

CONSOLIDATED BY-LAWS

FOR THE

CULTURAL HUMAN RESOURCES COUNCIL

JUNE 2014

**Pursuant to the
Canada Not-for-profit Corporations Act**

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CULTURAL HUMAN RESOURCES COUNCIL

("Council")

BE IT ENACTED as a By-law of the Council as follows:

1. Definitions

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

"Act" means the Canada Not-For-Profit Corporations Act S.C. 2009, c. 23 including the Regulations made pursuant to the Act, and any statute or Regulations that may be substituted, as amended from time to time;

"Articles" means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Council;

"Board" means the board of directors of the Council and "director" means a member of the board;

"By-law" means this By-law and any other By-laws of the Council as amended and which are, from time to time, in force and effect;

"Council" means CULTURAL HUMAN RESOURCES COUNCIL/LE CONSEIL DES RESSOURCES HUMAINES DU SECTEUR CULTUREL, a non-share capital not-for-profit corporation incorporated under the Act.

"Executive" means the Executive Committee of the Council.

"Meeting of members" includes an annual meeting of members or a special meeting of members; "special meeting of members" includes a meeting of members and a special meeting of all members entitled to vote at an annual meeting of members;

"Ordinary resolution" means a resolution that requires a majority vote of not less than 50% plus 1 of the votes cast on that resolution in order to be passed.

"Proposal" means a proposal submitted by a member of the Council that meets the requirements of section 163 (Shareholder Proposals) of the Act;

"Regulations" means the regulations made under the Act, as amended, restated or in effect from time to time; and

"Special resolution" means a resolution that requires a majority vote of not less than two-thirds (2/3) of the votes cast on that resolution in order to be passed.

2. Interpretation

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

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

In the event that any one of these By-laws differs from the provisions of the Act, the relevant term of the Act shall prevail.

All official documents of the Council, as determined by the Board shall be available in both official languages of Canada and in the case of a dispute or contradiction of a linguistic nature in the text, the decision of the Board shall be final and binding.

3. Head Office

The head office of the Council shall be in the Regional Municipality of Ottawa-Carleton, in the Province of Ontario.

4. Corporate Seal

The seal, an impression of which is stamped in the margin of this document, shall be the seal of the Council. The secretary of the Council shall be the custodian of the corporate seal.

5. Execution of Instruments

Contracts, documents or any instruments in writing requiring the signature of the Council may be signed by:

- (a) any one of the Chairperson of the Board or the Vice-Chairperson of the Board together with any one of the Secretary or the Treasurer
- (b) any two Directors, or
- (c) any one of the aforementioned Officers together with any one Director

and all contracts, documents and instruments in writing so signed shall be binding upon the Council without any further authorization or formality. The Board shall have power from time to time by resolution to appoint any Officer or Officers or any person or persons on behalf of the Council either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The term "contracts, documents or instruments in writing" as used in these By-laws shall include but not be limited to: deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures or other securities and all paper writings.

The seal of the Council, when required, may be affixed to any instruments in writing signed as stated above, or by any Officer or Officers appointed by resolution of the Board.

6. Banking Arrangements

The banking business of the Council shall be transacted at such bank, trust company or other firm or corporation carrying on a banking business in Canada or elsewhere as the board of directors may designate, appoint or authorize from time to time by resolution. The banking business or any part of it shall be transacted by an officer or officers of the Council and/or other persons as the Board of Directors may by resolution from time to time designate, direct or authorize.

All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such Officer or Officers or person or persons, whether or not Officers of the Council, and in such manner as the Board may from time to time designate by resolution.

7. Financial Year

The financial year of the Council shall terminate on the 31st day of March in each year or on such other date as the Directors may from time to time by resolution determine.

8. Annual Financial Statements

The Council shall send to the members a copy of the annual financial statements and other documents referred to in subsection 172(1) (Annual Financial Statements) of the Act or a copy of a publication of the Council reproducing the information contained in the documents. Instead of sending the documents, the Council may send a summary to each member along with a notice informing the member of the procedure for obtaining a copy of the documents themselves free of charge. The Council is not required to send the documents or a summary to a member who, in writing, declines to receive such documents.

9. Auditors

The members shall at each Annual General Meeting appoint an auditor, to audit the accounts of the Council for report to members, who shall hold office until the next Annual General Meeting, provided, however, that the Directors may fill any casual vacancy in the position of auditor. The remuneration of the auditor shall be fixed by the Board.

Nomination and Election of Directors, and Related Matters

10. Duties and Number

The affairs of the Council shall be managed by a Board who may be known and referred to as Directors, Trustees or Governors. The number of Directors on the Board shall be a minimum of six (6) and a maximum of twenty (20) and the precise number of Directors from time to time between the minimum and maximum shall be determined by resolution of the Board of Directors. Except when a Chairperson is removed pursuant to the applicable section of the By-laws, the immediate past Chair of the Council shall be entitled to serve on the Board for a period of one year directly after vacating the position of Chair. This entitlement shall be removed if a two-thirds majority of the members of the Board of Directors voting on the question is in favour of removing it.

