



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

Civil Air Navigation Services Organisation (CANSO) (the "Corporation")

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

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 S.C. 2009, c. 23 including the Regulations made pursuant to the Act, and any statute or regulations that may be substituted, as amended from time to time;

"articles" means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganisation, arrangement or revival of the Corporation;

"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;

"director" means a member of the Executive-Committee;

"Executive-Committee" means the board of directors of the Corporation;

"general meeting" includes an annual Members' meeting or a special Members' meeting; "extraordinary general meetings" means a special meeting of all Members entitled to vote at an general meeting;

"location" means the city where the head offices of the Corporation shall be maintained or where the general meeting shall be held.

"ordinary resolution" means a resolution passed by a majority of not less than 50% plus 1 of the votes cast on that resolution. Abstentions do not qualify as votes cast;

"Regulations" means the regulations made under the Act, as amended, restated 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 the votes cast on that resolution.

"in writing" and "written" means by letter, by fax, by e-mail or by message which is transmitted via any other current means of communication and which can be received electronically or in the written form, provided that the identity of the sender can be sufficiently established.

Creation

The Civil Air Navigation Service Organisation, (hereafter CANSO) is created and ruled by the present By-law.

CANSO is a not-for-profit Corporation in the sense of the Canada Not-For-Profit Corporations Act S.C. 2009.

Objectives

The objectives of CANSO shall be:

Safety, Effectiveness, Efficiency and Sustainability Forum	To support Members in the provision of safe, efficient and cost effective air navigation services worldwide.
Performance	To provide a global forum for the exchange of information to support alignment towards customer-focused organisations, to agree measures of performance, to influence selection and implementation of future technology and to represent interests of Members in relevant international bodies worldwide.
Joint Action	To support increased safety, efficiency, sustainability and enhanced management of air navigation services provision.
Influence	To address common issues and problems and through co-ordinated action and co-operation and by mobilising expertise and knowledge, develop cost effective proposals for their resolution.
Representation	To provide a means to influence standardisation and planning bodies in the field of air navigation services and related areas, globally.
Delivery of Value	To represent the views and interests of Members with the relevant international bodies. To represent Full Members towards third parties such as international organisations, within the frame of formally agreed mandates.
	To deliver value for all Members.

Location

The legal seat of the Corporation shall be maintained in Montreal, Canada.

The head offices of the Corporation shall be maintained in such locations as decided by the General Meeting.

In addition, the Corporation shall maintain a regional branch office in Brussels, Belgium.

Decision on applications

The Executive Committee shall decide on applications for membership. To this end, it develops and applies relevant criteria and mechanisms for membership.

Membership Categories

o Full Membership

The Executive Committee may accept as Full Member any organisation established to provide air navigation services and expressing:

- a) Its commitment to support the objectives of CANSO and the goals laid down in the CANSO Charter;
- b) Its willingness to comply with the provisions of the Articles.

The Full Membership category excludes organisations established to provide only:

- a) air navigation services at aerodromes;
- b) specific air navigation services such as Communication, Navigation and Surveillance services in support of Air Traffic Services; and/or
- c) services to unmanned aviation.

o Intermediate Membership

The Executive Committee may accept as an Intermediate Member any organisation that provides services intended to avoid collisions between airborne capable vehicles (manned and unmanned), and to maintain an orderly flow of air traffic and expressing:

- a) Its commitment to support the objectives of CANSO and the goals laid down in the CANSO Charter;
- b) Its willingness to comply with the provisions of the Articles.

This definition includes specifically service providers who provide exclusively aerodrome control service and some U-Space service providers

o Associate Membership

The Executive Committee may accept as Associate Member any organisation that does not meet the conditions for Full or Intermediate Membership and expressing:

- a) Its commitment to support the objectives of CANSO and the goals laid down in the CANSO Charter;
- b) Its willingness to comply with the provisions of the Articles.

o Academia and Research Membership

The Executive Committee may accept as Academia and Research Member any academic or research institution expressing:

- a) Its commitment to support the objectives of CANSO and the goals laid down in the CANSO Charter;
- b) Its willingness to actively contribute to the advancement of the Air Navigation Services industry by means of academic and research projects;
- c) Its willingness to comply with the provisions of the Articles.

Limits to the effect of Membership

CANSO membership excludes any possible representation by the Corporation of the rights of the Member's governments.

Member's commitment

CANSO Members commit to contribute the level of resources for the efficient performance of the Corporation's activities, in terms of financial and human resources, as decided by the General Meeting.

