

**FERTILIZER CANADA  
GENERAL BY-LAW**

**(CONSOLIDATION OF BY-LAW NO. 1 ENACTED OCTOBER 21, 2013,  
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## FERTILIZER CANADA

### GENERAL BY-LAW

A by-law relating generally to the transaction of the activities and affairs of Fertilizer Canada (the "Corporation").

#### ARTICLE 1 – DEFINITIONS

"**Act**" means the *Canada Not-for-profit Corporations Act* (Canada), S.C. 2009, c. c-23, and the regulations made under it, each as amended or re-enacted from time to time;

"**articles**" includes the articles of incorporation or continuance of the Corporation, as amended from time to time;

"**by-law**" means any by-law of the Corporation in effect from time to time;

"**ordinary resolution**" means a resolution passed by a majority of the votes cast on that resolution; and

"**special resolution**" means a resolution passed by a majority of not less than two thirds of the votes cast on that resolution.

If any provision of this or any other by-law contravenes any provision in the Act, the provision in the Act will govern.

#### ARTICLE 2 – MEMBERSHIP

**SECTION 1: ELIGIBILITY** – Any persons who are interested in furthering the purposes of the Corporation and who satisfy the conditions of membership set out in this by-law are eligible to be Members of the Corporation.

**SECTION 2: CLASSES OF MEMBERSHIP** – Subject to the articles and the provisions of this by-law, the Corporation will have three (3) classes of Members as follows:

(a) **Active Members:**

**Division 1** - Any individual, partnership, firm or corporation carrying on in Canada the mining, manufacture or production of fertilizers.

**Division 2** - Any individual, partnership, firm or corporation carrying on in Canada as a wholesaler, broker or distributor of fertilizers.

**Division 3** - Any individual, partnership, firm or corporation carrying on in Canada as a retail distributor or agri-retailer of fertilizers.

(b) **Associate Members:**

**Division 1 - Related Industry** - Any individual, partnership, firm or corporation supplying raw materials, specialty fertilizers, supplements, or other fertilizer related products in Canada.

**Division 2 - Other Industry** - Any individual, partnership, firm or corporation supplying goods and services or having an interest in the fertilizer industry in Canada and not otherwise qualified for membership.

(c) **Affiliate Members:**

Any association, institute, society, government agency, bureau or similar organization having an interest in the fertilizer industry in Canada, together with any individual who, in the opinion of the Board of Directors, has rendered distinguished service to the Corporation or the fertilizer industry, may be invited to become an Affiliate Member by the unanimous affirmative vote of the Board of Directors and shall be recognized as an Honourary Affiliate Member.

**SECTION 3: APPLICATION FOR AND ADMISSION TO MEMBERSHIP** - All applications for membership shall be in writing and shall be submitted to the President of the Corporation. With respect to applications for membership as an Active Member or Affiliate Member, the President shall report to the Board of Directors the names of each applicant and the Board of Directors, after such investigation as they may require, shall vote on the acceptability for membership of such applicant and on the applicable class of membership. If the Board of Directors so approves, the applicant shall become a Member of the Corporation in the class of membership elected and approved. With respect to an application for membership as an Associate Member, the President shall circulate to the Board of Directors by email the names of each applicant together with background information and management's recommendation. If within fourteen (14) days of such circulation, no Director has objected or expressed a concern concerning the admission of such applicant as an Associate Member, the Executive Committee shall, after such further examination as they may require, vote on the acceptability for membership of such application and if the Executive Committee so approves, the applicant shall become an Associate Member of the Corporation. If the President shall receive from any Director an objection or expression of concern concerning the admission of such applicant as an Associate Member, such application shall be submitted to the Board of Directors for consideration and shall require approval by the Board of Directors.

**SECTION 4: VOTING RIGHTS OF MEMBERS** – Each Active Member in good standing is entitled to receive notice of any meeting of Members and to one vote at any such meeting. Associate and Affiliate Members are entitled to receive notice of and attend any meeting of Members, but subject to the Act, they are not entitled to a vote at any such meeting.

