporation to administer all or any of the Audiovisual

Rights which the Corporation is to administer on behalf of the Member in accordance with the terms of this by-law.

Every authorization to the Corporation pursuant to this Article 3 shall be in such form as the Board of Directors may from time to time prescribe and shall, subject to Articles 3.10, 3.11 and 3.12, operate for and during the period of membership of the person so authorizing or causing to be authorized. Such authorization may include the assignment of any or all of the rights to be administered.

The Corporation may, by notice in writing to any Member, decline to exercise the whole or any part of the Audiovisual Rights in any particular Audiovisual Work of which such Member is the owner, and thereupon the provisions of Articles 3.1 to 3.4 shall cease to apply to such right, and any grant of authority in respect of such right already made to the Corporation by such Member shall be determined by the Corporation. Provided always that the Corporation may at any time, and from time to time, by further notice in writing to such Member, withdraw such notice in respect of all or any of the rights comprised therein, whereupon the provisions of Articles 3.1 to 3.4 shall again apply to such right or rights.

The Corporation may exercise and enforce the rights of members of any Affiliated Society pursuant to the terms of any contract made from time to time between the Corporation and any such Affiliated Society.

The Corporation may undertake to administer on behalf of any person who is not a Member of the Corporation any of the rights which it administers on behalf of Members, on such terms and conditions as the Board of Directors, in its discretion, may determine and stipulate from time to time.

The Board of Directors shall, from time to time, make, vary and rescind rules regarding the collection, receipt, allocation and distribution to Members, Affiliated Societies and members of Affiliated Societies of any Rights Fees received for or on behalf of such persons by the Corporation in the performance of its Objects.

On the death of an Ordinary Member, the Member's membership shall cease and shall not be transmitted to any other person, but the rights (if any) already vested in the Corporation by the Member or controlled by the Corporation by virtue of the Member's membership in the Corporation, shall remain so vested or controlled:

- (i) for a period ending on the 31<sup>st</sup> day of December in the second year following the year in which the Member's death occurred, if no successor to the Member is admitted as a Member of the Corporation within that period; or
- (ii) during the currency of the membership of the successor to the Member, if a successor is admitted as a Member of the Corporation within the period of time set out in paragraph (i) above and in accordance with the Rules.

Any payment to which the Ordinary Member would have been entitled in accordance with these by-laws, if the Ordinary Member were living, in respect of any period prior to the admission to membership in the Corporation of a successor to the Member, shall be made to the Ordinary Member's personal representative until the expiry of the second year as aforesaid or until the date of admission to membership in the Corporation of a successor to the Ordinary Member, whichever is earlier. Upon the admission to membership of a successor to the Ordinary Member, any payment to which the Ordinary Member would have been entitled in accordance with these by-laws, if the Member were living, in respect of any period subsequent to the admission to membership in the Corporation of a successor, shall be made to such Successor Member.

If any proceedings have been instituted by or against the Corporation in respect of a Member's Audiovisual Rights, either in the name of the Corporation or of the Member, and such Member ceases to be a Member during the pendency of the proceedings, any rights the subject of such proceedings which have been vested in the Corporation by such Member, or which are controlled by the Corporation by virtue of the Member's membership, shall remain so vested or controlled until such proceedings are finally disposed of unless and until the Board otherwise determines.

The Corporation shall proceed as follows in respect of all Rights Fees collected:

- (1) The Corporation shall take reasonable steps to locate the person in respect of which it is holding funds in trust for a period of five (5) years following receipt of such Rights Fees.
- (2) Provided that a person cannot be located and the five(5) year period has expired, such Rights Fees will be transferred to the General Account of the Corporation to be utilized in the collective interest and for the benefit of the Members.
- (3) No person will have a claim to the funds transferred to the General Account in accordance with sub-paragraph (2) after the expiry of the five (5) year period, unless that person can demonstrate to the satisfaction of the Corporation that (i) reasonable steps were not taken by the Corporation to locate said person; and/or (ii) there are or were extenuating or compassionate circumstances which justify the payment of the funds to that person.
- (4) Any payment of Rights Fees to a Member will be without interest or any other form of consideration for the use of the funds.
- (5) From and after the expiration of the time period specified in Section 3.9 (i) above, the provisions of this Section 3.12 shall apply with respect to any Rights Fees collected for a deceased Ordinary Member in respect of such Ordinary Member's successors.



