

BYLAW NO. 1

A Bylaw relating generally to the transaction of the business and affairs of C-45 Quality Association Inc.

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BE IT ENACTED AS A BYLAW of the Corporation as follows:

ARTICLE 1 INTERPRETATION

1.1 DEFINITIONS

In the Bylaws of the Corporation, unless the context otherwise requires:

- (a) “**Act**” means the Canada Not-for-profit Corporations Act (Canada) and the regulations passed pursuant to that Act and any legislation that may be substituted therefor, as amended from time to time;
- (b) “**Annual Fee**” means the fee designated by the Board from time to time, payable annually, in respect of membership in the Corporation as a Voting Member and a Non-Voting Member;
- (c) “**Articles**” means the articles of incorporation of the Corporation, as amended or restated from time to time;
- (d) “**Board**” means the Board of Directors of the Corporation;
- (e) “**Bylaws**” means this Bylaw and all other Bylaws of the Corporation from time to time enacted by the Corporation and being in force and effect;

- (f) “**CEO**” has the meaning ascribed in Section 2.4 hereof;
- (g) “**CFO**” has the meaning ascribed in Section 6.1 hereof;
- (h) “**Claim**” includes all manner of actions, causes of action, suits, claims, demands, administrative proceedings, investigations, audits, and other proceedings which, may be brought or made against an Officer, Director or Consultant by a third party and also includes any threats thereof and, without restricting the generality of the foregoing, shall not include any Claim which may be brought against an Officer, Director or Consultant by the Corporation, the Board or the Members;
- (i) “**Consultant**” has the meaning ascribed in Section 7.2 hereof and, for the purposes of Article 7 hereof, includes the consultants of the Corporation at the time of any occurrence or non-occurrence, or any part thereof, giving rise to a Claim and includes past consultants of the Corporation;
- (j) “**Corporation**” means C-45 Quality Association Inc.;
- (k) “**Directors**” means the directors elected by the Voting Members and, for the purposes of Article 7 hereof, includes the directors of the Corporation at the time of any occurrence or non-occurrence, or any part thereof, giving rise to a Claim and includes past directors of the Corporation;
- (l) “**Indemnified Parties**” means the Directors, Officers and Consultants and their respective heirs, executors, administrators, estate and effects, as more particularly described in Article 7 hereof;
- (m) “**Meeting of Members**” means an annual meeting of Members or a Special Meeting of Members;
- (n) “**Member**” means Voting Member and a Non-Voting Member of the Corporation;
- (o) “**Member Representative**” has the meaning ascribed in Section 3.5 hereof, and “**Member Representatives**” means more than one such Member Representative;
- (p) “**Non-Voting Member**” means a Person that meets the criteria set forth in Section 3.2(b) hereof for Non-Voting Members that has not resigned its membership or had its membership terminated in accordance with Section 3.4 hereof;
- (q) “**Officer**” has the meaning ascribed in Section 6.1 hereof and, for the purposes of Article 7 hereof, includes the officers of the Corporation at the time of any occurrence or non-occurrence, or any part thereof, giving rise to a Claim and includes past officers of the Corporation;
- (r) “**Ordinary Resolution**” means a resolution passed by majority vote of the Directors comprising the Board or by Members of the Corporation, as the case may be, entitled to vote who are present in person or proxy (or deemed to be present pursuant to Section 4.12 hereof in the case of meetings of the Board or deemed to be present pursuant to Section 8.13 in the case of Meetings of Members), at a duly constituted meeting of the Board or the Members, as the case may be, and includes the term “**resolution**”;

- (s) “**Person**” includes an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative;
- (t) “**Recorded Address**” means the last known address as recorded in the records of the Corporation;
- (u) “**Replacement Director**” has the meaning ascribed in Section 4.5 hereof;
- (v) “**Security Interest**” means an interest in or charge upon all or any of the property of the Corporation by way of a mortgage, hypothec, pledge, or otherwise taken by a creditor to secure payment of an obligation of the Corporation;
- (w) “**Signing Officer**” means any individual authorized to sign any instrument on behalf of the Corporation in accordance with Section 2.4 hereof;
- (x) “**Special Meeting**” means a special general meeting of Members or of the Board, as the case may be, called to transact specific items of business which, in the case of Meetings of Members, may include some of those items of business normally transacted at annual general meetings, as well as additional specific items of business besides those normally transacted at annual Meetings of Members; and
- (y) “**Special Resolution**” means a resolution passed by a vote of at least two thirds (2/3) of the Directors comprising the Board or a vote of at least two thirds (2/3) of the Members of the Corporation, as the case may be, who are entitled to vote and present, in person (or deemed to be present in person pursuant to Section 4.12 hereof in the case of meetings of the Board or deemed to be present in person pursuant to Section 8.13 hereof in the case of Meetings of Members), at a duly constituted meeting of the Board or the Members, as the case may be.
- (z) “**Voting Member**” means a Person that meets the criteria set forth in Section 3.2(a) hereof for Voting Members that has not resigned its membership or had its membership terminated in accordance with Section 3.4 hereof and “**Voting Members**” means more than one of such Members.

All terms which are contained in the Bylaws of the Corporation and which are defined in the Act but not defined in any Bylaw shall have the meanings given to such terms in the Act; words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders; words importing persons include individuals, bodies corporate, partnerships, trusts and unincorporated organizations.

ARTICLE 2

BUSINESS OF THE CORPORATION

2.1 BUSINESS AND PURPOSE OF THE CORPORATION

To serve as a national private-sector advocate for quality in the cannabis sector and take action on behalf of Canadian cannabis businesses and consumers to promote positive measures that enable the industry to grow and prosper.