**SECTION 5: DUES** – The dues for both Active and Associate Members shall be in such amount and payable at such times and under such conditions as may be determined by the Board of Directors. Affiliate Members shall not be assessed dues.

**SECTION 6: SCOPE OF MEMBERSHIP AND DESIGNATION OF AUTHORIZED REPRESENTATIVES** – In the case of partnerships, firms or corporations, Active and Associate memberships shall be in the names of the Member, and each of such partnerships, firms or corporations shall designate in writing to the President one official representative and one alternate Member representative.

**SECTION 7: TERMINATION OF MEMBERSHIP**

- (a) Subject to paragraph (f) below, any Member may resign from the Corporation by providing written notice of resignation to the President, accompanied by payment of all dues and amounts owing to the Corporation together with payment of an additional amount equal to the dues that would have been payable in respect of the twelve month period following the effective date of resignation based on the annual dues payable in the then current fiscal year of the Corporation. For greater certainty, the dues paid or payable by such resigning Member(s) in respect of the twelve month period following the effective date of such resignation which fall in the then current fiscal year shall be credited against such additional payment.
- (b) Any Member may be suspended or expelled for non-payment of dues or other amounts owing to the Corporation, but only:
  - (i) after being given at least thirty (30) days written notice of such default, and
  - (ii) upon the affirmative vote of a majority of the Board of Directors.
- (c) If the Board of Directors shall determine by an affirmative majority vote that any Member has discontinued the activities which qualified it for membership, the membership of that Member thereupon shall be terminated.
- (d) Members may be censured, suspended or expelled for breach of the by-laws of the Corporation, or for any act, omission or conduct which the Board of Directors deems to be prejudicial to the welfare of the Corporation provided that a Member may only be censured, suspended or expelled,
  - (i) after receiving at least thirty (30) days written notice of such conduct and has had an opportunity to be heard before the Board of Directors, and
  - (ii) upon the affirmative vote of a majority of the Board of Directors.
- (e) All matters respecting censure, suspension and expulsion of Members and termination of membership shall be within the exclusive control and direction of the Board of Directors.
- (f) If the resignation of a Member(s) is reasonably attributable to the acquisition of such Member(s) by another Member of the Corporation, whether such acquisition is effected through sale of shares, assets, amalgamation, merger or otherwise (a "Merger"), then, notwithstanding paragraph (a) above, the impacted member(s) shall be required to make payments of all dues and amounts then owing to the Corporation together with payment of an additional amount equal to the dues that would have been payable in respect of the twelve month period following the effective date of resignation based on the annual dues payable in the then current fiscal year of the Corporation. For greater certainty, the dues paid or payable by such resigning Member(s) in respect of the twelve month period

following the effective date of such resignation which fall in the then current fiscal year shall be credited against such additional payment.

**SECTION 8: EFFECT OF TERMINATION** – Termination of membership, whether by resignation, expulsion or otherwise, shall forthwith terminate all the rights of membership of the Member concerned, but shall not be deemed to discharge any financial obligation of the Member of the Corporation accrued prior to the date of such termination and not then fulfilled.

### **ARTICLE 3 – BOARD OF DIRECTORS**

**SECTION 1: BOARD OF DIRECTORS** - Subject to the Act, the articles, the by-laws and any unanimous member agreement, the Directors shall manage or supervise the management of the activities and affairs of the Corporation. Every Director of the Corporation shall comply with the Act, the articles, the by-laws and any unanimous member agreement.

**SECTION 2: NUMBER OF DIRECTORS** – Subject to the minimum and maximum number of Directors provided for in the articles, the Members may, from time to time by ordinary resolution, fix the number of Directors of the Corporation, and the number of Directors to be elected at annual meetings of the Members, or delegate those powers to the Board of Directors.

**SECTION 3: QUALIFICATIONS** – All authorized representatives of Active Members of the Corporation together with the person holding the most senior administrative position of the Corporation from time to time, currently the President (the “President”), shall be eligible for election to the Board of Directors. No person may be a Director if that person (i) is less than eighteen years of age, (ii) is incapable, as defined in the Act, or (iv) has the status of a bankrupt.