#### **4. CESSATION AND RESIGNATION OF MEMBERSHIP**

Any Member may withdraw from the Corporation at any time by delivering to the Corporation a written resignation and lodging a copy of the same with the Secretary of the Corporation, provided that the Member remains liable to pay any outstanding fees due and unpaid to the Corporation at such time.

Any Member may be required to resign by a resolution passed by a three-quarter (3/4) majority of the Board of Directors, at a meeting of the Board of Directors, provided that the Member being removed shall be granted an opportunity to be heard at such meeting.

If any Member refuses or neglects to comply with the provisions of the Letters Patent, By-Laws or resolutions of the Corporation, or with the terms and conditions of any agreement to which the Corporation is or may become a party, or is guilty of any conduct which in the opinion of the Board of Directors is unbecoming of a Member or prejudicial to the interests of the Corporation, the Board will have power by resolution to censure, fine, suspend or expel the Member from the Corporation, or take any other action deemed appropriate, provided however that at least one week before the meeting of the Board of Directors at which such a resolution is passed the Member will have had notice of the meeting, of what is alleged against the Member of the intended resolution and that the Member will, at the meeting and before the passing of the resolution, have had an opportunity of giving, orally or in writing, any explanation or defence that the Member may think fit.

If any membership or other fee remains unpaid by a Member to the Corporation at least sixty (60) days from the date it is due, such Member's membership in the Corporation shall automatically terminate.

Where the membership of a Member has been terminated, or the Member has resigned or been expelled, to be restored to membership that individual must submit an application to become a new Member, accompanied by the application fee, and subject further to payment of all past due fees and other applicable fees.

In the event that any Member does not, during any ten (10) consecutive financial years of the Corporation, have allotted to the Member any share of moneys collected by the Corporation (an "allotment"), then that Member shall not be entitled to notice of, or to attend or vote at, any general meeting held after the end of the said ten (10) consecutive financial years and until after the end of a financial year during which that Member will have been allocated to him or her a share of moneys collected by the Corporation.

Subject to Articles 3.9 to 3.13, all rights, privileges and obligations of the Member will cease upon the death, resignation or expulsion of the Member, or other cessation of the membership of the Member and the Member will cease to have any claim on the assets of the Corporation and will not be entitled to participate in any further allocations of moneys held or received by the Corporation provided however that any person who has ceased to be a

Member will be entitled, despite the cessation of membership, to continue to receive any allocation and distribution of moneys to which he, she or it becomes entitled in respect to any period during which he or she was a Member of the Corporation.

## **5. HEAD OFFICE**

Until changed in accordance with the Act, the Head Office of the Corporation shall be located within the City of Toronto, in the Province of Ontario and at such place therein as the Board may from time to time determine.

The Corporation may establish such other offices and agencies as the Board of Directors may from time to time determine.

## **6. BOARD OF DIRECTORS**

The property and business of the Corporation shall be managed by a Board of Directors which shall consist of a minimum of four (4) Directors and a maximum of seven (7) Directors. The Board of Directors is responsible for the management, direction, control and administration of the affairs of the Corporation. The quorum for meetings of the Board shall consist of three (3) Members of the Board, two (2) of whom shall be DGC directors, as defined in Article 6.7(a), or such greater number as may be fixed by the Board of Directors.

Directors must be individuals of at least eighteen (18) years of age, with power under law to contract. A Director need not be a Member.

The applicants for incorporation shall become the First Directors of the Corporation whose term of office on the Board shall continue until their successors are elected or appointed.