The Corporation will represent the interests of cannabis quality professionals at the national level and act as a unified voice when building relationships with other industry stakeholders and advocate for policies, programs and activities that will benefit the sector's growth and development.

The Corporation's business will include encouraging the development of partnerships and collaboration among all sectors of the industry, to address the full range of issues facing Canadian quality professionals working in the cannabis industry.

The Corporation will strive to protect the public interest by engaging its members in the cannabis industry to arrive at sound practices that strengthen the industry and ensure safe and effective cannabis management throughout all of Canada, as well as globally, as the industry matures. The Corporation will also endeavour to provide members with access to valuable knowledge, networks and resources that will assist members in improving and advancing their careers.

2.2 CORPORATE SEAL

Until changed by the Board, the corporate seal of the Corporation shall be in the form impressed.

2.3 FINANCIAL YEAR

Until changed by the Board, the financial year end of the Corporation shall be December 31.

2.4 EXECUTION OF INSTRUMENTS

Contracts, documents or any instruments in writing requiring the signature of the Corporation, shall be signed jointly by the chief executive officer ("CEO"), if any, or, in the CEO's absence or if no CEO, by the Chairman, and the CFO, if any, or in the CFO's absence or if no CFO, by the treasurer of the Corporation and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The Board shall have power, from time to time, to appoint any Officer or Director to sign specific contracts, documents and instruments in writing. The Directors may give the Corporation's power of attorney to any registered dealer in securities for the purposes of the transferring of and dealing with any stocks, bonds and other securities of the Corporation or owned by the Corporation. The seal of the Corporation, when required, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any Directors or Officers authorized to sign on behalf of the Corporation or appointed by the Board.

2.5 BANKING ARRANGEMENTS

The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the Board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the Board may, from time to time, prescribe or authorize and in accordance with the applicable policy of the Corporation, if any.

2.6 GENERAL BORROWING

- (a) The Board is hereby authorized, from time to time:

- (b) to borrow money upon the credit of the Corporation, from any bank, corporation, firm or person, upon such terms, covenants and conditions at such times, in such sums, to such an extent and in such manner as the Board in its discretion may deem expedient;
- (c) to limit or increase the amount to be borrowed;
- (d) to issue or cause to be issued bonds, debentures or other securities of the Corporation and to pledge or sell the same for such sums, upon such terms, covenants and conditions and at such prices as may be deemed expedient by the Board; and
- (e) to secure any such bond, debentures or other securities, or any other present or future borrowing or liability of the company, by mortgage, hypothec, charge or pledge of all or any currently owned or subsequently acquired real and personal, movable and immovable, property of the Corporation, and the undertaking and rights of the Corporation.

ARTICLE 3 **MEMBERS**

3.1 CLASSES OF MEMBERS

There shall be two classes of Members in the Corporation , as follows:

- (a) Voting Members; and
- (b) Non-Voting Members.

3.2 QUALIFICATION FOR MEMBERSHIP

In order to qualify for and become a Member in the Corporation, an applicant shall pay the Annual Fee and complete and submit an application for membership in such form as may be determined by the Board from time to time, confirming that the Person applying for membership satisfies the criterial set forth below and receives the approval of the Board by Ordinary Resolution.

- (a) Voting Member:
 - (i) Must be an individual who is:
 - (A) a holder of, or applicant for, a cannabis cultivation, processing, sales, analytical testing, research, or cannabis drug licence;
 - (B) employed in a quality, analytical, or research function by a holder of, or applicant for, a cannabis cultivation, processing, sales, analytical testing, research, or cannabis drug licence;
 - (C) enrolled in a post-secondary quality assurance program of study;
 - (D) retired but formerly meeting the requirements of (A) or (B), above;
- (b) Non-Voting Member:

- (i) if an individual, is a Person interested in furthering the Corporation's purpose and objectives;
- (ii) if a Person, other than an individual, is a Person involved in the Cannabis Industry or an ancillary industry, and is interested in furthering the Corporation's purpose, business and objectives.

3.3 MEMBERSHIP FEES

Annual Fees for Voting Members and Non-Voting Members shall be as determined by the Board, from time to time, and shall be paid by Members within two weeks of the commencement of each year, failing which the defaulting Member's membership shall terminate.

3.4 TERMINATION OF MEMBERSHIP

Membership in the Corporation can be terminated as follows:

- (a) by a Member delivering to the secretary of the Corporation written resignation of his/her/their membership; or
- (b) by a Member failing to pay the Annual Fee when due; or
- (c) by an Ordinary Resolution of the Board, when the Board, in its sole discretion, determines that any Member has engaged in an activity or a course of conduct which is contrary to the interests of the Corporation and the continuing betterment and development of its business, purpose and objectives.

3.5 DESIGNATED REPRESENTATIVE

For the purposes of receiving notice of Meetings of Members, attending and voting (where applicable) at Meetings of Members and for all other purposes relating to membership in the Corporation, a Member, if a Person other than an individual, shall annually designate an individual (the "**Member Representative**") to act as the representative of the Member for such purposes. If the Board determines, by an Ordinary Resolution, that any such individual has engaged in an activity or a course of conduct which is contrary to the interests of the Corporation and the continuing betterment and development of its business, purpose and objectives, the Member shall be given notice that the designated individual is not an appropriate person to act as a Member Representative and the Member shall be required to designate another individual acceptable to the Board to assume the role of the representative of such Member.

ARTICLE 4 **DIRECTORS**

4.1 NUMBER AND RESIDENCY OF DIRECTORS

Until changed in accordance with the Act, or in accordance with this Bylaw, the Board shall consist of a minimum of three (3) and a maximum of twelve (12) Directors, not less than 50% of whom are Canadian residents.

