

## **BY-LAW NUMBER 1**

A by-law related to the conduct of the affairs of

**The Naval Reserve Association of Canada/L'Association Réserve navale du Canada**

**Corporate Number 1344170-9**

(the “Corporation”)

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

### **SECTION ONE – GENERAL**

#### **1.01 Definitions**

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

“**Act**” means the *Canada Not-For-Profit Corporations Act*, SC 2009, chapter 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 Corporation;

“**board**” means the board of directors of the Corporation and “**director**” means a member of board;

**“by-law”** means this by-law and any other by-law of the Corporation as amended and which are, from time to time, in force and effect;

**“meeting of members”** includes an annual meeting of members or a Special meeting of members; **“Special meeting of members”** includes a meeting of any class or classes of members and a special meeting of all members entitled to vote at an annual meeting of members;

**“ordinary resolution”** means a resolution passed by a majority of not less than 50% +1 of the votes cast on that resolution;

**“proposal”** means a proposal submitted by the member(s) of the Corporation that meets the requirements of section 163 (Member Proposals) of the Act;

**“Regulations”** means the regulations made under the Act, as amended, reinstated or in effect from time to time; and

**“special resolution”** means a resolution passed by a majority of not less than two thirds (2/3) of votes cast on Resolution.

#### 1.02 **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 of the same meanings when used in these by-laws.

#### 1.03 **Corporate Seal**

The Corporation may, but need not, have a corporate seal in the form approved from time to time by the Board.

#### 1.04 **Execution of Documents**

Deeds, transfers, assignments, contracts, obligations, and other instruments in writing requiring execution by the Corporation may be signed by any two of its directors, provided always that such directors have been authorized to do so by the board of directors. In addition, the Board may from time to time direct the manner in which and person(s) by a particular document or type of document shall be executed. Any signing officer(s) may certify a copy of any instrument, resolution, by-law, or other document of the Corporation to be a true copy thereof.

#### 1.05 **Financial Year End**

The fiscal year of the Corporation shall be determined by the board of directors.

#### 1.06 **Banking Arrangements**

The banking business of the Corporation 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 Corporation and/or other persons as the board of directors may by resolution from time to time designate, direct, or authorize.

#### 1.07 **Borrowing Powers**

The directors of the Corporation may, without authorization of the members:

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

#### 1.08 **Annual Financial Statements**

The Corporation may, instead of sending copies of the annual financial statements and other documents referred to in sub-section 172 (1) (Annual Financial Statements) of the Act to the members, publish a notice to its members stating that the annual financial statements and documents provided in sub-section 172 (1) are available at the registered office of the Corporation and any member may, on request, obtained at the registered office or by prepaid mail.

#### 1.09 **Official Languages**

In its activities and in its actions the Corporation will encourage and enhance the use of both Official Languages.

#### 1.10 **Invalidity of Provisions of this By-law**

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

### **SECTION TWO - MEMBERSHIP MATTER**

#### 2.01 **Membership Conditions**

Subject to the articles, there shall be one (1) class of membership in the Corporation. Ordinary membership in the Corporation shall be available to individuals, active or retired, who serve or

have served in the Canadian Naval Reserve. Anyone who supports the mission of the corporation is welcome to join as an Associate Member.

Each member shall be entitled to receive notice of, attend and, subject to Article 3.01, vote at all meetings of the members of the Corporation.

Pursuant to sub-section 197 (1) (Fundamental Change) of the Act, a special resolution of the members is required to make any amendments to this section of the bylaws if those amendments affect membership rights and/or conditions described in paragraphs 197 (1) (e), (h) (i) or (m) as is set out below:

- “197 (1) (e) change condition required for being a member;
- (h) add, change, or remove a provision respecting the transfer of the membership;
  - (l) change the manner of giving notice to members entitled to vote at a meeting of members; or
  - (m) change the method of voting by members not in attendance at a meeting of members.”