Directors elected or appointed by the Members, shall serve for a term of three (3) years, it being understood that such Directors are eligible for re-election or re-appointment.

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

At the first annual general meeting of the Corporation, the Board of Directors then elected or appointed shall replace the First Directors named in the Letters Patent of the Corporation, it being understood that the First Directors are eligible for re-election or re-appointment at the first annual general meeting.

After the first Annual General Meeting, the Board of Directors shall consist of:

- (a) Four (4) Directors appointed by the National Executive Board of the DGC (“DGC Directors”), shall be the persons occupying the positions of National President, Vice President, CEO and Treasurer of the DGC; and
- (b) Two (2) Directors elected by Ordinary Members of the Corporation (“Member-Elected Directors”).

The election of Member-Elected Directors shall take place in the following manner:

- A. Any Ordinary Member of the Corporation may nominate any other Ordinary Member as a candidate for Director. The annual membership fees, where applicable, of the nominator and the candidate must be paid up to date as the date of nomination, and each of the nominator and the candidate must be Members in good standing of the Corporation.
- B. The nomination, which will be in writing and signed by the Member and his or her proposer, must be lodged, together with a biographical note of not more than 100 words about the candidate, with the Administrator at least eight (8) weeks before the date on which the Board has decided that the election is to take place. The date of this election must be within the four (4) weeks immediately prior to the date of the Annual General Meeting.
- C. In case there are not sufficient candidates nominated, the Board may appoint a person or persons to fill up the remaining vacancy or vacancies without consulting the membership.
- D. Where there are only nominations sufficient for the vacancies on the Board the chairperson of the Annual General Meeting next held after the election will declare those candidates duly elected.
- E. Whenever there are more nominations than vacancies for position on the Board, ballot papers will be prepared containing lists of the names of candidates in alphabetical order. Each Ordinary Member in good standing will be entitled to vote for any number of such candidates not exceeding the number of vacancies and will be sent at least 28 days prior to the date of the election a ballot paper and a copy of the biographical note submitted by each of the candidates.
- F. The voter will mark his or her ballot paper by marking a cross opposite the names of each of the candidates for whom she or he votes. The ballot paper will be placed in a sealed envelope on the front of which the Member will write his or her name, and sign his or her signature. The envelope will be returned to the Secretary prior to the date of the election.

- G. The result of the ballot will be determined by a Returning Officer appointed by the Board assisted by up to two scrutineers appointed by the Board.
- H. After the closing of the ballot, the Returning Officer and scrutineers will check the names and signatures of Members on the front of the sealed envelopes as to their qualification to vote and proceed to an anonymous examination of the ballot papers and will report in writing the result of the ballot to the chairperson of the Annual General Meeting next held after the election. Those candidates who receive the greatest number of votes will be deemed elected.
- I. A declaration of the results of the election will be made at the Annual General Meeting next held after the election.
- J. In any case of doubt as to the validity of any ballot paper the matter will be referred to the chairperson of the Annual General Meeting whose decisions will be final.
- K. In the event of an equality of votes in favour of two or more candidates, the chairperson of the Annual General Meeting next held after the election will choose the name of one of them by lot so as to decide the election.
- L. The Board may direct the Returning Officer to destroy the ballot papers at any time after the expiration of one month after the date of the declaration of the election.
- M. Notwithstanding the foregoing, Members may participate in any ballot vote contemplated by these by-laws by electronic means that allow Members to communicate adequately with each other provided that:
  - i. the Board has passed a resolution addressing the mechanics of holding such a ballot vote and dealing specifically with how security issues should be handled and the procedures for establishing quorum and recording votes;
  - ii. each Member has reasonable access to the specific means of communication to be used; and
  - iii. each Member has consented in advance to the specific means of communication proposed for use in the connection with ballot vote through the receipt of a copy of this Section 6.8 (m) upon approval.