Transfer of membership

The transfer of membership from a Member to another organisation requires the approval of the Executive Committee. Membership can only transferred to an organisation that meets the conditions for the Membership category of the transferring Member.

Pursuant to Section 197(1) (Fundamental Change) of the Act, a special resolution of the Members is required to make any amendment to add, change or delete this section of the By-laws.

Membership fees

- o **Method of Assessment**

The membership fees for Full, Intermediate, Associate Members and Academia and Research Members shall be fixed annually by the General Meeting upon recommendation of the Executive Committee.

- o **Entrance Fee**

The entrance fee for Full, Intermediate, Associate Members and Academia and Research Members will be determined from time to time by the General Meeting.

- o **Failure to pay**

The Executive Committee shall determine the action to be taken in the event of failure to pay the appropriate fees when due.

Termination of membership

- o **Resignation**

A Member may resign at any time, by giving not less than 30 days written notice. The annual fee remains due for the entire year during which termination is notified.

- o **Termination**

A Member no longer meeting the qualifications for membership or failing to honour its fees, or for any further reason which the Executive Committee deems appropriate, may have its membership terminated by the Executive Committee in accordance with the provisions of Article 0.

- o **Re-application**

Any organisation which ceases to be a Member may reapply for membership, with prior approval of the Executive Committee, which may specify the terms and conditions to be fulfilled for re-admission.

Effect of termination of membership

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

Discipline of members

The Executive Committee 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 Executive Committee in its sole discretion;
- C) for any other reason that the Executive Committee in its sole and absolute discretion considers to be reasonable, having regard to the purpose of the Corporation.

In the event that the Executive Committee determines that a Member should be expelled or suspended from membership in the Corporation, the Executive Committee Chairperson, or such other officer as may be designated by the Executive Committee, 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 Chairperson, or such other officer as may be designated by the Executive Committee, in response to the notice received within such twenty (20) day period. In the event that no written submissions are received by the Chairperson, the Chairperson, or such other officer as may be designated by the Executive Committee, 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 Executive Committee's decision shall be final and binding on the Member, without any further right of appeal.

Governance

A General Meeting is vested with the ultimate authority to exercise all the powers of the Corporation.

There shall be an Executive Committee with authority to exercise such powers as laid down in the present Articles or as agreed by the General Meeting.

The Executive Committee is accountable for the overall performance of the Corporation.

The General Meeting may approve the creation of regional structures for the purpose of coordinating the Corporation activities on a regional level, when and as necessary.

Regional activities shall be organised and conducted in accordance with the policies defined by the Executive Committee.

General Meeting

- o **Frequency**

A General Meeting shall be convened by the Executive Committee as often as judged necessary but at least once per year.

- o **Location**

Subject to compliance with section 159 (Place of members' meetings) of the Act, General meetings may be held at any place within Canada or outside Canada determined by the Executive Committee.

- o **Notice of General Meeting**

Notice of the time and place of a General Meeting 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 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.

o Members calling a General Meeting

The Executive Committee shall call an Extraordinary General Meeting in accordance with Section 167 of the Act on written requisition of Members carrying not less than 5% of the voting rights. If the Executive Committee does not call a meeting within twenty-one (21) days of receiving the requisition, any Member who signed the requisition may call the meeting.

o Agenda

Not less than 60 days in advance of its meeting, Members may submit matters for inclusion in the Agenda, which will be made available to Members no later than 30 days before a Meeting.

o Powers

The General Meeting shall:

- (a) Receive nominations for elections for the Executive Committee at least forty (40) days before the General Meeting at the head office of the Corporation and elect Members of the Executive Committee.
- (b) Establish such groups and subordinate bodies it deems appropriate.
- (c) Approve reports and financial statements for the previous year.
- (d) Ratify the budget for the current year, approved by the Executive Committee and endorse the provisional budget for the coming year.
- (e) Approve applicable fees.
- (f) Appoint the auditor.
- (g) Approve amendments to the present Articles.
- (h) Approve its Agenda;
- (i) Discharge the Members of the Executive Committee for their management of the Corporation, insofar as such management is reflected in the annual accounts and/or annual report;
- (j) Decide the locations where the head offices of the Corporation shall be maintained;
- (k) Transact any other appropriate business.

o Persons entitled to be present at General Meetings

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

o **Chair of General Meetings**

Meetings are chaired by the chairperson of the Executive Committee. In his or her absence, by the vice-chairperson or another person designated by the Executive Committee.

o **Quorum at General Meetings**

Forty percent of the Full Members shall constitute a quorum.

o **Voting**

Unless otherwise specified in these Articles, each Full Member shall have three votes, each Intermediate Member shall have two votes and each Associate Member and Academia and Research Member shall have one vote.

