

BY-LAW NO. 1

A by-law relating generally to the conduct of the affairs of

The Group of 78 – Le Groupe des 78

(the “Corporation”)

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The Group of 78 – Le Groupe des 78

(the “Corporation”)

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

Section 1 – GENERAL

1.01 Definitions

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

- a) “Act” means the *Canada Not-for-profit Corporations Act* S.C. 2009, c.23 including the Regulations made pursuant to the Act, and any statute or regulations that may be substituted, as amended from time to time;
- b) “articles” means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation;
- c) “board” means the board of directors of the Corporation and “director” means a member of the board;
- d) “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;
- e) “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;
- f) “ordinary resolution” means a resolution passed by a majority of not less than 50% plus 1 of the votes cast on that resolution;
- g) “proposal” means a proposal submitted by a member of the Corporation that meets the requirements of section 163 (Shareholder Proposals) of the Act;
- h) “Regulations” means the regulations made under the Act, as amended, restated or in effect from time to time; and
- i) “special resolution” means a resolution passed by a majority of not less than two-thirds (2/3) of the votes cast on that 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 in 1.01 above, words and expressions defined in the Act have the same meanings when used in these by-laws.

1.03 Corporate Seal

The Corporation may have a corporate seal in the form approved from time to time by the board. If a corporate seal is approved by the board, the secretary of the Corporation shall be the custodian of the corporate seal.

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 (2) of its officers or directors. In addition, the board may from time to time direct the manner in which, and the person or persons by whom, a particular document or type of document shall be executed. Any person authorized to sign any document may affix the corporate seal (if any) to the document. Any signing officer 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 financial year end of the Corporation shall be December 31.

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

1.07 Annual Financial Statements

The Corporation may, instead of sending copies of the annual financial statements and other documents referred to in subsection 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 subsection 172(1) are available at the registered office of the Corporation and any member may, on request, obtain a copy free of charge at the registered office or by prepaid mail.

1.08 Liquidation of the Corporation

Any property remaining on liquidation of the Group of 78 will be distributed to one or more qualified donees, within the meaning of the Income Tax Act.

SECTION 2 – MEMBERSHIP – MATTERS REQUIRING SPECIAL RESOLUTION

2.01 Membership Conditions

There shall be one class of members in the in the Group of 78. Membership in the Group of 78 shall be available only to individuals interested in furthering the Corporation's purposes and who have applied

for and been accepted into membership in the Corporation by ordinary resolution of the board or in such other manner as may be determined by the board. Each member shall be entitled to receive notice of, attend and vote at all meetings of the members of the Corporation.

2.02 Notice of Meeting of Members

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

a) by mail, courier or personal delivery to each member entitled to vote at the meeting, during a period of 21 to 60 days before the day on which the meeting is to be held; or

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

Pursuant to subsection 197(1) (Fundamental Changes) 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.

2.03 Special Resolutions

For greater certainty, a Special Resolution of the Members is required to make any amendment to this By-law or to the Articles for the purpose of:

- changing the name of the Corporation;
- changing the province in which the Corporation's registered office is situated;
- adding, changing or removing any restriction on the activities that the Corporation may carry on;
- creating a new class or group of Members;
- changing a condition required for being a Member;
- changing the designation of any class or group of Members or add, change or remove any rights and conditions of any such class or group;
- dividing any class or group of Members into two or more classes or groups and fix the rights and conditions of each class or group;
- adding, changing or removing a provision respecting the transfer of a membership;
- subject to Section 133 of the Act, increasing or decreasing the minimum and maximum number of Directors fixed by the Articles;
- changing the statement of the purpose of the Corporation;
- changing the statement concerning the distribution of property remaining on liquidation after the discharge of any liabilities of the Corporation;
- changing the manner of giving notice to Members entitled to vote at a Meeting of Members;
- changing the method of voting by Members not in attendance at a Meeting of Members; or
- adding, changing or removing any other provision that is permitted by the Act to be set out in the Articles.

SECTION 3 – MEMBERSHIP DUES, TERMINATION AND DISCIPLINE

3.01 Membership Dues

There shall be annual membership dues as fixed from time to time by the board of directors. Payment of the dues by members shall be a requirement for members to remain in good standing.

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, the corporation is dissolved;
- b) a member fails to maintain any qualifications for membership described in Section 2.01 of these bylaws;
- c) the member resigns by delivering a written resignation to the chair of the board 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 Section 3.03 below or is otherwise terminated in
- e) accordance with the articles or by-laws;
- f) the member's term of membership expires; or
- g) the Corporation is liquidated or dissolved under the Act.

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

3.03 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 the Corporation as determined by the board;
- 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.

In the event that the board determines that a member should be expelled or suspended from membership in the Corporation, the chair, or such other officer 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 written submissions to the chair, or such other officer as may be designated by the board, in response to the notice received within such twenty (20) day period. In the event that no written submissions are received by the chair, the chair, or such other officer 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 in accordance with this section, the board will consider such submissions in arriving at a final decision and shall notify the member concerning such final decision within a further twenty (20) days from the date of receipt of the submissions. The board's decision shall be final and binding on the member, subject to review at the next annual meeting.