4.2 QUORUM

The quorum for the transaction of business at any meeting of the Board shall consist of a majority of Directors then in office.

4.3 QUALIFICATION

- (a) A Director of the Corporation must be an individual who is capable and meets the following qualifications:
 - (i) is at least eighteen (18) years of age;
 - (ii) does not hold the status of a bankrupt; and
 - (iii) satisfies such other criteria as may be established by the Board, from time to time, including, without restricting the generality of the foregoing, criteria prescribed by the governance policy of the Corporation relating to honesty, integrity, good character and other qualifications of a director, and/or any requirements that the Board has adopted in respect of diversity and inclusion, and any other criteria that may be adopted by the Board from time to time.
- (b) No person shall be a Director if:
 - (i) he/he/they are an employee of the Corporation or has been an employee of the Corporation within one (1) year of the date of his/her/their election;
 - (ii) he/she/they are of unsound mind and has been so found by a court in Canada or elsewhere; or
 - (iii) He/she/they have the status of a bankrupt.

4.4 ELECTION

At the first Meeting of Members held after this Bylaw becomes effective (the “**Initial Meeting**”), four (4) Directors shall be elected by the Voting Members in accordance with Section 4.1 hereof, with one-third of the Directors being elected for a term which expires on the earlier of one (1) year and the close of the next annual Meeting of Members, one-third of the Directors being elected for a term which expires on the earlier of two (2) years and the close of the second annual Meeting of Members following their election, and one-third of the Directors being elected for a term which expires on the earlier of three (3) years and the close of the third annual Meeting of Members following their election. At each annual Meeting of Members held subsequent to the Initial Meeting, the Voting Members shall elect Directors to replace Directors whose term of office expires at the close of such meeting or whose office is otherwise vacant.

The Directors shall be elected in accordance with the Act, these Bylaws and any nomination procedures prescribed by the Board from time to time. The election of Directors shall be by an Ordinary Resolution. If the election of Directors does not occur at such time, the incumbent Directors shall continue in office until their successors are elected.

4.5 TERM

Except for the election of Directors for staggered terms as prescribed in Section 4.4 hereof, each Director subsequently elected at an annual Meeting of Members shall hold office for three (3) years until the close of the third annual Meeting of Members after such Director's election, except in the case of the election of a Director (a "**Replacement Director**") who is replacing a Director who has resigned, been terminated or otherwise vacated his/her/their office prior to the expiry of his/her/their term, in which case the Replacement Director shall be elected for the balance of such term, in accordance with Section 4.8 hereof. Other than as a result of a termination or resignation of a Director or a vacancy for other reasons, the Board shall be comprised of one-third of the Directors in the first year of their term as a Director, one-third of the Directors in the second year of their term as a Director and one-third of the Directors in the third year of their term as a Director. Directors shall be limited to serving a maximum of two (2) consecutive terms, regardless of the length of each term and, for the purposes of such restriction, the period served by a Replacement Director to fill a vacancy shall be considered one (1) term regardless of its length.

4.6 VACATION OF OFFICE

The office of a Director shall be automatically vacated:

- (a) subject to Section 4.10 hereof, upon the chairperson or secretary of the Corporation receiving a written notice of resignation or retirement from a Director;
- (b) if a Director becomes of unsound mind;
- (c) if a Director becomes bankrupt or suspends payment or compounds with his/her/their creditors;
- (d) upon a Director ceasing to otherwise satisfy the qualifications for acting as a Director prescribed by Section 4.3 hereof;
- (e) if a Director is removed from office by an Ordinary Resolution of Voting Members at a Meeting of Members or by a resolution in writing signed by all of the Voting Members entitled to vote on such resolution;
- (f) on the death of a Director; and
- (g) the term for which the Director has been elected expires and the Director is not re-elected and his/her/their successor is elected.

4.7 SUSPENSION OF DIRECTORS

If the governance committee, or any other committee designated by the Board, determines by an Ordinary Resolution, in accordance with applicable corporate policies, that a Director has failed to adequately discharge his/her/their obligations to the Corporation, it shall immediately suspend the Director and the rights and duties of such person as a Director pending consideration of the termination of such person (the "**Suspended Director**") as a Director by the Board and, if the termination is approved by the Board by an Ordinary Resolution and subsequently approved by the Members by an Ordinary Resolution at a Meeting of Members, failing either of which, the suspension shall be lifted, provided that throughout the process the Suspended Director be given reasonable notice of the determination reached by the committee and

given an opportunity to be heard and oppose the suspension and termination in accordance with applicable policies of the Corporation; or

4.8 VACANCIES

The Board shall give Members notice of a vacancy in the Board within sixty (60) days of such vacancy arising and the Voting Members shall elect a Replacement Director to fill the vacancy in accordance with this Bylaw within ninety (90) days of the receipt of such notice, and such Replacement Director elected by Voting Members shall hold office for the unexpired term of the Director who vacated such Board position. In the absence of a quorum of Voting Members, or if a vacancy has arisen from a failure of the Voting Members to elect the minimum number of Directors, such vacancy shall remain until the earlier of the next annual Meeting of Members and the date upon which a Director is elected by Voting Members at any Meeting of Members.

4.9 RESTRICTION ON EMPLOYMENT

A Director shall not apply for employment with the Corporation during his/her/their term as a Director of the Corporation or within one (1) year following his/her/their term as a Director of the Corporation.

4.10 RESIGNING OR RETIRING DIRECTOR

A resigning or retiring Director shall remain in office until the close of the meeting of the Board or the Members, as the case may be, at which his/her/their resignation or retirement is accepted.