11. Qualifications

Every Director shall be at least eighteen (18) years of age, shall be a resident Canadian and must be a member of the Council or become one immediately following election or appointment.

12. Election and Term

Subject to the provisions of these By-laws, the Board shall be entitled to appoint up to three (3) Directors, each for a term of one (1) year (renewable) or until their successors have been appointed or elected. The remaining Directors shall be elected by the members at an Annual General Meeting in accordance with the relevant section of the By-laws. All voting with respect to the election of Directors shall take place by postal or electronic mail in accordance with the relevant sections of these By-laws. Such election of Directors shall be effective at the conclusion of the Annual General Meeting next following the vote.

The terms of office of the Directors who hold office at the time the Articles of Continuance take effect, shall continue to apply.

The Directors shall be elected or appointed to hold office for terms of three (3) years each to a maximum of three (3) terms. For appointed Directors, the term is one (1) year, renewable to a maximum of six (6) years. Appointed terms shall be calculated from the date of the meeting at which such Directors are appointed.

Whether serving as a Director via election or appointment or a combination of both, no Director's maximum number of consecutive years on the Board, except that of the Past Chair, shall exceed nine (9) years. After a hiatus of a minimum of one (1) year, Directors shall be eligible for election or appointment, as if for the first time

13. Mail Voting

The members of the Council shall vote with respect to the election of Directors by postal or electronic mail. Mail voting may also be used in other instances, except where the Act requires a meeting. In all cases where the members may vote by mail, the mail voting form shall be attached to the notice of meeting and the notice shall specify that the form must be completed, signed by the member and received by the Secretary of the Council (at the address specified) at least twenty-eight (28) days before the meeting at which the member wishes to record his or her vote. Any votes received by mail after that time shall not be counted.

14. Vacancies of Directors

The position of a Director shall automatically be vacated:

- (a) if the Director becomes bankrupt or suspends payment of debts generally or compounds with creditors or makes an authorized assignment or is declared insolvent
- (b) if the Director is found to be mentally incompetent or becomes of unsound mind
- (c) if the Director by notice in writing to the Council resigns from the Board, which resignation shall be effective at the time it is received by the Secretary of the Council or at the time specified in the notice, whichever is later
- (d) if at a special meeting of members, a resolution is passed by at least two-thirds (2/3) of the votes cast by the members at the special meeting removing the Director before the expiration of the Director's term of office
- (e) if the Directors dies, or
- (f) if the Director fails to attend three (3) consecutive meetings of the Board without an acceptable explanation as determined by the Board

15. Filling Vacancies of Directors

A Board vacancy shall be filled as follows:

- (a) if the vacancy occurs as a result of the removal of a Director by the members in accordance with section 14(d) above and the Director was originally elected by a particular sub-sectoral group, it may be filled by the Board until the expiry of the removed Director's term, unless the vacancy occurs 90 days (or less) before the Annual General Meeting of members in which case the vacancy shall be filled upon the vote of the sub-sectoral group that has the right to elect the Director(s) under section 44 of the By-laws.
- (b) if the vacancy occurs as a result of the removal of a Director in accordance with section 14(d) above and the Director was originally appointed by the Board under section 12, it may be filled by the Board, and any Director appointed to fill such a vacancy shall hold the position for the remainder of the removed Director's term

- (c) any other vacancy in the Board may be filled for the remainder of the term by the Directors then on the Board, if they shall see fit to do so, so long as there is a quorum of Directors in office; if there is not a quorum of Directors, the remaining Directors shall immediately call a meeting of the members to fill the vacancy, and, in default or if there are no Directors then on the Board, the meeting may be called by any member
- (d) otherwise such vacancy shall be filled at the next Annual General Meeting of the members at which the Directors for the ensuing year(s) are elected.

If the number of Directors is increased between terms, a vacancy or vacancies to the newly authorized total number of Directors, shall thereby be deemed to have occurred, which may be filled in the manner described above.

16. Executive and Nominating Committees

Executive. The Board may establish an Executive Committee comprising such individuals as the Board may from time to time determine. The Executive shall exercise such powers as are authorized by the Board. Subject to the By-laws and any resolution of the Board, the Executive may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit and may from time to time adopt, amend or repeal rules or procedures in this regard. Subject to the Act, the provisions of sections 26 and 30 below, shall apply to the Executive. Any Executive Committee member may be removed by resolution of the Board. Executive Committee members shall receive no remuneration for serving as such, but are entitled to reasonable expenses incurred in the exercise of their duties.