## **2.02 Transferring Membership**

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

## **2.03 Notice of Members’ Meeting**

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:

- a. E-mail, courier, or personal delivery to each member entitled to vote at the meeting, during the period of 21 to 60 days before the date on which the meeting is to be held, or
- b. by telephonic, electronic, or other communication facilities to each member entitled to vote at the meeting, during a period of 21 to 35 days before the date on which the meeting is to be held.
- c. Pursuant to sub-section 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.

## **2.04 Members Calling a Members’ Meeting**

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

#### **2.05 Absentee Voting at Members' Meetings**

Having considered the provisions of Section 171(1) and sub – Section 197 (1) (Fundamental Change) the members have, by special resolution, determined that there will be no absentee voting permitted in respect of meetings of Members. Pursuant to sub section 197 (1) (Fundamental Change) of the Act, 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.

### **SECTION THREE - TERMINATION OF MEMBERSHIP**

#### **3.01 Membership Dues**

Membership dues payable by members for membership in the Corporation shall be set by the board of directors, from time to time, by resolution. Upon payment of the membership dues a member shall become an Ordinary Member who has chosen to actively participate in the affairs of the Corporation and who may vote at meetings and stand for election to the board of directors. Passive members shall include those persons who choose not to pay dues. Passive Members may become Active Members by paying membership dues and Active Members who do not continue to pay membership dues will become Passive Members.

#### **3.02 Termination of Membership**

A membership in the Corporation is terminated when:

- a. the member dies, or, in the case of a member that is a corporation, a corporation is dissolved;
- b. a member fails to maintain any qualifications for membership described in the section on membership conditions of these by-laws;
- c. the member resigns by delivering a written resignation to the President of the Corporation in which case such resignation shall be effective on the date specified in the resignation;
- d. the member is expelled in accordance with any discipline of members section or is otherwise terminated in accordance with the articles or by-laws;
- e. the member's term of membership expires; or

- f. the Corporation is liquidated or dissolved under the Act.

### **3.03 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 Corporation, automatically cease to exist.

### **3.04 Discipline of Members**

The Board shall have authority to suspend or expel any member from the Corporation for any one or more of the following grounds:

- a. violating any provision of the articles, by-laws, or written policies of the Corporation;
- b. carrying out any conduct which may be detrimental to Corporation as determined by the board in its sole discretion;
- c. for any other reason that the Board in its sole and absolute discretion considers to be reasonable, having regard to the purpose of the Corporation.

If the Board determines that a member should be expelled or suspended from membership in the Corporation, the President, or such other officers as may be designated by the Board, shall provide twenty (20) days notice of suspension or expulsion to the member, and shall provide reasons for the proposed suspension or expulsion. The member may make a written response to the notice receive within such twenty (20) day period. If no written submissions are received by the President, the President, or such other officers as may be designated by the Board, may proceed to notify the member that the member is suspended or expelled from membership in the Corporation. If written submissions are received, the Board will consider such in arriving at the final decision and shall notify the member concerning such final decision within a further twenty (20) days from the date of receipt of the submission. The Board's decision shall be final and binding on the member, without any further right of appeal.

### **3.05 Proposal Nominating Directors at Annual Members' Meeting**

Subject to the regulations under the Act, any proposal may include nominations for election of directors if the proposal is signed by not less than 5% of members entitled to vote at the meeting at which the proposal is to be presented.

### **3.06 Cost of Publishing Proposals for Annual Members' Meetings**

The member who submitted the proposal shall be responsible for the cost of including the proposal and any statement in the notice of meeting at which the proposal is to be presented unless otherwise provided by ordinary resolution of the members present at the meeting.

### **3.07 Place of Members' Meeting**

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.

## **SECTION FOUR – MEETINGS OF MEMBERS**

### **4.01           Persons Entitled to be Present 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 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.

### **4.02           Chair of Members' Meetings**

If the President and Vice-presidents are absent, the members who are present and entitled to vote at the meeting shall choose one of their number to chair the meeting.