4.11 POWER OF THE BOARD

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

4.12 MEETINGS BY TELEPHONE OR OTHER MEANS OF COMMUNICATION

A Director may participate in a meeting of the Board or of a committee of the Board, by means of such telephone or other communication facilities as permit all persons participating in the meeting to hear each other, and a Director participating in such a meeting by such means is deemed to be present at the meeting. Any such participation applies to all meetings of the Board and of committees of the Board held while a Director holds office.

4.13 PLACES OF MEETINGS

Meetings of the Board shall be held in Edmonton, Alberta, or at such location in Canada as the Board may determine.

4.14 NOTICE OF MEETING

Notice of the time and place of each meeting of the Board shall be given in the manner provided in Section 9.1 hereof to each Director not less than fourteen (14) days before the time when the meeting is to be held. A meeting may be held on shorter notice where the chairperson determines that a meeting is required to attend to an emergency or other urgent business. A notice of meeting of the Board need not specify the purpose of the business to be transacted at the meeting except where these Bylaws or Section

138(2) of the Act require such purpose or business to be specified or where a termination of membership under Section 3.4(c) hereof is to be considered or where a Bylaw amendment is to be considered. A Director may, in any manner, waive notice of or otherwise consent to a meeting of the Board. All notices of meetings shall remind Members of their right to vote by proxy, and the Board may adopt reasonable rules in relation to proxies and enforce them so long as they similarly remind the members of them when notice of the meeting or other opportunity to vote is provided.

4.15 ADJOURNED MEETING

If a meeting of the Board is adjourned for less than thirty (30) days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. If a meeting of the Board is adjourned by one (1) or more adjournments for an aggregate of thirty (30) days or more, notice of the adjourned meeting shall be given as for an original meeting.

4.16 REGULAR MEETINGS

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. There shall be four (4) regular Board meetings per year. A copy of any Ordinary Resolution of the Board fixing the place and time of such regular meetings shall be sent to each Director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

4.17 RESOLUTION IN WRITING

An Ordinary Resolution or Special Resolution in writing signed by all the Directors entitled to vote on such Ordinary Resolution or Special Resolution at a meeting of the Board is as valid as if it had been passed at a meeting of the Board.

4.18 CHAIRPERSON

The chairperson appointed pursuant to Section 6.1 hereof shall preside at all meetings of the Board. If the chairperson is not present, then the vice-chairperson shall preside. The chairperson shall not move, second or, subject to Section 4.19 hereof, vote upon any resolution, bylaw or other matter.

4.19 VOTES TO GOVERN

At all meetings of the Board and Committees of the Board every question shall, unless otherwise required herein or by law, be decided by a majority of the votes cast on the question. Each Director, including the chairperson, is authorized to exercise one (1) vote. In the case of an equality of votes, either upon a show of hands or ballot, the chairperson shall have the authority to cast the deciding vote.

4.20 CONFLICT OF INTEREST

A Director or Officer who is a party to, or who is a director or officer of, or has a material interest in any person who is a party to, a contract, proposed contract or other matter with the Corporation shall disclose in writing to the Corporation or request to have entered in the minutes of meetings of the Board of the Corporation the nature and extent of his/her/their interest at the time and in the manner provided for by the Act. Any Director or Officer so interested shall not vote on any Ordinary Resolution or Special Resolution to approve the contract or other matter involving the conflict, except in the manner and to the extent provided in the Act, and shall absent himself/herself/themselves from the meeting when such contract is voted upon. A Director shall be deemed to have an interest in a contract, proposed contract, or other

matter where a relative or spouse of the Director or Officer has an interest in such contract, proposed contract or other matter. A Director or Officer shall not be deemed to have an interest in a contract, proposed contract or other matter solely on the fact that the Director or Officer is an employee of a company that does have such an interest, provided, however, that Director or Officer shall exercise his/her/their vote honestly and in good faith in the best interests of the Corporation.

4.21 GOOD FAITH

Every Director in exercising his/her/their powers and discharging his/her/their duties shall act honestly and in good faith with a 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.

4.22 REMUNERATION AND EXPENSES OF DIRECTORS

The Directors shall serve as such without remuneration and the Directors shall not, directly or indirectly, receive profit from their positions as such. By an Ordinary Resolution of the Board, the Directors shall be entitled to be reimbursed for their travelling and other expenses properly incurred by them in attending to the affairs of the Corporation, provided such reimbursements are:

- (a) reasonably attributable to services performed for the Corporation. Fees for such services shall be determined in a manner consistent with the opinion of an independent professional having expertise in that area, taking into account any regulatory requirements, industry trends for organizations of a charitable nature similar to the Corporation and the factors referred to in subsections (b) and (c) hereof;
- (b) in accordance with published views of the Canada Revenue Agency, and applicable laws from time to time; and
- (c) consistent with policies adopted by the Board from time to time.

Nothing herein contained shall preclude any Director from serving the Corporation in any other capacity, other than as an employee, and receiving remuneration therefore, provided that any Director who is so engaged or any business or profession which is retained by the Corporation in respect of which the Director is an employee, officer, director, partner, member or shareholder (other than a controlling shareholder or controlling member), shall be paid the usual fees and charges for services performed for the Corporation at rates not to exceed generally accepted rates in the industry for similar services, provided such services are in accordance with the Corporation's usual and generally applicable policies or on terms otherwise approved by the Board and, in either case, the remuneration is disclosed to the Board.