**SECTION 4: NOMINATION** – At least one hundred and twenty (120) days before each annual meeting of Members at which an election of Directors is required, the Nominating Committee shall commence a process for the nomination of (i) authorized representatives of Active Members from Divisions 1, 2 and 3; and (ii) if so recommended by the Nominating Committee, the President, as candidates for Directors. Any Active Member may nominate an individual who meets the qualifications set out in Section 3 as a candidate for Director. In determining the relative numbers of representatives of Active Members from Divisions 1, 2 and 3 to be nominated as Directors, the Nominating Committee shall ensure that the proposed slate of Directors is representative of the diverse interests of the membership of the Corporation, both in terms of representation of Nitrogen, Phosphate, Potash and Sulphur producers and wholesale, import and retail distributors, as well as the regional diversity of the membership. All nominations must be filed at least twenty-one (21) days before the relevant annual meeting of Members with the Board Chair, who shall act as secretary of the nominations process, together with the written consent of the nominee candidate to serve as a Director if elected. The Nominating Committee Chair shall submit all nominations duly and timely filed with the Nominating Committee, together with a report of the nomination process, at the relevant annual meeting of Members.

**SECTION 5: ELECTION OF DIRECTORS AND TERM OF OFFICE** – Subject to the Act and the by-laws, the Members of the Corporation shall, by ordinary resolution at each annual meeting of Members at which an election of directors is required, elect Directors to hold office for a term expiring within four years.

**SECTION 6: CEASING TO HOLD OFFICE** – A Director ceases to hold office at the earliest of (i) his or her death, (ii) his or her removal from office by the Members of the Corporation in accordance with Section 6, (iii) his or her becoming disqualified for election as a Director, (iv) his or her resignation, which resignation is effective when his or her written resignation is sent to the Corporation or, if a later time is specified in the resignation, at the later time, (v) the expiry of his or her term, if he or she is elected for an expressly stated term, or (vi) the close of the first annual meeting of Members following his or her election, if he or she is not elected for an expressly stated term.

**SECTION 7: REMOVAL OF DIRECTORS** – The Members of the Corporation may by ordinary resolution at a special meeting of Members remove any Director or Directors from office. A vacancy created by the removal of a Director may be filled at the meeting of the Members at which the Director is removed or, if not so filled, may be filled by the Board of Directors in accordance with the Act. Subject to the Act, if all of the Directors of the Corporation have resigned or have been removed without replacement, a person who manages or supervises the management of the activities or affairs of the Corporation is deemed to be a Director for the purposes of the Act.

**SECTION 8: VACANCIES** – Subject to the Act, a quorum of Directors may fill a vacancy among the Directors. A Director appointed or elected to fill a vacancy holds office for the unexpired term of their predecessor.

**SECTION 9: REMUNERATION** – Directors shall not receive any stated remuneration for their services as Directors.

#### **ARTICLE 4 – MEETINGS OF DIRECTORS**

**SECTION 1: TRANSACTION OF AFFAIRS** – The powers of the Board of Directors may be exercised at a meeting at which a quorum is present or by a resolution in writing signed by all the Directors entitled to vote on that resolution at a meeting of the Board of Directors.

**SECTION 2: CALLING OF MEETINGS** – Meetings of the Board of Directors may be called at any time by the Chair or upon the written request of any three Directors.

**SECTION 3: NOTICE OF MEETINGS** – Notice of any meeting of the Board of Directors shall be given or sent by the President to each Director at least five (5) days before the meeting is to take place, provided that any meeting may be held without notice if all the Directors are present thereat, or have given their consent in writing. No error or omission in giving notice of any meeting of the Board of Directors or any adjourned meeting of the Board of Directors of the Corporation shall invalidate such meeting or make void any proceedings taken thereat and any Director may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat.