## **7. REMOVAL OF DIRECTORS**

7.1 The office of Director shall be automatically vacated:

- (a) if a Director has resigned his or her office by delivering a written resignation to the Secretary of the Corporation;
- (b) if he or she is found by a court to be of unsound mind;
- (c) if he or she becomes bankrupt;
- (d) with respect to a Member – Elected Director, if at an annual or special general meeting of Members, a resolution for removal is passed by three quarters (3/4) of the Members present at the meeting;
- (e) if a Director is absent, either in person or through other means of telecommunication as may be permitted, at three (3) consecutive meetings of the Board, unless such absence is caused by illness, accident or other reasons acceptable to the remaining Board;
- (f) if he or she is convicted of a criminal offence;
- (g) upon death.

provided that if any vacancy shall occur for any reason in this paragraph contained, the Board of Directors by majority vote shall fill the vacancy with a replacement Director (who shall be, if the vacancy involves a DGC Director, another person appointed by the National Executive Board of the DGC). Any Director appointed to fill a vacated Director's place shall hold office for the remainder of the vacated Director's term.

## **8. PLACE AND NOTICE OF MEETINGS OF BOARD OF DIRECTORS**

Meetings of the Board may be called by the President or any two (2) Directors and may be held at any time and place to be determined by the President or any two (2) Directors provided that forty-eight (48) hours written notice of the time and place of such meeting shall be given by the Administrator, other than by mail, to each Director, in accordance with Article 30. In cases of urgency, less than 48 hours written notice, other than by mail, may be given, provided that such notice is reasonable in the circumstances. Notice by mail shall be sent at least fourteen (14) days prior to the meeting. There shall be at least two (2) meetings of the Board each year. No error or omission in giving notice of any meeting of the Board of Directors or any adjourned meeting of the Board of the Corporation shall invalidate such meeting or make void any proceedings taken thereat and any Director may at any time waive notice of such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat.

If all the Directors of the Corporation consent thereto generally or in respect of a particular meeting, a Director may participate in a meeting of the Board or of a committee of the Board

by means of such conference, telephone or other communications facilities as permit all persons participating in the meeting to hear each other, and a director participating in such a meeting by such means is deemed to be present at the meeting. In addition, the Board may meet by other electronic means that permit each Director to communicate adequately with each other provided that:

- (a) the Board has passed a resolution addressing the mechanics of holding such a meeting and dealing specifically with how security issues should be handled, and procedures for establishing quorum and recording votes;
- (b) each Director has reasonable access to the specific means of communication to be used; and
- (c) each Director has consented in advance to meeting by electronic means using the specific means of communication proposed for the meeting.

## **9. VOTING BY BOARD OF DIRECTORS**

Each Director is authorized to exercise one (1) vote at all meetings of the Board. A Director may neither vote by proxy nor assign a vote to any other person.

A copy of the minutes of the Board shall be provided to each member of the Board within thirty (30) days following each meeting.

Except where expressed otherwise herein or in the *Canada Corporations Act*, any matter within the powers of the Board of Directors in the administration of the affairs of the Corporation shall be decided upon the approval of the majority of the Board.

## **10. POWERS OF DIRECTORS**

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

The Board of Directors shall have power to authorize expenditures on behalf of the Corporation from time to time. The Board of Directors may engage, appoint, dismiss, terminate and determine the terms and conditions of engagement for the Administrator or any other representative, agent, employee, officer, staff, legal counsel, accountant, auditor, actuary, expert, independent contractor or consultant as are deemed necessary or desirable from time to time. Such persons shall have such authority and shall perform such duties as

shall be prescribed by the Board of Directors at the time of such engagement. The Board of Directors may by resolution delegate its duties under this Article 10.2 to an officer or officers of the Corporation.

## **11. REMUNERATION OF DIRECTORS**

The Directors may be remunerated for their services as Directors; provided that such remuneration is reasonable and in addition, a Director may be paid reasonable expenses incurred by him or her in the performance of his or her duties. Nothing herein contained shall be construed to preclude any Director from serving the Corporation as an officer or in any other capacity and receiving compensation therefore.