### **4.03           Quorum at Members' Meetings**

A quorum at any meeting of the members (unless a greater number of members are required to be present by the Act) shall be fourteen (14) members entitled to vote at the meeting. If a quorum is present at the opening of the meeting of members, the members present may proceed with the business of the meeting even if a quorum is not present throughout the meeting.

### **4.04           Voting at Members' Meetings**

At any meeting of members every question shall, unless otherwise provided by the articles or by-laws or by the Act, be determined by a majority of the votes cast on the questions. In case of an equality of votes either on a show of hands or on a ballot or on the results of electronic voting, the chair of the meeting in addition to an original vote shall have a second or casting vote. The chair of the meeting may decline such a second or casting vote in which case the motion shall be deemed lost.

### **4.05           Participation by Electronic Means at Members' Meetings**

If the Corporation chooses to make available telephonic, electronic or other communication facilities that permits all participants to communicate adequately with each other during a meeting

of members or any other meeting of the Corporation, its Board, committees or other entities, any person entitled to attend such meeting may participate in the meeting by means of such telephonic, electronic or other communication facilities in the manner provided by the Act. A person participating in the meeting by such means is deemed to be present at the meeting. Notwithstanding any other provision of this by-law, pursuant to this section a member who is entitled to vote at that meeting may vote, in accordance with the Act, by means of any telephonic, electronic, or other communication facilities that the Corporation has made available for that purpose.

#### **4.06           Members' Meeting Held Entirely by Electronic Means**

If the directors or members of the Corporation call a meeting of members, or any other meeting of the Corporation, its Board, committees or other entities, pursuant to the Act, those directors or members, as the case may be, may determine that the meeting shall be held, in accordance with the Act and the Regulations, entirely by means of a telephonic, electronic or other communication facilities that permit all participants to communicate adequately with each other during the period.

### **SECTION FIVE – DIRECTORS**

#### **5.01           Number of Directors**

The Board shall consist of the number of directors specified in the articles. If the articles provide for a minimum and maximum number of directors, the Board shall be comprised of the fixed number of directors as determined from time to time by the members by ordinary resolution or, if the ordinary resolution empowers the directors to determine the number, by resolution of the board.

#### **5.02           Term of Office of Directors**

The directors shall be elected for a three-year term commencing on the date of election to hold office for a term expiring not later than the close of the third annual meeting of directors following the election. There shall be no term limits imposed on directors.

#### **5.03           Regional and Diversity of Directors**

The Corporation shall strive for adequate regional and diverse representation from all parts of Canada.

#### **5.04           Professional Conduct**

To be an inclusive, accountable, and responsible Corporation the Board may, in its discretion, provide a 'code of conduct' for directors that guides their actions in the office of director.

#### **5.05 Directors Emeritus**

Those individuals who have served the Corporation with distinction, and as board members for at least ten years, may be recognized by a majority vote at a board meeting as Directors Emeritus.

### **SECTION SIX - MEETINGS OF DIRECTORS**

#### **6.01 Calling of Meetings of Board of directors**

Meetings of the board may be called by the President, Vice – Presidents, or any two directors at any time; provided that for the first organizational meeting following incorporation, such meeting may be called by any director or incorporator.

#### **6.02 Notice of Meeting of the Board of directors**

Notice of the time and place for the holding of the meeting of the board shall be given in the manner provided in this section to every director of the Corporation not less than seven days before the time when the meeting is to be held. Notice of the meeting shall not be necessary if all the directors are present, and none objects to the holding of the meeting, or if those absent have waived notice of, or otherwise signified their consent to the holding of such meeting. Notice of an adjourned meeting is not required if the time and place of the adjourned meeting is announced at the original. Unless the by-law otherwise provides, no notice of meeting needs specify the purpose or the business to be transacted at the meeting except that a notice of meeting of directors shall specify any matter referred to in subsection 138 (2) (Limits on Authority) of the Act that is to be dealt with at the meeting.

