

BY-LAW NUMBER ONE

A General By-Law Relating to the Conduct of
the Business and Affairs of

[CORPORATION]

(hereinafter referred to as the Corporation)

BE IT ENACTED as a by-law of the Corporation as follows:

1. INTERPRETATION

1.01 Definitions

Unless the context requires or specifies, in this By-law Number One and all other by-laws of the Corporation, all terms and expressions (other than terms or expressions expressly defined herein) which are defined in the Act shall have the meanings given to them in the Act and, additionally:

- (a) "Act" means the *Business Corporations Act* ([province]);
- (b) "Articles" include the original or restated Articles of Incorporation, Articles of Amendment, Articles of Amalgamation, Articles of Continuance, Articles of Reorganization, Articles of Arrangement, Articles of Dissolution, or Articles of Revival of the Corporation, as from time to time amended, as applicable;
- (c) "Auditor" means the auditor of the Corporation, if any;
- (d) "Board" means the Board of Directors of the Corporation;
- (e) "By-laws" means the by-laws of the Corporation in force and effect, as from time to time amended;
- (f) "Director" means a director of the Corporation occupying such position at any time;
- (g) "Officer" means an officer of the Corporation occupying such position at any time; and
- (h) "Shareholder" means a shareholder of the Corporation.

1.02 Included Words

In the By-laws, unless the context otherwise requires or specifies:

- (a) Words importing singular include the plural and vice versa;
- (b) Words importing gender include masculine, feminine and neuter genders;
- (c) Words importing persons include individuals, firms, bodies corporate, associations, legal representatives of persons and aggregations of persons; and
- (d) A reference to any statute shall extend to any amendment thereof or substitution therefor and any regulation, rule or other provision made thereunder or authorized thereby, amendments thereof or substitutions therefor.

1.03 By-laws Subordinate

The By-laws are made pursuant to and are subordinate to the Act, any unanimous shareholder agreement having application to the Shareholders, and the Articles.

1.04 Partial Invalidity

The invalidity or unenforceability of any provision of the By-laws shall not affect the validity or enforceability of the remaining provisions of the By-laws.

1.05 Deemed Consent

Where the By-Laws call for consent of a meeting in respect of any matter and no method is specified for signifying or recording such consent, such consent shall be conclusively presumed to have been given unless an objection is made to the matter by a person entitled to object thereto.

2. MEETINGS OF SHAREHOLDERS

2.01 Quorum

At any meeting of shareholders, including any meeting of a class of shareholders:

- (a) If there is only one (1) shareholder, or one (1) holder of a class of shares, that shareholder in person or by proxy constitutes a meeting; or
- (b) If there are two (2) or more shareholders, or two (2) or more holders of a class of shares, at least two (2) individuals present in person, each of whom is entitled to vote at such meeting, holding or representing in the aggregate not less than fifty-one per cent (51%) of the total number of shares carrying the right to vote at such meeting, shall constitute a quorum.

2.02 Persons Entitled to be Present

The only persons entitled to be present at a meeting of the Shareholders shall be those Shareholders entitled to vote thereat or their duly appointed proxy holders, individuals duly authorized by resolution of the directors or governing body of a body corporate or association which is a Shareholder entitled to vote thereat, the Directors, the Auditor and others who, although not entitled to vote, are entitled or required under any provision of the Act, the Articles or the By-laws to be present at the meeting; other persons may be admitted but only with the consent of the meeting.

2.03 Chairman, Secretary and Scrutineers

The Chairman of the Board, if any has been appointed and is present, otherwise the President or, if the President is not present, a Vice-President, shall be the chairman of any meeting of Shareholders. If no such officer is present within fifteen (15) minutes of the time fixed for the commencement of the meeting, the persons present and entitled to vote shall elect another Director as chairman of the meeting and if no Director is present or if all the Directors present decline to take the chair, then the persons present entitled to vote shall elect one of their number to be chairman. The chairman shall appoint the Secretary of the Corporation or, if the Secretary is not present, some other person who need not be a Shareholder to act as secretary of the meeting. The chairman may appoint one (1) or more persons who need not be Shareholders to act as scrutineers of the meeting.

2.04 Votes

Votes at meetings of Shareholders may be given either personally or by proxy. Every question submitted to any meeting of Shareholders shall be decided on a show of hands unless a ballot is required. If a ballot is required, it shall be directed by the chairman, or it may be demanded on any question, by any person entitled to vote at such a meeting. A ballot may be directed or demanded either before or on the declaration of the result of any vote by show of hands. A demand for a ballot may be withdrawn at any time before the ballot is taken. If a ballot is taken on any question, a prior vote on such question by show of hands shall have no effect. At every meeting at which he is entitled to vote, every individual present in person and entitled to vote shall have one (1) vote on a show of hands. Upon a ballot every individual entitled to vote shall (subject to the provisions, if any, of the Articles) be entitled to one (1) vote for each share held.

A ballot shall be taken in such a manner as the chairman, with the consent of the meeting, shall direct and a declaration by the chairman of the meeting that the vote upon the question has been carried, or 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 resolution or question. Ballots shall be retained with the records of the meeting until the minutes of the meeting at which a ballot was taken are approved at a subsequent Shareholders' meeting. At any meeting, unless a ballot is directed or demanded, a declaration by the chairman of the meeting that a resolution has been carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the resolution.

Except as otherwise provided for in the Act, in the Articles or in a unanimous shareholder agreement, all questions proposed for the consideration of Shareholders at any meeting of Shareholders shall be determined by a majority of the votes cast.

2.05 Proxies

A proxy shall be effective only if it is deposited with the Corporation or its agent prior to the time (not exceeding forty-eight (48) hours, excluding Saturdays, Sundays and holidays, preceding the meeting or an adjournment of the meeting) that the Directors shall have specified in a notice calling the meeting. If no such time has been specified by the Directors, a proxy may be deposited with the Corporation or its agent prior to the time of the meeting or the adjournment of the meeting, or with the Secretary of the Corporation or the chairman of the meeting prior to the time of voting. The chairman's declaration upon the validity of a proxy shall be taken as *prima facie* evidence thereof.

2.06 Representatives and Agents

The Corporation shall treat a person as a registered security holder entitled to exercise all the rights of the security holder he represents if that person furnishes evidence of appointment as prescribed by the Act that he is the executor, administrator, heir or legal representative of the heirs of the estate of a deceased security holder; a guardian, committee, trustee, curator or tutor representing a registered security holder who is an infant, an incompetent person or a missing person; or the liquidator of, or a trustee in bankruptcy for, a registered security holder.

2.07 Participation in Meeting by Telephone

A Shareholder or any other person entitled to attend a meeting of Shareholders may participate in the meeting by means of telephone or other communication facilities that permit all persons participating in the meeting to hear each other.

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