## **12. PROTECTION FOR DIRECTORS AND OFFICERS**

Every Director or officer of the Corporation who has undertaken or is about to undertake any duties on behalf of the Corporation or any company controlled by it and their heirs, executors, administrators, legal representatives and estate and effects, respectively, shall from time to time and at all times, be indemnified and saved harmless out of the assets of the Corporation, from and against:

- (a) all costs, charges and expenses which such Director or officer sustains or incurs in or about any action, suit or proceeding which is brought, commenced or prosecuted against him or her, or in respect of any act, deed, matter or thing whatsoever made done or permitted by him or her, within the scope of the execution of his or her duties or office;
- (b) all other costs, charges and expenses which he or she sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his or her own willful neglect or default.

A Director shall not be disqualified by his office from entering into contracts, arrangements or dealings with the Corporation nor shall any contract, arrangement or dealings with the Corporation be voided, nor shall a Director be liable to account to the Corporation for any profit arising out of any contract, arrangement or dealing with the Corporation by reason of such Director being a party to or interested in or deriving profit from any such contract, arrangement or dealing and being at the same time a Director of the Corporation provided that such Director discloses to the Board of Directors the fact that he or she has such an interest. But no Director shall vote as a member of the Board of Directors in regard to any contract, arrangement or dealing in which he or she is interested or upon any matter arising therefrom, and if that Director shall so vote, his or her vote shall not be counted, nor shall that Director be reckoned for the purpose of constituting a quorum of the Board of Directors.

### **13. EXECUTIVE COMMITTEE**

The Board of Directors may by resolution establish, from amongst its number, an Executive Committee composed of those three Directors who are the President, Vice-President and Secretary-Treasurer of the Corporation. The Executive Committee shall exercise such powers as shall be authorized by the Board of Directors. The Board of Directors may dissolve the Executive Committee or may remove any member of the Executive Committee by resolution passed by a majority of the Board of Directors. Members of the Executive Committee, as such, shall not receive any remuneration for their services, but, by resolution of the Board of Directors, expenses of their attendance may be allowed for attendance at the meetings of the Executive Committee.

Meetings of the Executive Committee shall be held at any time and place to be determined by the members of such Executive 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, in accordance with Article 30. In cases of urgency, less than 48 hours written notice, other than by mail, may be given, provided that such notice is reasonable in the circumstances. Notice by mail shall be sent at least fourteen (14) days prior to the meeting. The presence of a majority of the members of the Executive Committee shall be necessary to constitute a quorum. No error or omission in giving notice of any meeting of the Executive Committee or any adjourned meeting of the Executive Committee of the Corporation 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.

Nothing in this by-law shall be construed to preclude a member of the Executive Committee from serving the Corporation as an officer or in another capacity and receiving compensation for such service.

A copy of the minutes of the Executive Committee shall be provided to each member of the Board of Directors within thirty (30) days following each meeting.

### **14. OFFICERS**

The Board of Directors shall appoint a President, Treasurer and a Secretary and may appoint a Chairperson. Any two offices may be held by the same person with the exception of the offices of Chairperson and President. None of such officers except the Chairperson of the Board and the President need be a member of the Board of Directors. The Board of Directors may also from time to time appoint such other officers, employees and agents as it shall deem necessary, who shall have such authority and shall perform such duties as from time to time shall be prescribed by the Board of Directors. The Officers of the Corporation shall hold office until the later of (2) years or until their successors are appointed. Officers shall be subject to removal by resolution of the Board of Directors at any time.



## **15. DUTIES OF CHAIRPERSON**

The Chairperson of the Board of Directors shall, if appointed, when present, preside at all meetings of the Corporation and the Board of Directors and shall have such other powers and duties as may from time to time be assigned to him or her by resolution of the Board of Directors.