#### **6.03 Regular Meetings of the Board of directors**

The Board may appoint a date or days and months or months for regular meetings of the board at a time and place to be made. 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 forth with 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 of the purpose thereof or the business to be transacted to be specified in the notice. A quorum of the Board shall be 50% plus one (1) of directors present either in person or by electronic means.

#### **6.04 Voting at Meetings of the Board of Directors**

At all meetings of the board, every question shall be decided by a majority of the votes cast on the question. In the case of an equality of votes, the chair of the meeting in addition to an original vote

shall have a second or casting vote. The chair of the meeting may decline such a second or casting vote in which case the motion shall be deemed lost.

#### **6.05 Committees of the Board of Directors**

The board may from time to time appoint any committee or other advisory body, 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 shall formulate its own rules of procedure, subject to such regulations or directions as the Board may from time to time make. Any committee member may be removed by resolution of the board of directors.

The board shall appoint such standing committees as it deems appropriate.

The Board of directors may appoint such further and other committees or *Ad Hoc* Committees as it deems appropriate subject to any limits set out in this section.

### **SECTION SEVEN – OFFICERS**

#### **7.01 Appointment of Officers**

The board may designate the offices of the Corporation, appoint officers at least every three years or on a more frequent basis, specifying their duties and, subject to the Act, delegate to such officers the power to manage the affairs of the Corporation. To be an officer of the Corporation a person must be a director, duly elected to that office. Two or more offices may be held by the same person, provide always that a resolution of the directors shall first be passed in that regard.

#### **7.02 Officers of the Corporation**

Unless otherwise specified by the board (which may, subject to the Act modify, restrict, or supplement such duties and powers), the officers of the Corporation, if designated and if officers are appointed, shall have the following duties and powers associated with their positions:

- a. President – when appointed, the President shall be the chief executive officer of the Corporation and preside over the Board of Directors and shall be responsible for implementing the strategic plans and policies of the Corporation. The President shall, subject to the authority of the Board, have general supervision of the affairs of the Corporation. The President shall preside at all meetings of the Board of Directors and of the members with such further and other duties and powers as the Board may specify. The President shall be the Chair of the Board of Directors.
- b. First Vice – President – when appointed, the First Vice – President shall assist the President and in the absence of the President or if the President is unable or refuses to

- act, the First Vice – President shall, when present, preside at all meetings of the Board of directors and of the members. The First Vice – President shall have such further and other duties and powers as the Board may specify.
- c. Second Vice President - when appointed, the Second Vice – President shall assist the President. In the absence of the President and the First Vice President or if the President and the First Vice-President are unable or refuse to act, the Second Vice – President shall, when present, preside at all meetings of the Board of directors and of the members. The Second Vice – President shall have such further and other duties and powers as the Board may specify.
  - d. Secretary – when appointed, the Secretary shall attend all meetings of the Board, members, and committees of the board. The Secretary shall enter or cause to be entered in the Corporation’s minute book, minutes of all proceedings at such meetings; the Secretary shall be the custodian of all books, papers, records, documents, and other instruments belonging to the Corporation. The Secretary shall have such further and other duties and powers as the Board may specify.
  - e. Treasurer - when appointed, the Treasurer shall deposit Corporation funds, be a signatory on behalf of the Corporation, ensure that the corporation’s obligations are paid and handle all money and property of the Corporation. The Treasurer shall serve as Chair of the Finance Committee and have such further and other duties and powers as the Board may specify.

### **7.03           Officer Vacancies**

In the absence of a written agreement to the contrary, the board may remove, whether for cause or without cause, any officer of the Corporation. Unless so removed, subject to section 7.01 an officer shall hold office until the earlier of:

- a. the officer’s successor being appointed,
- b. the officer’s resignation,
- c. such officer’s ceasing to be a director or
- d. such officer’s death.

If the office of any officer of the Corporation shall be or become vacant, the directors may, by resolution, appoint a person to fill such vacancy.

### **7.04    Conflict of Interest Policy**

The Board shall provide for a Conflict-of-Interest Policy for officers, Board members and members, and ensure that the same is made public by inserting it prominently on its website.