Nominating Committee. The Nominating Committee is a standing committee and is structured pursuant to the Council's rules and regulations. It shall:

- (a) be formed annually by the Executive Committee and is subject to Board approval. The Committee, at its first meeting, shall select one of its members to serve as chairperson.
- (b) prepare a slate of candidates to fill the Board vacancies for which an election is to be held by a voting process outlined in the rules and regulations. The Nominating Committee shall follow the procedure outlined below:
 - (i) While preparing the slate of candidates for election to the Board, the Nominating Committee shall be guided by the Board matrix contained in the rules and regulations. This slate must be approved by resolution of the Board.
 - (ii) The Nominating Committee shall circulate, or cause to be circulated, the list of candidates formulated by the Committee and approved by the Board among those Council members who have voting rights. These members have the option to add candidates for election. The nomination of each additional candidate as a sub-sector representative requires the signatures of two members entitled to vote, one of whom must be a representative of that sub-sector. Any two members entitled to vote may nominate (a) candidate(s) for election to other positions on the Board.
 - (iii) After the deadline for input by members, if necessary, an election shall occur. In the case of an election, the approved slate of candidates as well as those candidates nominated by the membership, together with the voting instructions, shall be circulated among the voting members of the Council not less than five weeks prior to the Annual General Meeting of members.
 - (iv) The members entitled to vote may do so for the election of Directors by the voting process outlined in the rules and regulations.
 - (v) No nomination(s) shall be accepted from the floor of the Annual General Meeting.

- (c) at such time as the Board may request, prepare a slate of one or more candidates for each appointed Director's position which will be vacant and filled by the Board
- (d) make recommendations to the Board regarding nominees for the election of Officers on an annual basis, and
- (e) make recommendations to the board on individuals to fill Board or committee vacancies that occur throughout the year.

17. Other Committees

The Board may from time to time establish any other committee or committees, including sub-sectoral committees, as it deems necessary or appropriate for such purposes and, subject to the Act, with such powers as the Board shall see fit. Any such committee may formulate its own rules of procedure, subject to such regulations or directions as the Board may from time to time make. Any such committee or committee member may be removed by resolution of the Board. The Board may fix any remuneration for committee members who are not also Directors of the Council.

18. Remuneration of Directors

The Directors shall serve as such without remuneration and no Director shall directly or indirectly receive any profit from occupying the position of Director. This does not preclude any Director from serving the Council as an Officer or in any other capacity and receiving compensation for same. Directors may be reimbursed for reasonable expenses incurred in the performance of their Director duties.

Meetings of Directors

19. Notice of Meetings of Directors

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

A meeting of Directors may be convened by the Chairperson of the Board, the Vice-Chairperson of the Board or any six (6) Directors at any time. The Secretary, when directed or authorized by any of such Officers or any six (6) Directors, shall convene, or cause to be convened, a meeting of Directors.

Unless sent by post, forty-eight (48) hours notice of such meeting shall be given to each Director. Notice of any such meeting that is sent by post shall be served in the manner specified in section 64 of these By-laws not less than twenty-one (21) days (exclusive of the day on which the notice is delivered or sent but inclusive of the date for which the notice is given) before the meeting is to take place.

Notwithstanding this, a Director may in any manner and at any time waive notice of a meeting of Directors. Attendance of a Director at a Board meeting shall constitute a waiver of notice of the meeting, except where a Director attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

Meetings of Directors may be held at any time without notice if all the Directors are present (except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all of the absent Directors waive notice before or after the date of such meeting.

If the first meeting of the Board following the election of Directors by the members is held immediately thereafter, for such a meeting or for a meeting of the Board at which a Director is appointed to fill a vacancy in the Board, no notice shall be necessary to the newly elected or appointed Directors or Director in order to legally constitute the meeting, provided that a quorum of the Directors is present.

20. Place of Meetings of Directors

Meetings of the Board may be held at any place within or outside Canada.

21. Regular Meetings of Directors

The Board may appoint a day or days in any month or months for regular Board meetings at a place or hour to be named by the Board. A copy of any Board resolution to that effect shall be sent to each Director immediately after being passed, but no other notice shall be required for any such regular meetings.

22. Quorum of Directors

A majority of the Directors shall form a quorum for the transaction of business and, notwithstanding any vacancy among the Directors, a quorum may exercise all the powers of Directors.

23. Voting of Directors

Questions arising at any meeting of Directors shall be decided by a majority of votes. Each Director is authorized to exercise one (1) vote, except for the Chairperson of the meeting, who is entitled to same only when the vote of the other directors is tied.

24. Telephone or Electronic Participation of Directors

If all the Directors of the Council consent, a meeting of Directors may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to hear each other simultaneously and instantaneously, and a Director participating in such meeting by such means is deemed to be present at that meeting.