## **16. DUTIES OF THE PRESIDENT**

The President shall exercise general and active management of the affairs of the Corporation. If no Chairperson is appointed by the Board of Directors, the President, if present, shall preside at all meetings of the Corporation and the Board of Directors. He or she shall see that all orders and resolutions of the Board of Directors are carried into effect.

## **17. DUTIES OF THE TREASURER**

Subject to the provisions of any resolutions of the Board of Directors, the Treasurer shall have the care and custody of all the funds and securities of the Corporation and shall deposit the same in the name of the Corporation in such chartered bank or chartered banks as the Board of Directors by resolution may direct. The Treasurer shall keep or cause to be kept full and accurate accounts of all assets, liabilities, receipts and disbursements of the Corporation in the books belonging to the Corporation. He or she shall disburse the funds of the Corporation as may be directed by proper authority taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors at the regular meeting of the Board of Directors, or whenever they may require it, an accounting of all the transactions and a statement of the financial position of the Corporation. The Treasurer shall have such further powers and duties as may from time to time be assigned to him or her by resolution of the Board of Directors or as incidental to his or her office. The Treasurer may be required to give such bond for the faithful performance of his or her duties as the Board of Directors in its uncontrolled discretion may require and no director shall be liable for failure to acquire any such bond or for the insufficiency of any such bond or for any loss by reason of the failure of the Corporation to receive any indemnity any indemnity thereby provided.

## **18. DUTIES OF SECRETARY**

The Secretary may be empowered by the Board of Directors, upon resolution of the Board of Directors, to carry out his or her affairs of the Corporation generally under the supervision of the officers thereof and shall attend all meetings of the Board of Directors and Members' meetings and act as clerk thereof and record all votes and minutes of all proceedings in the books to be kept for that purpose. He or she shall give or cause to be given notice of all meetings of the Members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the President, under whose supervision he or she shall be. He or she shall be custodian of the corporate seal of the Corporation, which

he or she shall deliver only when authorized by a resolution of the Board of Directors to do so and to such person or persons as may be named in the resolution.

## **19. DUTIES OF OTHER OFFICERS**

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

## **20. EXECUTION OF DOCUMENTS**

Contracts or documents requiring execution by the Corporation, may be signed by any one officer of the Corporation, together with one of the DGC Directors designated by the DGC from time to time. All contracts or documents so signed shall be binding upon the Corporation without further authorization or formality. The Board of Directors may, however, from time to time direct the manner in which and the person by whom any particular contract or document may or shall be signed. Any signing officer may affix the seal of the Corporation to any such contract or document, and may certify a copy of any instrument, resolution, by-law or other document of the Corporation to be a true copy thereof. If authorized by the Board, the signature of any signing officer may be printed, engraved, lithographed or otherwise mechanically reproduced upon all contracts or documents of the Corporation and all contracts or documents of the Corporation on which the signature of any of the foregoing signing officers has been so reproduced shall be deemed to have been manually signed by the signing officer whose signature is so reproduced, shall be as valid as if signed manually and notwithstanding that the signing officer whose signature is so reproduced may have ceased to hold office at the date of delivery or issue of such contracts or documents of the Corporation. The term "contracts or documents" shall include, without limitation, deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of properties (real or personal, immovable or movable), agreements, releases, receipts and discharges for the payment of money, share certificates or other securities, warrants and all instruments in writing.

All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by any one officer of the Corporation, together with one of the DGC Directors designated by the DGC from time to time, or by such other person or persons as the Board of Directors may from time to time determine.

## **21. ANNUAL AND OTHER MEETINGS OF MEMBERS**

An annual general meeting of the Members of the Corporation will be held in accordance with the provisions of the law. The annual or any other general meeting of the Members shall be held at the head office of the Corporation or at any place in Canada as the Board of Directors may determine and on such day as the Board of Directors shall appoint.