4.23 DELEGATION BY THE BOARD OF DIRECTORS

Subject to Section 4.24, the Board may, from time to time, delegate to a Committee of the Board, or to one or more of the Directors and Officers of the Corporation as may be designated by the Board, all or any of the powers conferred upon the Board pursuant to the Act, or any Articles or Bylaws of the Corporation, to such extent and in such manner as the Board shall determine at the time of each such delegation.

4.24 EXCEPTION

The Board shall not delegate any authority or power exclusively conferred to it by the Act.

ARTICLE 5

COMMITTEES

5.1 COMMITTEE OF DIRECTORS

The Board may appoint one or more other committees comprised of Directors and Officers whose members will hold their offices at the will of the Board and perform such functions as the Board may determine from time to time.

5.2 TRANSACTION OF BUSINESS

The powers of a committee of the Board may be exercised by an Ordinary Resolution at a meeting of the committee at which a quorum is present or by a resolution in writing signed by all the members of such committee who would have been entitled to vote at a meeting of the committee called to consider the subject matter of such resolution. Meetings of such committee may be held at any place in or outside Canada. Unless waived, notice of the time and place of a meeting of a committee shall be given in the manner provided in Section 9.1 hereof to each committee member not less than seven (7) days before the meeting is to be held. Unless otherwise prescribed by the Board, all committee decisions must be either, accepted, ratified and approved by the Board or rejected or accepted, ratified and approved with amendment at the next meeting of the Board.

ARTICLE 6

OFFICERS

6.1 APPOINTMENT

The officers (“**Officers**”) of the Corporation shall include the following Officers: chairperson, vice-chairperson, secretary, treasurer, CEO, chief financial officer (“**CFO**”), and such other Officers as the Board may, by Bylaw or resolution, determine, including one (1) or more assistants to any of the Officers so appointed. The Board may specify the duties of any such Officers. One (1) person may hold more than one (1) office. Officers of the Corporation, including the chairperson and vice-chairperson, shall be appointed by an Ordinary Resolution of the Board at the first meeting of the Board following the annual Meeting of Members, and the CEO shall be hired by the Board on such terms as the Board may, by an Ordinary Resolution, determine.

6.2 TERM OF OFFICERS

- (a) Unless otherwise specified herein, or by the Board, or by contract, the Officers shall hold office for one (1) year from the date of their appointment by the Board by an Ordinary Resolution, or until the date that such Officers:
 - (i) cease to be employees of the Corporation (if such Officers are employees of the Corporation);
 - (ii) resign;
 - (iii) are removed from office by an Ordinary Resolution of the Board; or
 - (iv) their successors are appointed in their stead.

- (b) The chairperson, vice-chairperson, secretary and treasurer shall each be Directors of the Corporation and such Officers shall hold office for up to a maximum of two (2) years from the date of their appointment by the Board by an Ordinary Resolution, or until such earlier date that such Officers:
- (i) cease to be Directors for any reason, including, but not limited to, the expiration of their term as a Director;
 - (ii) resign;
 - (iii) are removed from office by an Ordinary Resolution of the Board; or
 - (iv) their successors are appointed in their stead.

6.3 CHAIRPERSON

The chairperson shall preside at all meetings of the Board, and shall perform such other duties as are incidental to such office, or as may, from time to time, be imposed upon him/her/them by the Board. The appointed chairperson, other than the chairperson for the first two (2) years, must be a Director of the Corporation with a minimum of two (2) years' experience as a Director of the Corporation.

6.4 VICE-CHAIRPERSON

The vice-chairperson shall, in the absence or disability of the chairperson, perform the duties and exercise the powers of the chairperson and shall perform such other duties as shall from time to time be imposed upon him/her/them by the Board.

6.5 SECRETARY

The secretary shall attend all meetings of the Board and may be empowered by the Board, upon an Ordinary Resolution of the Board, to act as clerk thereof and record all votes and minutes of all proceedings in the books to be kept for that purpose. He/she/they shall give or cause to be given notice of all Meetings of Members and of the Board, and shall perform such other duties as may be prescribed by the Board or chairperson, under whose supervision he/she/they shall be.

6.6 TREASURER

The treasurer shall ensure that full and accurate accounts of all assets, liabilities, receipts and disbursements of the Corporation in the books belonging to the Corporation are properly maintained and full statements are provided to the Board as required from time to time. The treasurer shall also perform such other duties as may, from time to time, be directed by the Board.

6.7 CHIEF EXECUTIVE OFFICER

The CEO of the Corporation shall be the chief administrative officer of the Corporation and shall be responsible to the Board for the coordination of all affairs of the Corporation. The CEO, when appointed, shall have the general and active management of the affairs of the Corporation, provided, however, any decision to create a subsidiary of the Corporation shall require the prior approval of the Board by Ordinary Resolution. The CEO shall perform such duties in compliance with the terms of engagement pursuant to which he/she/they are contracted with the Corporation, as well as orders and resolutions of the Board and, to the full extent practicable, shall ensure that such orders and resolutions are carried into

effect. The CEO shall take such steps as he/she/they may deem requisite to enable the Corporation to acquire, accept, solicit or receive legacies, gifts, grants, settlements, bequests, endowments and donations of any kind whatsoever for the purpose of furthering the objects of the Corporation.

6.8 POWERS AND DUTIES OF OTHER OFFICERS

The powers and duties of all other Officers shall be such as the terms of their engagement call for or the Board requires of them.

6.9 VARIATION OF POWERS AND DUTIES

The Board may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any Officer.

6.10 INABILITY OF OFFICER TO PERFORM DUTIES

If any Officer is unable to perform his/her/their functions or discharge his/her/their duties as such Officer, the Board may appoint such other Officer(s) to perform the functions and/or to discharge the duties of that Officer.