SECTION 4 – MEETINGS OF MEMBERS

4.01 Persons Entitled to be Present

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

4.02 Chair of the Meeting

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

4.03 Quorum

A quorum at any meeting of the members shall be 10% of the members entitled to vote at the meeting. If a quorum is present at the opening of a 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 Votes to Govern

Unless otherwise required by the Act or the articles of the Corporation, questions arising at any meeting of the members shall be decided by a consensus of the members present at the meeting. A consensus will be considered to have been reached when no member objects to the question on the floor before the meeting. Should the chair of the meeting determine, after a reasonable effort to achieve consensus has been made, that a consensus will not be reached regarding a particular question then the chair shall refer the question to be decided by a majority vote of the members present. In the event of a tie in the vote, the chair shall cast the deciding vote.

4.05 Business at Meetings of Members

At every annual meeting of members, in addition to any other business that may be transacted, the report of the directors and the financial statement shall be presented and directors and officers elected as required. The annual meeting may appoint a public accountant. The members may consider and transact any business either special or general at any meeting of the members.

4.06 General or Special Meetings of Members

The board of directors or the chair or vice-chair shall have power to call, at any time, a general meeting of the members of the corporation. A special meeting of members shall be called upon request in writing by twenty (20) members.

SECTION 5 — DIRECTORS

5.01 Election and Term

Members will elect the directors at each annual meeting of members. The minimum number of directors shall be nine (9) and the maximum shall be seventeen (17). The directors will hold office for two years or for a term expiring not later than the close of the second annual meeting of members following the meeting at which they are elected. The terms will be staggered such that some of the directors shall retire at each annual meeting of members. Members may by resolution define the process to govern election of directors.

5.02 Board Vacancies

If a position on the board of directors becomes vacant between meetings of members, the board may appoint a replacement for a term expiring not later than the close of the next annual meeting of members.

5.03 Power to Appoint

The board may, if the articles of the corporation so provide, appoint one or more additional directors, who shall hold office for a term expiring not later than the close of the next annual meeting of members, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual meeting of members.

SECTION 6 — MEETINGS OF DIRECTORS

6.01 Calling of Meetings

Meetings of the board may be called by the chair of the board, the vice-chair of the board or any two (2) directors at any time.

6.02 Notice of Meeting

Notice of the time and place for the holding of a meeting of the board shall be given in the manner provided in Section 8.01 of this by-law to every director of the Corporation not less than seven (7) days before the time when the meeting is to be held. Notice of a meeting shall not be necessary if all of the directors are present, and none objects to the holding of the meeting, or if those absent have waived notice of or have 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 meeting. Unless the by-law otherwise provides, no notice of meeting need 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 Votes to Govern

Unless otherwise required by the Act or the articles of the Corporation, questions arising at any meeting of the board shall be decided by a consensus of the directors present at the meeting. A consensus will be considered to have been reached when no director objects to the question on the floor before the meeting. Should the chair of the meeting determine, after a reasonable effort to achieve consensus has been made, that a consensus will not be reached regarding a particular question then the chair shall refer the question to be decided by a majority vote of the directors. In that event, each director present is authorized to exercise one vote. In the event of a tie in the vote, the chair shall cast the deciding vote.

6.04 Resolution in Writing

A resolution in writing, communicated to directors by mail or by electronic means and agreed by all the directors entitled to vote on that resolution at a meeting of directors or of a committee of directors, shall be as valid as if it had been passed at a meeting of directors or committee of directors. A copy of every such resolution in writing shall be kept with the minutes of the proceedings of the directors or committee of directors.

6.05 Quorum

A quorum at any meeting of the directors shall be one-third of the directors entitled to vote at the meeting. If a quorum is present at the opening of a meeting of directors, the members present may proceed with the business of the meeting even if a quorum is not present throughout the meeting.

6.06 Executive Committee

The board shall appoint an Executive Committee, composed of officers of the Corporation and up to two other directors from the board, which shall exercise the powers of the board between meetings of the board, subject to being accountable to the board for decisions it takes.

6.07 Committees

The board may from time to time appoint any other 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 may 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.

6.08 Agents and Employees

The board may appoint such agents and engage such employees as it shall deem necessary from time to time and such persons shall have such authority and shall perform such duties as shall be prescribed by the board of directors at the time of such appointment.