**SECTION 4: PLACE OF MEETINGS** – Unless the articles otherwise provide, the Board of Directors may meet at any place.

**SECTION 5: MEETINGS BY ELECTRONIC MEANS** – A Director may, in accordance with the regulations under the Act, if any, and if all the directors of the Corporation consent, participate in a meeting of the Board of Directors by means of a telephonic, an electronic or other communication facility that permits all participants to communicate adequately with each other

during the meeting. A director so participating in a meeting is deemed for the purposes of the Act to be present at that meeting.

**SECTION 6: QUORUM** – A majority of Directors in office, from time to time, but no less than two (2) Directors, shall constitute a quorum for the transaction of business of the Board of Directors.

**SECTION 7: VOTING** – Except where a greater vote is required by the by-laws, a majority of votes shall decide all questions arising at any meeting of the Board of Directors and in the event of a tie, the Chair shall not have a deciding vote.

## **ARTICLE 5 – COMMITTEES**

**SECTION 1: APPOINTMENT OF COMMITTEES** – The Board of Directors may appoint one or more committees of the Board of Directors, however designated, appoint the chair of such committees, and subject to the Act, delegate any matters to such committees. Such committees may include members who are not Directors.

**SECTION 2: BOARD COMMITTEE MEETINGS** – Meetings of Board Committees shall be held at any time and place to be determined by the Chair provided that not less than two (2) days written notice of such meeting shall be given. No error or omission in giving notice of any meeting of the Board Committees or any adjourned meeting of the Board Committees 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 thereat.

**SECTION 3: BOARD COMMITTEE MEETING HELD BY ELECTRONIC MEANS** – A Committee Chair may determine that the meeting will be held entirely by means of a telephonic, an electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

**SECTION 4: BOARD COMMITTEE QUORUM** – A majority of members of a Board Committee in office, from time to time, but no less than two (2) Board Committee members, shall constitute a quorum for the transaction of business of at a Board Committee meeting.

**SECTION 5: BOARD COMMITTEE VOTING** – A majority of votes shall decide all questions arising at any meeting of a Board Committee and in the event of a tie, the Committee Chair shall not have a deciding vote.

**SECTION 6: EXECUTIVE COMMITTEE** - The Board of Directors shall annually establish and appoint an Executive Committee whose membership shall consist of the President, Chair and Vice-Chair and such other Directors as it may determine. Subject to such restrictions as may be imposed from time to time by the Board of Directors and any limitations in the Act, the Executive Committee shall undertake such responsibilities as may be determined by the Board of Directors from time to time through Board policy, including but not limited to: (i) acting as a compensation and human resources committee with respect to the compensation of and policies relating to Officers and employees of the Corporation; (ii) overseeing external legal counsel and legal issues relating to the Corporation; and (iii) such other duties as may be delegated by the Board of Directors.

**SECTION 7: NOMINATING COMMITTEE** – The Board of Directors shall annually establish and appoint a Nominating Committee whose membership shall consist of the President, Chair, Vice-Chair and two (2) other members of the Board of Directors. The Nominating Committee shall be responsible for recommending a slate of Directors and Officers for election at the Annual General Meeting or to fill any vacancy.

## **ARTICLE 6 – OFFICERS**

**SECTION 1: CHAIR** - The Chair shall be appointed by the Board of Directors as the chief elected official of the Corporation and shall, if present, preside at all meetings of the Corporation, the Board of Directors, the Executive Committee and shall be ex officio a member of all other Committees of the Board of Directors. The Chair shall also have such other powers and duties as are elsewhere provided for in the by-laws or as may be assigned from time to time by the Board of Directors. The Chair shall hold office for a term of two years or such other term as may be determined by the Board of Directors.

**SECTION 2: VICE-CHAIR** - The Vice-Chair shall be appointed by the Board of Directors and shall assist the Chair and, in the absence or disability of the Chair, shall perform the duties and exercise the powers of the Chair. The Vice-Chair shall hold office for a term of two years or such other term as may be determined by the Board of Directors.