25. Resolution in Lieu of Meeting of Directors

A written resolution signed by all Directors entitled to vote on it at a meeting or committee of Directors is as valid as if it had been passed at such a meeting.

26. Adjournment of Meetings of Directors

The Chair of any meeting of Directors may, with the meeting's consent, adjourn the meeting from time to time to a fixed time and place. Notice of any adjourned meeting of Directors is not required to be given if its time and place is announced at the original meeting.

Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present. The Directors who formed a quorum at the original meeting are not required to do so at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated immediately after its adjournment. Any business, which might have been brought before or dealt with at the original meeting in accordance with the notice calling it, may be brought before or dealt with at an adjourned meeting.

Powers of Directors

27. Administer Affairs

The Board may administer the affairs of the Council in all things and make or cause to be made for the Council, in its name, any kind of contract the Council may lawfully enter into. Except where it is otherwise indicated in these By-laws, the Board, generally, may exercise all such other powers and do all such other things as the Council is by its Letters Patent or otherwise authorized to exercise and do.

28. Expenditures

The Board shall have power to authorize expenditures on behalf of the Council from time to time and may delegate by resolution to an Officer or Officers of the Council the right to employ and pay salaries to employees. The Board shall have the power to enter into a trust arrangement with a trust company for the purpose of creating a trust fund in which the capital and interest may be made available for the benefit of promoting the interest of the Council in accordance with such terms as the Board may prescribe.

29. Borrowing Power

The Board may from time to time:

- (a) borrow money on the credit of the Council
- (b) limit or increase the amount to be borrowed
- (c) issue, sell or pledge debt obligations (including bonds, debentures, debenture stock, notes or other like liabilities whether secured or unsecured) of the Council
- (d) charge, mortgage, hypothecate or pledge all or any currently owned or subsequently acquired real or personal, movable or immovable property of the Council, including book debts, rights, powers and undertakings, to secure any debt obligations or any money borrowed, or other debt or liability of the Council, and
- (e) delegate the powers conferred on the Directors under this section to such Officer or Officers of the Council and to such extent and in such manner as the Directors shall determine.

30. Fund Raising

The Board shall take such steps as it may deem requisite to enable the Council to acquire, accept, solicit or receive legacies, gifts, grants, settlements, bequests, endowments and donations of any kind whatsoever for the purpose of furthering the goals of the Council.

31. Agents and Employees

The Board may appoint such agents and engage such employees as it deems necessary from time to time and they shall have such authority and shall perform such duties as the Board prescribes. The remuneration of Officers, agents, employees and committee members shall, subject to the other provisions of these By-laws, be fixed by Board resolution.

Officers

32. Appointment of Officers

The Board may annually or more often if required, elect from the Directors a Chairperson and a Vice-Chairperson of the Board. The Board may appoint an Executive Director, a Secretary, a Treasurer and/or one or more Assistant Secretaries and Assistant Treasurers.

A Director may be appointed to any office of the Council but none of the Officers, except the Chairperson and the Vice-Chairperson, need be a Director or member of the Council. Two or more of the offices may be held by the same person, except that the Chairperson shall not also hold the office of Secretary and vice versa. In a situation where the same person holds the offices of Secretary and Treasurer, that person may, but need not, be known as the Secretary-Treasurer.

The Board may from time to time elect or appoint other Officers and agents as it deems necessary and they shall have such authority and perform such duties as the Board prescribes.

33. Vacancies of Officers

Notwithstanding the foregoing, each incumbent Officer shall continue in office until the earlier of:

- (a) that Officer's resignation, which shall be effective at the time it is received in writing by the Secretary of the Council or at the time specified in the resignation, whichever is later
- (b) the appointment of a successor
- (c) that Officer's ceasing to be a Director, if such is a necessary qualification of appointment
- (d) the meeting at which the Directors annually appoint the Officers of the Council
- (e) that Officer's removal
- (f) that Officer's death

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

34. Remuneration of Officers

The remuneration of all Officers appointed by the Board shall be determined from time to time by resolution of the Board. All Officers shall be entitled to reimbursement for reasonable expenses incurred in the performance of the Officer's duties.

35. Removal of Officers

All Officers shall be subject to removal by ordinary resolution of the Board at any time, with or without cause and in the case of the Chairperson and Vice-Chairperson of the Board they shall be subject to removal upon the vote of two-thirds (2/3) of the Board.

36. Delegating Duties of Officers

In case of the absence or inability to act of any Officer of the Council or for any other reason that the Board may deem sufficient, the Board may delegate all or any of the powers of any such Officer to any other Officer or to any Director for the time being.