6.11 REMOVAL OF OFFICER

The Board, in its sole discretion may, by an Ordinary Resolution, remove any Officer of the Corporation, for any reason or no reason, without prejudice to such Officer's rights under any employment contract.

6.12 DISCLOSURE OF INTEREST

An Officer shall disclose his/her/their interest in any material contract or proposed material contract with the Corporation in accordance with Section 4.20 hereof.

6.13 FIDELITY BONDS

The Board may require Officers, employees and agents of the Corporation, as the Board deems advisable, to furnish bonds for the faithful discharge of their powers and duties, in such form and with such surety as the Board may from time to time determine.

ARTICLE 7

PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

7.1 LIMITATION OF LIABILITY

No Director or Officer shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or any employee, or for joining in any other act or conformity, or for any loss, damage or expense occurring to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his/her/their part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his/her/their office or in relation thereto, unless the same are occasioned by his/her/their own wilful neglect or default; provided that nothing herein shall relieve any Director or

Officer from the duty to act in accordance with the Act or from liability for any breach of the provisions thereof.

7.2 INDEMNITY

The Corporation and the successors and assigns of the Corporation shall defend, indemnify and save harmless every Director and Officer (including any Officer who is a consultant and any company controlled by such consultant or in which the consultant has a substantial interest, collectively, a “**Consultant**”) who has undertaken or is about to undertake any liability on behalf of the Corporation and their respective heirs, executors, administrators, estate and assigns (collectively the “**Indemnified Parties**”) from and against all loss, charges, costs, liabilities, damages, penalties, and expenses incurred by every Indemnified Party in respect of any Claim with respect to, or in any way arising out of, anything done, or not done, or caused, permitted or authorized to be done or not to be done, by the Indemnified Party in the course of or supposed course of their duties as Director, Officer or Consultant, or by the Indemnified Party acting, at the request of the Corporation, as an Officer of, or as the Corporation’s representative on the board of directors of, another corporation, provided that:

- (a) the Indemnified Party acted honestly and in good faith with a view to the best interests of the Corporation, or such other corporation, as the case may be; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Indemnified Party has reasonable grounds for believing that his/her/their other conduct was lawful;

all of the foregoing being collectively referred to as the “**Indemnity**”.

7.3 The Corporation and the successors and assigns of the Corporation forever remise, release, acquit and discharge every Indemnified Party of and from all Claims of which the Corporation has had or now has or hereafter can, shall or may have, for or by reason or in any way arising out of, anything done, or not done, or caused, permitted or authorized to be done, or not done, by the Indemnified Party in the course of or supposed course of duties as Director, Officer or Consultant, or by the Indemnified Party acting, at the request of the Corporation, as an Officer of, or as the Corporation’s representative on the board of directors of, another corporation, provided that:

- (a) the Indemnified Party acted honestly and in good faith with a view to the best interests of the Corporation, or such other corporation, as the case may be; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Indemnified Party has reasonable grounds for believing that his/her/their conduct was lawful;

all of the foregoing being collectively referred to as the “**Release**”.

7.4 In the event and each time that a Claim to which the Indemnity applies is brought against an Indemnified Party, the following shall apply:

- (a) upon being served with notice of the Claim, the Indemnified Party shall promptly advise the chairperson of the Corporation of the Claim;

- (b) a preliminary determination shall be made by the Board as to whether indemnification of the Indemnified Party is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 7.2 hereof;
- (c) if the preliminary determination described in clause (b):
 - (i) is that indemnification is proper in the circumstances, there shall be delivered to the Corporation an undertaking by or on behalf of the Indemnified Party, in form satisfactory to the Corporation's counsel, that any loss, charges, costs, liabilities, damages, penalties, and expenses paid by the Corporation on behalf of the Indemnified Party shall be repaid to the Corporation if it shall ultimately be determined by the counsel for the Corporation that such person failed to meet the applicable standard of conduct set forth in Section 7.2 hereof;
 - (ii) is that indemnification is not proper in the circumstances, the Indemnified Party shall be solely responsible for the conduct of the defense of such Claim and the payment of any damages or costs resulting therefrom, subject always to his/her/their right to contest the preliminary determination made hereunder and to pursue Indemnity from the Corporation for all legal costs and damages in the event that it is determined by the Court that the Indemnified Party in fact met the applicable standard of conduct set forth in Section 7.2 hereof;
- (d) upon receiving notice of a Claim in accordance with clause (a), and after a positive preliminary determination has been made and the undertaking provided, the Indemnified Party and the counsel for the Corporation shall meet and appoint counsel acceptable to both parties to defend the Claim or deal with a threatened Claim. Should the parties be unable to agree on counsel, the Corporation shall unilaterally appoint counsel. The Corporation shall be responsible for the conduct of the action, and the Indemnified Party shall cooperate fully with the Corporation and counsel. In the event the Claim is made against the Corporation and one or more Indemnified Parties, and there arises an actual or reasonably perceived potential conflict of interest between the Corporation and the one or more Indemnified Parties, or between the Indemnified Parties against whom the Claim is made, the Corporation shall, acting reasonably, determine the necessity of appointing separate counsel for those persons having an interest materially different from the Corporation or another Indemnified Party, as the case may be. If so determined, the provisions herein apply, with any necessary changes, to each such appointment of counsel, with the sole exception that such additional counsel shall not provide any information to the Corporation which might prejudice the different interests of the Indemnified Party for whom that counsel acts;
- (e) the Corporation shall pay any damages or costs awarded against the Indemnified Party in connection with the Claim;
- (f) the Corporation shall pay any sum required to be paid by the Indemnified Party in connection with the settlement of the Claim if such settlement is approved by the Corporation before the same is finalized;
- (g) the Corporation shall pay all legal fees, costs and disbursements of the Indemnified Party incurred in respect of defending the Claim or dealing with a threatened Claim;

- (h) if the Indemnified Party fails to cooperate fully with the Corporation and/or counsel, the Corporation may abrogate the Release and the Indemnity;
- (i) notwithstanding Sections 7.2 and 7.3 hereof, the Release and the Indemnity afforded an Indemnified Party shall apply only to the extent that the Indemnified Party is not covered by any scheme of professional or other liability insurance. If the Indemnified Party is covered by such scheme of professional or other liability insurance, the Release and the Indemnity afforded an Indemnified Party shall apply only to that part of such Claim which is in excess of the amount recoverable or recovered from such insurance.