At every annual general meeting, in addition to any other business that may be transacted, the report of the directors, the financial statement and the report of the auditors shall be presented and auditors appointed for the ensuing year. The Members may consider and transact any general business without notice thereof at any meeting of Members. The Board of Directors or the President or Chairperson, if appointed, shall have the power to call, at any time, a general meeting of the Members of the Corporation. The Board of Directors shall call a special general meeting of the Members on written requisition of Members carrying not less than 5% of the voting rights.

Fourteen (14) days written notice shall be given to each Member of any annual or special general meeting of Members unless notice of such meeting is waived in writing by all Members entitled to vote thereat. Notice of any meeting where special business will be transacted should contain sufficient information to permit the Member to form a reasoned judgment on the decision to be taken. Notice of each meeting of Members must remind the Member that he or she has the right to vote by proxy.

Each voting Member present at a meeting shall have the right to exercise one vote. A Member may, by means of a written proxy, appoint a proxyholder to attend and act at a specific meeting of Members, in the manner and to the extent authorized by the proxy. A proxyholder must be a Member of the Corporation.

No error or omission in giving notice of any annual or general meeting or any adjourned meeting, whether annual or general, of the Members of the Corporation shall invalidate such a meeting or make void any proceedings taken thereat and any Member may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. For the purpose of sending notice to any Member, director or officer for any meeting or otherwise, the address of the Member, director or officer shall be his or her last address recorded on the books of the Corporation.

## **22. QUORUM**

The quorum for the meetings of the Members of the Corporation shall consist of seven (7) Ordinary Members or 5% of the total number of Members of the Corporation entitled to vote, whichever is less, present in person or by proxy.

## **23. ADJOURNMENTS**

Any meetings of the Members of the Corporation, the Board of Directors or the executive committee may be adjourned to any time and from time to time and such business may be transacted at such adjourned meeting as might have been transacted at the original meeting from which such adjournment took place. No notice shall be required for any such adjournment. Such adjournment may be made notwithstanding that no quorum is present.

## **24. VOTING**

Subject to the provisions, if any, contained in the Letters Patent of the Corporation, each Ordinary Member of the Corporation shall at all meetings of Members be entitled to one (1) vote.

No Member shall be entitled to vote at any general or special meeting if he or she is not in good standing with the Corporation.

At all meeting of Members of the Corporation, every question shall be decided by a majority of the votes present in person or represented by proxy unless otherwise specifically provided by statute or required by the by-laws of the Corporation. Every question shall be decided in the first instance by a show of hands unless a poll be demanded by any voting Member. Upon a show of hands, unless a poll be demanded, a declaration by the chair of the meeting who, in the absence of the Chairperson and the President, shall be elected by the Members present at such meeting, that a resolution has been carried or not carried and an entry to that effect in the minutes of the Corporation shall be admissible in evidence as prima facie proof of the fact without proof of the number or proportion of the votes accorded in favour of or against such resolution. The demand for a poll may be withdrawn, but if a poll be demanded and not withdrawn the question shall be decided by a majority of votes given by the Members present in person or by proxy and such poll shall be taken in such manner as the chair of the meeting shall direct and the result of such poll shall be deemed a decision of the Corporation in general meeting upon the matter in question. In case of an equality of votes at any general meeting, whether upon a show of hands or a poll, the chair of the meeting shall be entitled to a second or casting vote.

## **25. CORPORATE SEAL**

The seal an impression whereof is stamped in the margin hereof shall be the seal of the Corporation.

## **26. FINANCIAL YEAR**

The financial year of the Corporation shall end on December 31<sup>st</sup> in each year, or such other day in each year as shall be determined from time to time by the Board of Directors.

## **27. AMENDMENT OF BY-LAWS, LETTERS PATENT**

The by-laws of the Corporation not embodied in the letters patent may be replaced or amended by by-law enacted by a majority of the Directors at a meeting of the Board of Directors and sanctioned by an affirmative vote of at least two-thirds (2/3) of the Members present in person or by proxy at a meeting duly called for the purpose of considering the said by-law, provided that the repeal or amendment of such by-law shall not be enforced or acted upon until the approval of the Minister of Industry has been obtained.