37. Powers and Duties of Officers

All Officers shall sign such contracts, documents or instruments in writing as require their respective signatures. They shall have and perform all powers and duties incident to their respective offices and such

other powers and duties as may from time to time be assigned them by the Board. The duties of the Officers, apart from the Executive Director, shall include:

- (a) Chairperson of the Board. The Chairperson of the Board shall, when present, preside at all meetings of the Board, committees of Directors, if any, and the members. The Chairperson shall ensure that all decisions of the Board and the Executive and, where applicable, the members, are transmitted to the Executive Director for execution.
- (b) Vice-Chairperson of the Board. If the Chairperson of the Board is absent or is unable or refuses to act, the Vice-Chairperson of the Board, if any, shall, when present, preside at all meetings of the Board, committees of Directors, if any, and the members.
- (c) Secretary. The Secretary shall give, or cause to be given, notices for all meetings of the Board or committees of Directors, if any, and members when directed to do so and have charge of the corporate seal of the Council, the minute books of the Council and of the documents and registers referred to in Section 109 of the Act.
- (d) Treasurer. The Treasurer shall keep, or shall cause to be kept, an accurate account of all receipts and disbursements of the Council in proper account systems, and shall deposit, or shall cause to be deposited, all monies or other valuable effects in the name and to the credit of the Council in such bank or banks as may be designated from time to time by the Board. The Treasurer shall disburse, or cause to be disbursed, the funds of the Council under the direction of the Board, receiving proper vouchers thereof and render to the Board at its regular meetings, or whenever required, an account of all Treasurer transactions, and of the financial position of the Council.
- (e) Assistant Secretary and Assistant Treasurer. The Assistant Secretary or, if more than one, the Assistant Secretaries in order of seniority, and the Assistant Treasurer or, if more than one, the Assistant Treasurers in order of seniority, shall respectively perform all the duties of the Secretary and the Treasurer, respectively, in the absence or inability or refusal to act of the Secretary or the Treasurer, as the case may be.

The powers and duties of all other officers of the Council shall be such as the terms of their engagement call for or the Board or Chair requires of them. The Board may from time to time and subject to the Act, vary, add to or limit the powers and duties of any officer.

38. Executive Director

The Board may from time to time engage or appoint an Executive Director and may delegate to that person full power to manage and direct the business and affairs of the Council and to employ and discharge agents and employees of the Council. The Executive Director shall be the chief administrative Officer and shall supervise the day-to-day operations and administration of the Council. The Executive Director shall conform to all lawful orders given by the Board and shall at all reasonable times give to the Directors or any of them all information they may require regarding the affairs of the Council.

Protection of Directors, Officers and Others

39. Protection of Directors and Officers

Except as otherwise provided in the Act, no Director or Officer of the Council shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or employee or for any loss, damage or expense happening to the Council through the insufficiency or deficiency of title to any property acquired by the Council or for or on behalf of the Council, or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Council shall be placed out or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person including any person

with whom or which any moneys, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Council or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of the Director's or Officer's respective office or trust or in relation thereto unless the same shall happen by or through the Director's or Officer's own willful neglect or default.

40. Indemnities to Directors, Officers and Others

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

- (a) all costs, charges and expenses whatsoever which such Director, Officer or other person sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against the Director, Officer or other person for or in respect of any act, deed, matter or thing whatever, made, done or permitted by them, in or about the execution of the duties of such office or in respect of any such liability, and
- (b) all other costs, charges and expenses which the Director, Officer or other person sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by their own willful neglect or default. The Council shall also indemnify any such person in such other circumstances as the Act or law permits or requires. Nothing in these By-laws shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of these By-laws to the extent permitted by the Act or law.

41. Conflict of Interest

A Director who is in any way directly or indirectly interested in a contract or proposed contract with the Council shall make the disclosure required by the Act and, except as provided by the Act, no such Director shall vote on any resolution to approve any such contract.

In supplement of and not by way of limitation upon any rights conferred upon Directors by the relevant section of the Act and specifically subject to the provisions contained in that section, it is declared that no Director shall be disqualified by any such office from, or vacate any such office by reason of, holding any office or place of profit under the Council or under any corporation in which the Council shall be a shareholder or by reason of being otherwise in any way directly or indirectly interested or contracting with the Council as vendor, purchaser or otherwise or being concerned in any contract or arrangement made or proposed to be entered into with the Council in which the Director is in any way directly or indirectly interested as vendor, purchaser or otherwise.

Subject to compliance with the Act, no contract or arrangement entered into by or on behalf of the Council in which any Director shall be in any way directly or indirectly interested shall be avoided or voidable and no Director shall be liable to account to the Council or any of its members or creditors for any profit realized by or from any such contract or arrangement by reason of any fiduciary relationship.