In the case of a dispute as to the eligibility of a claim made by an Indemnified Party against a scheme of professional or other general liability insurance, the Corporation shall, upon receipt from the Indemnified Party of a properly executed assignment to the Corporation of that claim, pay all damages, costs, legal fees and disbursements contemplated by Section 7.4 hereof, and the Corporation shall be subrogated to the rights of the Indemnified Party against the insurer with respect to the disputed claim, and may sue on these rights in the name of the Indemnified Party;

- (j) the Release and the Indemnity are effective retroactively to the date the Indemnified Party was appointed a Director, Officer or Consultant of the Corporation, or any other corporation at the request of the Corporation, shall survive completion of the services provided by an Indemnified Party to or on behalf of the Corporation and includes past Directors, Officers and Consultants of the Corporation and such other corporation, as the case may be; and
- (k) the Release and the Indemnity shall in no way affect the rights of the Corporation, its successors and assigns, to discipline or dismiss any Officer or Consultant for just cause for anything done, or not done, or caused, permitted or authorized to be done, or not done, by the Officer or Consultant in the course of, or supposed course of employment by the Corporation.

ARTICLE 8

MEETINGS OF MEMBERS

8.1 ANNUAL MEETINGS

An annual Meeting of Members shall be held at the head office of the Corporation, within 15 months of the preceding annual Meeting of Members and not later than six (6) months after the end of the fiscal year unless extended by the director appointed under the Act, on such day as the Board may, from time to time, determine, for the purposes of considering the financial statements and reports required by the Act to be placed before the annual Meeting of Members and the election of Directors, the appointment of auditors and for the transaction of such other business as may properly be brought before the meeting. Where any special business is to be transacted at a Meeting of Members, the notice of the meeting shall give sufficient information to Voting Members to form a reasoned judgement on such business. At each annual Meeting of Members, the Voting Members shall elect a chairperson from the Voting Members present to act as the chairperson of such meeting and any other Meeting of Members to be held during the year until the next annual Meeting of Members.

8.2 AUDITORS

The Voting Members shall at each annual Meeting of Members approve the appointment of an auditor to audit the accounts of the Corporation and hold office until the next annual Meeting of Members, or waive the appointment of an auditor and appoint an accountant, provided that the Board may fill any casual vacancy in the office of the auditor or the accountant, as the case may be. The remuneration of the auditor/accountant shall be fixed by the Board.

8.3 SPECIAL MEETINGS

The Board shall have power to call a Special Meeting of Members at any time, and the Board shall call a Special Meeting of Members on the written request of Voting Members who hold no less than thirty percent (30%) of the total number of votes held by all of the Voting Members.

8.4 PARTICIPATION

Participation at any Meeting of Members shall be limited to Members and Member Representatives of the Members, where applicable, and such other Persons as may be permitted by the Voting Members to attend as observers, on such terms as Voting Members may permit.

8.5 NOTICE OF MEETINGS

Notice of the time and place of each Meeting of Members, naming the time and place of assembly, shall be given to:

- (a) each Director;
- (b) the auditor, if any, or the accountant; and
- (c) each Member and, where applicable, each Member Representative who is on the record at the close of business on the date for notice,

in the manner hereinafter provided in Section 9.1 hereof, by the following means:

- (d) by mail, courier or personal delivery, during a period of twenty-one (21) to sixty (60) days before the day on which the Meeting of Members is to be held; or
- (e) by telephonic, electronic or other communication facility, during a period of twenty-one (21) to thirty-five (35) days before the day on which the Meeting of Members is to be held.

8.6 QUORUM

A quorum for the transaction of business at any Meeting of Members shall be six (6) Voting Members present in person or by proxy (or deemed to be present) and entitled to vote. If a quorum is present at the opening of any Meeting of Members, the Members present may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting, subject to the objection of any Voting Member remaining present. If a quorum is not present at the opening of any Meeting of Members, the Voting Members present may adjourn the meeting to a fixed time and place but may not transact any other business.

8.7 RIGHT TO VOTE

Every Voting Member present in person or deemed to be present pursuant to Section 8.13 hereof, shall have one (1) vote per matter voted upon at a Meeting of Members. A Member must have a Member Representative present or by proxy (or deemed to be present pursuant to Section 8.13 hereof) at a Meeting of Members in order to be considered present for the purposes of quorum and voting where applicable. The chairperson may vote upon any resolution, bylaw or other matter.

8.8 VOTES TO GOVERN

At any Meeting of Members every question shall, unless otherwise required by the Articles, Bylaws or under the Act, be determined by the majority of votes cast by Voting Members on the question. Each Voting Member is authorized to exercise one vote. In the case of an equality of votes, either upon a show of hands or ballot, the chairperson shall have the authority to cast the deciding vote, except with respect to the election of directors.