A change in the name or objects of the Corporation or any other matter as set out in its Letters Patent shall require Supplementary Letter Patent authorized by a by-law sanctioned by at least two-thirds (2/3) of the votes cast at a special meeting of the Members called for that purpose, amongst any others.

A proposed amendment to the by-laws of the Corporation or to its letters patent, other than an amendment put forward by the Board of Directors, shall be put to a vote only if submitted in writing to the Board of Directors under the signatures of at least ten Ordinary Members.

A proposed amendment shall be submitted to a vote of Ordinary Members by mail (including electronic mail as contemplated in Section 6.8 (m) of these by-laws). One quarter (1/4) of Ordinary Members must return ballots in order for the vote to be valid, except as noted in Articles 27.1 and 27.2.

The vote on an amendment shall take place during a period of sixty days, commencing on the fourteenth day after ballots are mailed. The deadline for the return of ballots may be extended to a specific date by the Board of Directors in the event of a disruption to postal services or any force majeure.

A proposed amendment, other than a change to the Letters Patent, will be adopted if at least two-thirds (2/3rds) of the votes cast are cast in favour of the amendment.

No repeal of or amendment to the by-laws shall be effective or in force and shall not be enforced or acted upon until the approval of the Minister of Industry Canada, or its successor has been obtained. Any such amendment shall be approved by the Ordinary Members before being submitted to the Minister of Industry Canada, or its successor, for approval.

## **28. AUDITORS**

The Board of Directors shall determine at each annual general meeting whether or not to appoint an auditor to audit the accounts of the Corporation for report to the Members at the next annual general meeting. If it is determined that an auditor be appointed, the Members shall then appoint an auditor at that annual general meeting. The auditors shall hold office until the next annual general meeting provided that the Board of Directors may fill any casual vacancy in the office of auditor. The remuneration of the auditor shall be fixed by the Board of Directors.

## **29. BOOKS AND RECORDS**

The Board of Directors shall see that all necessary books and records of the Corporation required by the by-laws of the Corporation or by any applicable statute or law are regularly and properly kept.

### **30. NOTICE**

Whenever under the provisions of the by-laws of the Corporation, notice is required to be given, such notice may be given personally or telegraphed or by facsimile or electronic transmission or by depositing same in a post office or a public letterbox, in a prepaid sealed wrapper addressed to the Director, officer or Member at his or her address as the same appears on the books of the Corporation. A notice or other documents as sent by post shall be held to be sent at the same time when the same was deposited in a post office or public letterbox as aforesaid and shall be deemed to be received at the time it would be delivered in the ordinary course of mail unless there are reasonable grounds for believing that this is not so, or if sent by electronic means shall be held to be sent when the same was handed to the company responsible for the transmission of such message and shall be deemed to be received the following day. For the purpose of sending any notice the address of any Member, Director or officer shall be his or her last address as recorded on the books of the Corporation.

### **31. RULES AND REGULATIONS**

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

### **32. NO LOANS**

The Corporation shall make no loans to any Members under any circumstances.

### **33. GENERAL**

Any procedural matter not provided for herein shall be governed by Robert's Rules of Order. Except where expressed otherwise herein, any vote may be made by proxy, and a proxy vote shall be accepted to establish quorum at any membership meeting.

### **34. INTERPRETATION**

In this By-law and all other by-laws of the Corporation hereinafter passed unless the context otherwise requires, words importing the singular number or the masculine gender shall include the plural number or the feminine gender, as the case may be, and vice versa, and references to persons shall include organizations, firms, corporations, associations and collectives.

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Enacted by the Board of Directors on the 7 day of May, 2008 and sanctioned and confirmed by the Members of the Corporation as required by law on the 17 day of October, 2008.

Witness the corporate seal of the Corporation.

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Brian Anthony  
CEO