No Director nor the organization he/she may represent, shall derive any advantage or benefit that is exclusive to that Director or that organization solely by virtue of that person being a Director. No Director shall participate in any discussion about, nor vote on, any matter that benefits exclusively that person or the organization he/she represents. A Director so affected shall make disclosure of that fact and shall leave the meeting for the duration of that agenda item.

42. Submission of Contracts or Transactions to Members for Approval

The Board in its discretion may submit any contract, act or transaction with the Council for approval or ratification at any Annual General Meeting or at any general meeting of the members called for the purpose of considering the same and, subject to the provisions of the Act, any such contract, act or transaction that shall be approved or ratified or confirmed by a resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act, the Letters Patent or the By-laws) shall be as valid and as binding upon the Council and upon all the members as though it had been approved, ratified or confirmed by every member of the Council.

A Director may only contract with the Council as a vendor, purchaser or be directly or indirectly concerned in any contract or arrangement with the Councils as vendor, purchaser or otherwise, when the Executive Committee by a unanimous decision agrees that entering into such a contract or arrangement is in the best interest of the Council. If the person who is considered for a contract or an arrangement is an Executive Committee member, another Board member shall replace that individual for the purpose of deciding on the contract or arrangement. The Directors shall be informed of any and all such contracts or arrangements entered into by the Council.

Membership

43. Membership Conditions

Subject to the Articles, there shall be one class of members in the Council, namely, Regular Members. The Board of Directors of the Council may, by resolution, approve the admission of the members of the Council. Members may also be admitted in such other manner as may be prescribed by the Board by resolution. The following conditions of membership shall apply:

Regular Members

Regular membership shall be available to persons active in, or with an interest in, the cultural sector in Canada and who wish to further the objectives of the Council. The Regular membership shall be divided in sub-sectors, based on the cultural discipline represented by each member. The number and the identity of sub-sectors, including other interest groups representative of Canadian cultural sectors, as established by the Board from time to time, shall be listed and further defined in the Council's Rules and Regulations.

The term of membership of voting Regular Members shall be annual, subject to renewal in accordance with the policies of the Council.

44. Membership Voting

As set out in the articles, each voting Regular Member is entitled to receive notice of, attend and vote at all meetings of members and each such voting member shall be entitled to one (1) vote at such meetings.

Voting membership shall be available only to qualified individuals who have applied and have been accepted for voting membership in the Council.

Each sub-sector as a whole shall be entitled to elect two (2) Directors from among the members of a particular sub-sector, or such other number to be determined by the Board from time to time. For the purpose of electing the Directors of the Council, the Regular Members shall vote as members of a particular sub-sector and only in relation to the number of Directors that each such sub-sector is entitled to elect. For greater certainty, the members of one sub-sector shall not be entitled to vote with respect to the election of Directors by another sub-sector.

The Directors elected by each sub-sector shall serve as representative(s) of their respective sub-sectors during their terms as Directors.

All voting with respect to the election of Directors shall take place according to the applicable sections of these By-laws.

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

45. Membership Transferability

A membership may only be transferred to the Council Pursuant to Section 197(1) (Fundamental Change) of the Act, a special resolution of the members is required to make any amendment to add, change or delete this section of the By-laws.

46. Membership Dues

The membership dues are established from time to time by the Board.

47. Termination of Membership

A membership in the Council is terminated when:

the member dies, or, in the case of a member that is a corporation, the corporation is dissolved;

a member fails to maintain any qualifications for membership described in the section on membership conditions of these By-laws;

the member resigns by delivering a written resignation to the chair of the Board of the Council in which case such resignation shall be effective on the date specified in the resignation;
the member is expelled in accordance with any discipline of members section or is otherwise terminated in accordance with the Articles or By-laws;

the member's term of membership expires and is not renewed; or

the Council is liquidated or dissolved under the Act.

48. Effect of Termination of Membership

Subject to the Articles, upon any termination of membership, the rights of the member, including any rights in the property of the Council, automatically cease to exist.

Members' Meetings

49. Notice of Members' Meetings

Subject to compliance with the Act, the Annual General Meeting of the Members shall be held on such day in each year and at such time as the Directors may determine at any place within Canada or, if a majority of the members so agree, outside Canada.

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 the Directors shall be elected and the auditor appointed for the ensuing year. The members may consider and transact any business, either special or general, at any meeting of the members.

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

by mail, courier or personal delivery to each member entitled to vote at the meeting, during a period of 60 days before the day on which the meeting is to be held, or

by telephonic, electronic or other communication facility to each member entitled to vote at the meeting, during a period of 21 to 35 days before the day on which the meeting is to be held.

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. The notice of meeting shall specify whether the members are entitled to vote by mail (postal or electronic) and if so, the mail vote shall be attached to the notice and the procedures set forth herein.

Pursuant to subsection 197(1) (Fundamental Change) of the Act, a special resolution of the members is required to make any amendment to the By-laws of the Corporation to change the manner of giving notice to members entitled to vote at a meeting of members.