**SECTION 3: PRESIDENT** - The Board of Directors may appoint a President, howsoever designated, of the Corporation and delegate full authority, as the Chief Executive Officer of the Corporation, to manage and direct the business and affairs of the Corporation (except such matters and duties as by law must be transacted or performed by the Board of Directors, the Executive or other Board Committees or by the Corporation in general meeting). If the President is elected as a member of the Board of Directors, the President shall have the right to attend and vote at meetings of the Board of Directors. If the President has not been elected as a member of the Board of Directors, the President shall be entitled to attend the meetings of the Board of Directors (except portions of the meeting held in camera) but shall have no right to vote thereat.

**SECTION 4: OTHER OFFICERS** – The Board of Directors shall be empowered to appoint such other Officers as may be desirable from time to time and shall perform such duties as may from time to time be determined by the President and authorized by the Executive Committee.

**SECTION 5: TERM OF OFFICE** – An Officer ceases to hold office at the earliest of (i) his or her death, (ii) his or her removal from office by the Board of Directors, (iii) his or her ceasing to be a Director if being a Director is a necessary qualification of that Officer's appointment, (iv) his or her resignation, which resignation is effective when his or her written resignation is sent to the Corporation or, if a later time is specified in that resignation, at the later time, (v) the appointment of his or her successor, or (vi) the close of the first meeting following his or her appointment at which the Board of Directors annually appoints the Officers of the Corporation.

**SECTION 6: VACANCIES** - If the office of any Officer of the Corporation becomes vacant for any reason, the Board of Directors may appoint a person to fill that vacancy.

## ARTICLE 7 – MEETINGS OF THE MEMBERS

**SECTION 1: ANNUAL MEETINGS** - The annual meeting of the Members of the Corporation shall be held no later than six (6) calendar months from the end of the preceding financial year.

**SECTION 2: SPECIAL MEETINGS** - Special general meetings of the Corporation may be called by the Board of Directors or at the written request of members holding not less than five per cent (5%) of the votes that may be cast at a meeting of Members.

**SECTION 3: PLACE OF MEETINGS** – Meetings of the Members may be held in such place in Canada as may be determined by the Board of Directors.

**SECTION 4: NOTICE OF MEETINGS** – Notice of any general meeting of the Members of the Corporation, whether annual or special, shall be given by the President by sending a copy of the notice by ordinary post or other commonly accepted electronic printed transmission to each Member at their registered address at least twenty-one (21) days before the meeting is to take place. Notice of any special general meeting shall specify the purpose for which it is being called and no other business shall be transacted at the meeting. No error or omission in giving notice of any annual or general meeting or any adjourned meeting, whether annual or special, of the Members of the Corporation shall invalidate such meeting or make void any proceedings taken thereat and any Member may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. For the purpose of sending notice to any Member, Director or Officer for any meeting or otherwise, the address of the Member, Director or Officer shall be the last address recorded on the books of the Corporation.

**SECTION 5: PARTICIPATION IN MEETING BY ELECTRONIC MEANS** – Any person entitled to attend a meeting of Members may participate in the meeting, in accordance with the Act, by means of a telephonic, an electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the Corporation makes available such a communication facility, and a person so participating in a meeting is deemed for the purposes of the Act to be present at the meeting.

**SECTION 6: MEETING HELD BY ELECTRONIC MEANS** – If the Board of Directors or Members of the Corporation call a meeting of Members under the Act, those Directors or Members, as the case may be, may determine that the meeting will be held, in accordance with the Act, entirely by means of a telephonic, an electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

**SECTION 7: QUORUM** - Ten (10) Active Members in good standing on the books of the Corporation, or one third (1/3) of the total Active membership in good standing, whichever is the lesser, shall constitute a quorum at any meeting of the Corporation.