8.9 SHOW OF HANDS

Subject to the provisions of the Act, any question at a Meeting of Members shall be decided by a show of hands unless a ballot thereon is required or demanded as provided in Section 8.10 hereof. A declaration by the chairperson of the meeting that the vote upon the question has been carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any Ordinary Resolution or Special Resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the Members upon the said question.

8.10 BALLOTS

On any question at a Meeting of Members, any Member entitled to vote at the meeting may require or demand a ballot. A ballot so required or demanded shall be taken in such manner as the chairperson shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken, each Member present and entitled to vote, shall vote at the meeting upon the question, by ballot, and the result of the ballot so taken shall be the decision of the Members upon the said question.

8.11 ADJOURNMENT

If a Meeting of Members is adjourned for less than thirty (30) days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. If a Meeting of Members is adjourned by one (1) or more adjournments for an aggregate of thirty (30) days or more, notice of the adjourned meeting shall be given as if an original meeting.

8.12 RESOLUTION IN WRITING

Subject to Section 166(1) of the Act, an Ordinary Resolution or Special Resolution in writing signed by all the Members entitled to vote on that Ordinary Resolution or Special Resolution at a Meeting of Members is as valid as if it had been passed at a Meeting of Members.

8.13 MEETINGS BY TELEPHONE OR OTHER MEANS OF COMMUNICATION

Member Representatives may participate in Meetings of Members on behalf of Members, by means of such telephone or other communication facilities as permit all persons participating in the meetings to hear each other, and a Member Representative, and accordingly a Member, participating in such meeting by such means is deemed to be present at the meeting.

8.14 PROXY

- (a) A proxy is invalid unless it is in an electronic or hard copy format and contains at least the following elements:
- (i) The name of the Member giving the proxy;
 - (ii) The name of the individual to who the proxy is given;
 - (iii) The date the proxy is given; and
 - (iv) The signature of the Member giving the proxy.

A proxy may be revoked in an electronic or hard copy format.

- (b) A proxy is subject to:
- (i) Any limitations, restrictions or instructions imposed by the individual who gave the proxy; and
 - (ii) Any reasonable procedural restrictions set out in the by-laws or the rules of the Corporation.

A proxy shall not be exercised by an individual who is not named in the proxy.

- (c) A proxy expires on the earliest of the following:
- (i) 6 months from the date on which the proxy was given; and
 - (ii) The date on which the individual who gave the proxy ceases to be a Member.
- (d) Except to the extent that a matter is already dealt with in these by-laws, the Corporation may adopt rules respecting the use of proxies, including, without limitation, procedures respecting the presentation, verification and registration of proxies, provided that said rules may be adopted only as reasonably necessary for the expedient conduct of meetings or votes. Proxies must be certified before or at the outset of the meeting at which an individual is seeking to exercise the proxy.

ARTICLE 9 **NOTICES**

9.1 METHOD OF GIVING NOTICES

Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the Articles, the Bylaws or otherwise to a Member, Director,

Officer, auditor or member of a committee of the Board shall be sufficiently given if delivered personally to the person to whom it is to be given, or if delivered to such person at their recorded address, or if mailed to their address recorded on the books of the Corporation by prepaid ordinary or air mail or if sent to him/her/their at his/her/their recorded address by any means of prepaid transmitted and recorded communication, including facsimile and email. A notice so delivered shall be deemed to have been given when it is delivered personally or sent to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted and recorded communication shall be deemed to have been given on the date received as shown on the record of such transmission. The secretary may change or cause to be changed the recorded address of any Member, Director, Officer, auditor or member of a committee of the Board in accordance with any information believed by him/her/them to be reliable.

9.2 COMPUTATION OF TIME

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

9.3 UNDELIVERED NOTICES

If any notice given to a Member pursuant to Section 9.1 is returned on three (3) consecutive occasions because such person cannot be found or such transmission is not received by the intended recipient, the Corporation shall not be required to give any further notices to such Member until the Member informs the Corporation in writing of the new address.

9.4 OMISSIONS AND ERRORS

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

9.5 WAIVER OF NOTICE

A Member, Director, Officer, auditor or member of a committee of the Board may, at any time, waive any notice, or waive or abridge the time for any notice required to be given to him or her under any provision of the Act, the regulations thereunder, the Articles, the Bylaws or otherwise, and such waiver or abridgement shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing, except a waiver of notice of a Meeting of Members or of the Board which may be given in any manner.

ARTICLE 10 GENERAL

10.1 AMENDMENT OF BYLAWS

Except where Subsection 197(1) of the Act requires a Special Resolution of the Members, the Bylaws of the Corporation may be repealed or amended by Bylaws enacted by an Ordinary Resolution of the Directors at a duly constituted meeting of the Board that is approved by a majority of the Voting Members at the next Meeting of Members, provided the Bylaws of the Corporation may be repealed or

amended by the Voting Members at any Meeting of Members upon approval of a majority of the Voting Members.

10.2 BOOKS AND RECORDS

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

10.3 RULES AND REGULATIONS

The Board may prescribe such rules, regulations and policies not inconsistent with these Bylaws relating to the management and operation of the Corporation as they deem expedient.

10.4 EFFECTIVE DATE

Subject to the Act, this Bylaw shall come into force and will be effective as of and from the date the Articles are amended following the date of the resolution of the Voting Members under Section 10.1 hereof approving this Bylaw.

10.5 INTERPRETATION

Each and every term, provision, clause and section of this Bylaw is expressly made and declared to be subject to and subservient to any agreement made, at any time whatsoever, between or among all the Voting Members of the Corporation.

The foregoing is a true copy of Bylaw No. 1 of the Corporation, which became effective as of and from _____, 20____.

WITNESS the Corporate Seal of the Corporation.

CHAIRPERSON

SECRETARY