The Board of Directors shall call a special meeting of members in accordance with Section 167 of the Act, on written requisition of members carrying not less than 5% of the voting rights. If the directors do not call a meeting within twenty-one (21) days of receiving the requisition, any member who signed the requisition may call the meeting.

50. Waiver of Notice

A member and any other person entitled to attend a meeting of members may, in any manner, waive notice of a meeting of members. Attendance of any such person at a meeting of members shall constitute a waiver of notice of the meeting, except where such person attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

51. Error or Omission in Giving Notice

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

52. Place of Members' Meetings

Subject to compliance with section 159 (Place of Members' Meetings) of the Act, meetings of the members may be held at any place within Canada determined by the Board or, if all of the members entitled to vote at such meeting so agree, outside Canada.

53. Persons Entitled to be Present at Members' Meetings

The only persons entitled to be present at a meeting of members shall be those entitled to vote at the meeting, the directors and the public accountant of the Corporation and such other persons who are entitled or required under any provision of the Act, articles or By-laws of the Corporation to be present at the meeting. Any other person may be admitted only on the invitation of the Chair of the meeting or by resolution of the members.

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

54. Participation in Members' Meetings by Electronic Means

If the Corporation chooses to make available a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during a meeting of members, any person entitled to attend such meeting may participate in the meeting by means of such telephonic, electronic or other communication facility in the manner provided by the Act. A person participating in a meeting by such means is deemed to be present at the meeting. Notwithstanding any other provision of this By-law, any person participating in a meeting of members pursuant to this section who is entitled to vote at that meeting may vote, in accordance with the Act, by means of any telephonic, electronic or other communication facility that the Corporation has made available for that purpose.

55. Members' Meetings Held Entirely by Electronic Means

Meetings of members may not be held entirely by telephonic, an electronic or other communication facility.

56. Quorum at Members' Meetings

A quorum at any meeting of members (unless a greater number of members is required to be present by the Act or by the Letters Patent or any other By-law) shall be seven (7). No business shall be transacted at any meeting unless the required quorum is present at the time of the transaction of such business. If a quorum is not present at the time appointed for a meeting of members or within such reasonable time thereafter as the members present may determine, the persons present and entitled to vote may adjourn the meeting to a fixed time and place but may not transact any other business, and the provisions expressed herein with regard to notice shall apply to such adjournment.

57. Chairperson of Members' Meetings

In the event that the Chairperson of the Board and the Vice-Chairperson of the Board are absent, the persons who are present and entitled to vote shall choose another Director as chairperson of the meeting and if no Director is present or if all those who are present decline to take the chair, the persons there entitled to vote shall choose one of their number to be Chairperson.

58. Resolution in Lieu of Members' Meeting

A resolution in writing, signed by all the members entitled to vote on that resolution at a meeting of members, is as valid as if it had been passed at a meeting of members.

59. Voting at Members' Meetings

At all meetings of the members, every question shall be determined on a show of hands by a majority of votes unless otherwise specifically provided by the Act or by these By-laws. In the case of an equality of votes, the Chairperson of the meeting shall, both on a show of hands and at a poll, cast a deciding vote. Special resolutions require a majority of two thirds of the votes cast to be adopted.

No member shall be entitled to vote, either in person or by mail, at meetings of members of the Council unless the member has paid all dues or fees, if any, then payable by the member.

At any meeting, unless a poll is demanded, a declaration by the Chairperson of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority, shall be conclusive evidence of the fact.

A poll may be demanded either before or after any vote by show of hands by any person entitled to vote at the meeting. If at any meeting a poll is demanded on the election of a Chairperson or on the question of adjournment, it shall be taken forthwith without adjournment. If at any meeting a poll is demanded on any other question or as to the election of Directors, the vote shall be taken by ballot in such manner and either at once, later in the meeting or after adjournment as the Chairperson of the meeting directs. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A demand for a poll may be withdrawn.

60. Absentee Voting at Members' Meetings

Pursuant to section 171(1) (Absentee Voting) of the Act, a member entitled to vote at a meeting of members may vote by mailed-in ballot or by means of a telephonic, electronic or other communication facility if the Council has a system that:

enables the votes to be gathered in a manner that permits their subsequent verification, and

permits the tallied votes to be presented to the Council without it being possible for the Council to identify how each member voted.

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

61. Adjournment of Members' Meetings

The Chairperson of any meeting of members may, with the consent of the meeting, adjourn the meeting from time to time to a fixed time and place and no notice of such adjournment need be given to the members. Any business which might have been brought before or dealt with at the original meeting (in accordance with the notice calling the same) may be brought before or dealt with at any adjourned meeting.