**SECTION 8: VOTING** - Each Active Member in good standing shall be entitled to vote at any meeting of the Corporation. Members other than individuals shall be entitled to vote only through one of two authorized representatives. Subject to the Act, the articles or the by-laws, all questions arising at any meeting of the Corporation shall be decided upon by a majority of votes. Voting shall be by a show of hands, or by ballot if so requested by any two Active Members entitled to vote. Subject to the articles, each Active Member shall have one (1) vote on all matters submitted to a vote at a meeting of Members.

**SECTION 9: ABSENTEE VOTING** – Members of the Corporation not in attendance at a meeting of Members and who are entitled to vote at that meeting may vote by appointing in writing a proxyholder, and one or more alternate proxyholders, who are not required to be Members, to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by it subject to the requirements set out in the regulations under the Act.

**SECTION 10: FORM OF PROXY** – Subject to the Act, a proxy may be in the following form:

The undersigned Member of Fertilizer Canada (the “Corporation”) hereby appoints <> of <> or failing him, <> of <> as the proxy of the undersigned to attend and act at the <> meeting of the Members of the said Corporation to be held on the <> day of <>, <>, and at any adjournment or adjournments thereof in the same manner, to the same extent and with the same power as if the undersigned were present at the said meeting or such adjournment or adjournments thereof.

DATED the <> day of <>, <>.

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Signature of Member

Print Name of Member:

**SECTION 11: PROCESS FOR PROXIES** – The Board of Directors may from time to time make regulations regarding the lodging of proxies at a place other than the place at which a meeting of Members is to be held and for particulars of those proxies to be provided before the meeting to the Corporation or any agent of the Corporation for the purpose of receiving those particulars and providing that proxies so lodged may be voted upon as though the proxies themselves were produced at the meeting, and votes given in accordance with those regulations will be valid and will be counted. The chair of any meeting of Members may, subject to any such regulations, in its discretion, accept any legible form of communication as to the authority of any person claiming to vote on behalf of and to represent a Member notwithstanding that no proxy conferring such authority has been lodged with the Corporation, and any votes given in accordance with the communication accepted by the chair of the meeting will be valid and will be counted.

## **ARTICLE 8 – REGISTERED OFFICE AND EXECUTION OF DOCUMENTS**

**SECTION 1: REGISTERED OFFICE** - The location of the registered office of the Corporation shall be in the City of Ottawa in the Province of Ontario, at such location therein as the Board of Directors may determine from time to time.

**SECTION 2: EXECUTION OF DOCUMENTS** - Contracts, documents, or any instruments in writing requiring the signature of the Corporation may be signed by the President alone, or the Chair and the Vice-Chair, or any one of the Chair and Vice-Chair together with any other Director or Officer, and all contracts, documents and instruments in writing so signed shall be binding on the Corporation without any further authorization or formality. The Board of Directors shall have power from time to time by resolution to appoint any Officer or Officers and/or

Director or Directors on behalf of the Corporation to sign specific contracts, documents or instruments in writing generally.

## **ARTICLE 9 – AUDIT OF ACCOUNTS AND FINANCIAL YEAR**

**SECTION 1: APPOINTMENT** – An Auditor shall be appointed by the Corporation annually at each annual general meeting to audit the accounts and annual financial statements of the Corporation, but a casual vacancy in the office of Auditor may be filled by appointment by the Board of Directors.

**SECTION 2: NO OFFICER OR DIRECTOR** – No Officer or Director of the Corporation may act as Auditor of the Corporation.

**SECTION 3: FINANCIAL REPORT** – The Auditor’s financial report shall be approved by the Board of Directors and presented to the Corporation at the annual general meeting, and a printed copy of the said report shall be forwarded to each Member for the annual general meeting.

**SECTION 4: FINANCIAL YEAR** – The financial year of the Corporation shall terminate on the 30<sup>th</sup> day of June in each year or such other date as the Board of Directors hereafter may from time to time determine.

## **ARTICLE 10 – BANKING AND BORROWING OF MONEY**

**SECTION 1: TRANSACTIONS** – Banking transactions will be made with the bank(s) or other financial institution(s) approved by the Board of Directors from time to time, and banking transactions will be made on the Corporation’s behalf by the Director(s), Officer(s) or other person(s) designated, directed or authorized by the Board of Directors from time to time and to the extent so designated, directed or authorized.