SECTION 7 — OFFICERS

7.01 Description of Offices

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

- a) Chair of the Board – The chair of the board shall be a director elected by the members at an annual meeting of members for a two year term. The chair of the board shall, when present, preside at all meetings of the board of directors and of the members. The chair shall have supervision over the general and active management of the affairs of the corporation. The chair shall have such other duties and powers as the board may specify. The chair may be removed from office on resolution passed by at least two-thirds of the members present at a general meeting of members duly called for the purpose.
- b) Vice-Chair of the Board – The vice-chair of the board shall be a director elected by the members at an annual meeting of members for a two year term. If the chair of the board is absent or is unable or refuses to act, the vice-chair of the board shall, when present, preside at all meetings of the board of directors and of the members and exercise the powers of the chair. The vice-chair shall have such other duties and powers as the board may specify. The vice-chair may be removed from office on resolution passed by at least two-thirds of the members present at a general meeting of members duly called for the purpose.
- c) Secretary – The secretary shall be appointed by the board, at the first meeting of directors after an annual meeting of members, for a one year term and shall attend and be the secretary of 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 give, or cause to be given, as and when instructed, notices to members, directors, the public accountant and members of committees; the secretary shall be the custodian of all books, papers, records, documents and other instruments belonging to the Corporation.
- d) Treasurer – The Treasurer shall keep or shall cause to be kept an accurate account of all receipts and disbursements of the Corporation in proper books of account, and shall deposit or shall cause to be deposited all monies or other valuable effects in the name and to the credit of the Corporation in such banks or banks as may be designated from time to time by the Board. The Treasurer shall disburse or cause to be disbursed the funds of the Corporation under the direction of the Board, receiving proper vouchers thereof and render to the Board at its regular meetings or whenever required, an account of all transactions as Treasurer, and of the financial position of the Corporation.
- e) Past Chair – With the election at an annual meeting of members of a Chair of the Board, the retiring Chair shall become an officer of the Corporation with the designation of Past Chair with the powers and duties as agreed with the board.

7.02 Other Officers

The board may appoint other officers with such powers and duties as it shall decide from time to time. The powers and duties of all other officers of the Corporation shall be such as the terms of their

engagement call for or the board requires of them. The board may from time to time and subject to the Act, vary, add to or limit the powers and duties of any officer.

7.03 Vacancy in Office

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, an officer shall hold office until the earlier of:

- a) the officer's successor being appointed,
- b) the officer's resignation,
- c) such officer ceasing to be a director (if a necessary qualification of appointment) 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 Indemnification of Directors and Officers

The Corporation may indemnify a Director, an officer of the Corporation, a former Director or officer of the Corporation, or another individual who acts or acted at the Corporation's request as a Director or officer or in a similar capacity of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by such person in respect of any civil, criminal, administrative, or investigative action or other proceeding in which the individual is involved because of that association with the Corporation or other entity if:

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

The Corporation may indemnify such person in all such other matters, actions, proceedings and circumstances as may be permitted by the Act or the law. Nothing in this By-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this By-law.

SECTION 8 — NOTICES

8.01 Method of Giving Notices

Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served), other than notice of a meeting of members or a meeting of the board of directors, pursuant to the Act, the articles, the by-laws or 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 to be given or if delivered to such person's address as shown in the records of the Corporation or in the case of 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 134 (Notice of change of directors); or

- b) if mailed to such person at such person's recorded address by prepaid ordinary or air mail; or
- c) if sent to such person by telephonic, electronic or other communication facility at such person's 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 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 or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for 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, type-written or printed or partly written, stamped, type-written or printed.

8.02 Invalidity of any provisions of this by-law

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

8.03 Omissions and Errors

The accidental omission to give any notice to any member, director, officer, member of a 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 the notice pertained or otherwise founded on such notice.

SECTION 9 — DISPUTE RESOLUTION

9.01 Mediation and Arbitration

Disputes or controversies among members, directors, officers, committee members, or volunteers of the Corporation that cannot be resolved through dialogue shall as much as possible be resolved in accordance with mediation and/or arbitration.

SECTION 10 — BY-LAWS, RULES AND EFFECTIVE DATE

10.01 By-laws

Subject to Section 10.01 of this By-law, the Board may, by resolution, make, amend or repeal any By-laws that regulate the activities or affairs of the Corporation. Any such By-law, amendment or repeal shall be effective from the date of the resolution of the Board until the next Meeting of Members where it may be confirmed, rejected or amended by the Members by Ordinary Resolution.

If the By-law, amendment or repeal is confirmed or confirmed as amended by the Members it remains effective in the form in which it was confirmed. The By-law, amendment or repeal ceases to have effect if it is not submitted to the Members at the next Meeting of Members or if it is rejected by the Members at the meeting.

10.02 Rules and Regulations

The Board may prescribe such rules and regulations not inconsistent with the By-Laws relating to the management and operation of the Corporation and other matters provided for in these By-Laws as they may deem expedient.

10.03 Effective Date

Subject to matters requiring a special resolution of the members, this by-law shall be effective when made by the board.

CERTIFIED to be By-Law No. 1 of the Corporation, as enacted by the directors of the Corporation by resolution on the _____ day of _____, 2013 and confirmed by the members of the Corporation by special resolution on the _____ day of _____, 2013.

ENACTED on the _____ day of _____, 2013.

Chair (Richard Harmston)

Secretary (Erica Noordermeer)