Shares and Securities

62. Voting Shares and Securities

All of the shares or other securities carrying voting rights of any company or corporation held from time to time by the Council may be voted at any and all meetings of shareholders, bondholders, debenture holders or holders of other securities (as the case may be) of such company or corporation and in such manner and by such person or persons as the Board of the Council shall from time to time determine. The duly authorized signing Officers of the Council may also from time to time execute and deliver for and on behalf of the Council proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the Board.

63. Custody of Securities

All shares and securities owned by the Council shall be lodged (in the name of the Council) with a chartered bank or a trust company or in a safety deposit box or, if so authorized by resolution of the Board, with such other depositories or in such other manner as may be determined from time to time by the Board. All share certificates, bonds, debentures, notes or other obligations belonging to the Council may be issued or held in the name of a nominee or nominees of the Council (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with the right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer to be completed and registration to be effected.

Notices

64. Service

Any notice or other document required by the Act, the Regulations, the Letters Patent or the By-laws to be sent to any member or Director or to the auditor shall be delivered personally or sent by prepaid mail or by telegram or cable or facsimile or other electronic means to any such member or Director at their latest address as shown in the records of the Council and to the auditor at its business address, or if no address be given therein then to the last address of such member or Director known to the Secretary; provided always that notice may be waived or the time for the notice may be waived or abridged at any time with the one sent in writing of the person entitled thereto.

65. Signature to Notices

The signature of any Director or Officer of the Council to any notice or document to be given by the Council may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

66. Computation of Time

Where a given number of days' notice or notice extending over a period is required to be given under the By-laws or Letters Patent of the Council, the day of service or posting of the notice shall not, unless it is otherwise provided, be counted in such number of days or other period.

67. Proof of Service

With respect to every notice or other document sent by post, it shall be sufficient to prove that the envelope or wrapper containing the notice or other document was properly addressed as provided in section 64 of these By-laws and put into a Post Office or into a letter box. A certificate of an Officer of the Council in office at the time of the making of the certificate as to facts in relation to the sending or delivery of any notice or other document to any member, Director, Officer or auditor, or publication of any notice or other document, shall be conclusive evidence thereof and shall be binding on every member, Director, Officer or auditor of the Council as the case may be.

By-laws, Rules and Regulations

68. By-laws and Effective Date

Subject to the Articles, the Board of Directors may, by resolution, make, amend or repeal any By-laws that regulate the activities or affairs of the Council. Any such By-law, amendment or repeal shall be effective from the date the resolution of the Directors until the next meeting of members where it may be confirmed, rejected or amended by the members by ordinary resolution. If the By-law, amendment or repeal is confirmed as amended by the members it remains effective in the form in which it was confirmed. The By-law, amendment or repeal ceases to have effect if it is not submitted to the members at the next meeting of members or if it is rejected by the members at the meeting.

This section does not apply to a By-law that requires a special resolution of the members according to subsection 198(1) (fundamental change) of the Act, because such By-law amendments or repeals are only effective when confirmed by the members.

69. Invalidity of any Provision of this By-law

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

70. Rules and Regulations

The Board may prescribe such rules and regulations, not inconsistent with the By-laws, relating to the management and operation of the Council and other matters provided for in these By-laws as they may 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 Council when they shall be confirmed. If they are not confirmed at such an annual meeting of members, they shall at and from that time cease to have force and effect.

71. Rules of Order

The conduct of all meetings of the members, the Board, committees and subcommittees shall be governed by the most recent edition of *Roberts Rules of Order Newly Revised*.

72. Mediation and Arbitration

Disputes or controversies among members, directors, officers, committee members, or volunteers of the Council are as much as possible to be resolved in accordance with mediation and/or arbitration as provided in the section on dispute resolution mechanism of this By-law.

Dispute Resolution Mechanism

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

The dispute or controversy shall first be submitted to a panel of mediators whereby the one party appoints one mediator, the other party (or if applicable the board of the Council) appoints one mediator, and the two mediators so appointed jointly appoint a third mediator. The three mediators will then meet with the parties in question in an attempt to mediate a resolution between the parties.

The number of mediators may be reduced from three to one or two upon agreement of the parties.

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

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

73. Dissolution

In the event of the dissolution or the winding-up of the Council, all its remaining assets, after payment of its liabilities, shall be distributed to one or more registered charitable organizations in Canada which in the

opinion of the Board of Directors of the Council have similar objects to the Council and are eligible donees as described in the Income Tax Act i.e. a registered charity:

- that is not subject to a suspension of tax-receipting privileges;
- that is not subject to a security certificate under the Charities Registration (Security Information) Act;
- that has no unpaid liabilities under the Act or Excise Tax Act;
- that has filed all of its information returns;
- of which more than 50% of the members of the Board of Directors or trustees deal at arm's length with each member of the Board of Directors or Trustees of the particular charity.