### **7.05    Executive Director**

The Board may hire and appoint, at the pleasure of the Board, an Executive Director, with such duties and powers as the Board may specify. Such an Executive-Director may attend meetings of the Board, with voice but not vote, and is not an officer of the Corporation.

## **SECTION EIGHT – INDEMNITY**

### **8.01 Indemnity to Directors, Officers and Others**

Every Director, Officer, Member, committee member and employee the of the Corporation, and his/her/its heirs, executors and administrators, and estate and effects, respectively, shall be indemnified and saved harmless out of the funds of the Corporation from and against all costs, charges and expenses whatsoever that the Director, Officer, Member, committee member or employee sustains or incurs in or about any claim, action, suit or proceeding that is made, brought, commenced or prosecuted against the Director, Officer, Member, committee member or employee for or in respect of any act, deed, matter or thing whatsoever, made, done, or not done, or permitted by them, in or about the execution of the duties of their office or in relation to the affairs of the Corporation, except such costs, charges and expenses as are occasioned by their own intentional act or wilful default.

### **8.02 Insurance**

The Corporation, may, as permitted by law, purchase and maintain insurance for the benefit of any person described in section 8.01 in respect of liability incurred as a result that person's acting on behalf of the Corporation or in furtherance of acting, at the request of the Corporation in another entity.

## **SECTION NINE – NOTICES**

### **9.01 Method of Giving Notice**

Any notice (which term includes any communication or document), other than the notice of the meeting of members or a meeting of the Board of Directors, to be given (which term includes sent, delivered or served) pursuant to the Act, the articles, the bylaws for otherwise to a member,

director, officer or member of a committee of the Board or to the public accountant shall be sufficiently given:

- a. if delivered personally to the person to whom it is given or if delivered to such person's address as shown in the records of the Corporation or in the case of a Notice to a director to the latest address as shown in the last notice that was sent by the Corporation in accordance with section 128 (Notice of directors) or section 134 (Notice of change of directors);
- b. if mailed to such a person at such person's recorded address by prepaid ordinary or air mail;
- c. if sent to such persons by telephonic, electronic, or other communication facilities at such persons recorded address for that purpose; or
- d. if provided in the form of an electronic document in accordance with Part 17 of the Act.

A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be determined to have been given when deposited at a post office or public letterbox; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative or dispatch. The Secretary may change or cause to be changed the recorded address of any member, director, officer, public accountant, or member of a committee of the board in accordance with any information believed by the Secretary to be reliable. The declaration by the Secretary that notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of the giving of such notice. The signature of any director or officer of the Corporation to any notice or other document to be given by the Corporation may be written, stamped, typewritten, or printed or partially written, stamped, typewritten, or printed.

#### **9.03 Omissions and Errors**

The accidental omission to give any notice to any member, director, officer, member of the committee of the Board or public accountant, or the non-receipt of any notice by any such person where the Corporation 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 of the notice pertained or otherwise founded on such notice.

### **SECTION TEN – DISPUTE RESOLUTION**

#### **10.01 Dispute Resolution Mechanism**

In the event that a dispute or controversy among members, directors, officers, committee members or volunteers of the Corporation arising out of or related to the articles or by-laws or out of any aspect of the operations of the Corporation 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 Corporation as set out in the articles, by-laws or the Act, and as an alternative to such person instituting a lawsuit or legal action, such dispute or controversy shall be settled by a process of dispute resolution. Such a process shall be developed by the Board as Corporation Policy to provide an effective, inexpensive Alternate Dispute Resolution process that is devoid of legal technicality and accessible to all members.

### **SECTION ELEVEN - EFFECTIVE DATE**

#### **11.01 Effective Date**

This By-law shall come into force when made by the Board in accordance with the Act

**MADE** by the Board this 14<sup>th</sup> day of December, 2021

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**President**

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**Secretary**

**The signatures of the President and Secretary certify that this By-law was approved and ratified on the day first written above.**