**SECTION 2: BORROWING** – Without limiting the powers of the Board of Directors as provided in the Act, unless the articles, by-laws or any unanimous member agreement otherwise provide, the Board of Directors may from time to time on behalf of the Corporation, without authorization of the members:

- (a) borrow money on the credit of the Corporation;
- (b) issue, reissue, sell, pledge or hypothecate debt obligations of the Corporation;
- (c) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

**SECTION 3: DELEGATION OF POWERS** – Unless the articles, by-laws or any unanimous member agreement otherwise provide, the Board of Directors may, by resolution, delegate any or all of the powers referred to in Section 2 to a Director, a Board Committee or an Officer of the Corporation.

**SECTION 4: PAYMENTS** – Cheques, drafts or orders for the payment of money, notes, acceptance and bills of exchange may be drawn, accepted, endorsed and signed by such Officers of the Corporation and in such manner as the Board of Directors may from time to time prescribe.

## **ARTICLE 11 – PROTECTION OF DIRECTORS, OFFICERS AND OTHERS**

**SECTION 1: DUTIES OF DIRECTORS AND OFFICERS** – Every Director and Officer in exercising his powers and discharging his duties shall act honestly and in good faith with the view to the best interests of the Corporation and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

**SECTION 2: INDEMNITY** – Subject to the Act, the Corporation shall indemnify a present or former Director or Officer of the Corporation, or another individual who acts or acted at the Corporation's request as a Director or an Officer or in a similar capacity of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity.

**SECTION 3: ADVANCE OF COSTS** – Subject to the Act, the Corporation may, if authorized by the Board of Directors, advance money to an individual referred to in Section 2 for the costs, charges and expenses of a proceeding referred to in that subsection. The individual shall repay the money if the individual does not fulfill the conditions set out in Section 4, paragraphs (a) and (b).

**SECTION 4: CONDITIONS** – The Corporation shall not indemnify an individual under Section 2 unless the individual:

- (a) acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as Director or Officer or in a similar capacity at the Corporation's request; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that the individual's conduct was lawful.

**SECTION 5: OTHER CIRCUMSTANCES** – The Corporation shall also indemnify an individual referred to in Section 2 in such other circumstances as the Act permits or requires. Nothing in this by-law limits the right of any individual entitled to indemnity to claim indemnity apart from the provisions of this by-law.

**SECTION 6: INSURANCE** – The Corporation may purchase and maintain insurance for the benefit of an individual referred to in Section 2 on such terms and with such coverage as the Directors may determine.

## **ARTICLE 12 – ENACTMENT, AMENDMENT AND REPEAL OF BY-LAWS**

**SECTION 1: APPROVAL AND CONFIRMATION** – Unless the articles, by-laws or any unanimous member agreement otherwise provide, the Board of Directors may, by resolution, make, amend or repeal any by-laws that regulate the activities or affairs of the Corporation, except in respect of matters referred to in the Act that require a special resolution of the Members of the Corporation. If the Board of Directors makes, amends or repeals a by-law, the Board of Directors shall submit the by-law, amendment or repeal to the Members at the next meeting of Members, and the Members may, by ordinary resolution, confirm, reject or amend that by-law, amendment or repeal.

**SECTION 2: EFFECTIVE DATE** – Subject to this Article 12, a by-law or an amendment or repeal of a by-law is effective from the date of the resolution of the Board of Directors, and if it is confirmed, or confirmed as amended, by the Members of the Corporation it remains effective in the form in which it was confirmed. A by-law or an amendment or repeal of a by-law ceases to have effect if it is not submitted by the Board of Directors to the Members of the Corporation as required under the Act or if it is rejected by the Members. If a by-law or an amendment or repeal of a by-law ceases to have effect, a subsequent resolution of the Board of Directors that has substantially the same purpose or effect is not effective until it is confirmed, or confirmed as amended, by the Members of the Corporation.