Unless otherwise specified in these Articles, decisions of the General Meeting shall be taken by ordinary resolution.

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 voting procedure shall be decided by the Executive Committee.

If the Executive Committee has opened the possibility to do so in writing, votes may be cast prior to the General Meeting via an electronic means of communication, but not earlier than the thirtieth day before that of the meeting, at a specially designated e-mail address. These votes shall be assimilated to votes cast at the General Meeting.

o **Absentee voting at General Meeting**

By electronic means

Pursuant to section 171(1) (Absentee Voting) of the Act, a Member entitled to vote at a General Meeting may vote by means of a telephonic, electronic or other communication facility if the Corporation has a system that:

- a) enables the votes to be gathered in a manner that permits their subsequent verification, and
- b) permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each Member voted.

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

By proxy

By Proxy Pursuant to Section 171(1) of the Act, a Member entitled to vote at a General Meeting may vote by proxy by appointing in writing a proxyholder, who are required to be Members, to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by it subject to the following requirements:

- A) each Member shall only be allowed to appoint a proxy once in a period of three calendar years.
- B) a proxy is valid only at the meeting in respect of which it is given or at a continuation of that meeting after an adjournment;
- C) a Member may revoke a proxy by depositing an instrument or act in writing executed or, in Quebec, signed by the Member or by their agent or mandatary at the registered office of the Corporation no later than the last business day preceding the day of the meeting, or the day of the continuation of that meeting after an adjournment of that meeting, at which the proxy is to be used, or with the chairperson of the meeting on

the day of the meeting or the day of the continuation of that meeting after an adjournment of that meeting;

- D) a proxyholder has the same rights as the Member by whom they were appointed, including the right to speak at a General Meeting in respect of any matter, to vote by way of ballot at the meeting, to demand a ballot at the meeting and, except where a proxyholder or an alternate proxyholder has conflicting instructions from more than one Member, to vote at the meeting by way of a show of hands;
- E) if a form of proxy is created by a person other than the Member, the form of proxy shall indicate, in bold-face type, the meeting at which it is to be used, that the Member may appoint a proxyholder, other than a person designated in the form of proxy, to attend and act on their behalf at the meeting, and instructions on the manner in which the Member may appoint the proxyholder, contain a designated blank space for the date of the signature, provide a means for the Member to designate some other person as proxyholder, if the form of proxy designates a person as proxyholder, provide a means for the Member to specify that the membership registered in their name is to be voted for or against each matter, or group of related matters, identified in the notice of meeting, other than the appointment of a public accountant and the election of directors, provide a means for the Member to specify that the membership registered in their name is to be voted or withheld from voting in respect of the appointment of a public accountant or the election of directors, and state that the membership represented by the proxy is to be voted or withheld from voting, in accordance with the instructions of the Member, on any ballot that may be called for and that, if the Member specifies a choice under subparagraph (iv) or (v) with respect to any matter to be acted on, the membership is to be voted accordingly; a form of proxy may include a statement that, when the proxy is signed, the Member confers authority with respect to matters for which a choice is not provided in accordance with subparagraph (d)(iv) only if the form of proxy states, in bold-face type, how the proxyholder is to vote the membership in respect of each matter or group of related matters; if a form of proxy is sent in electronic form, the requirements that certain information be set out in bold-face type are satisfied if the information in question is set out in some other manner so as to draw the addressee's attention to the information; and a form of proxy that, if signed, has the effect of conferring a discretionary authority in respect of amendments to matters identified in the notice of meeting or other matters that may properly come before the meeting must contain a specific statement to that effect. Pursuant to Section 197(1) of the Act, a special resolution of the Members (and if Section 199 applies, a special resolution of each class of Members) is required to make any amendment to the articles or By-laws of the Corporation to change this method of voting by Members not in attendance at a meeting of Members.

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

- o **Participation by electronic means at General Meeting**

If the Corporation chooses to make available a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during a General Meeting, any person entitled to attend such meeting may participate in the meeting by means of such telephonic, electronic or other communication facility in the manner provided by the Act. A person participating in a meeting by such means is deemed to be

present at the meeting. Notwithstanding any other provision of this By-law, any person participating in a meeting of Members pursuant to this section who is entitled to vote at that meeting may vote, in accordance with the Act, by means of any telephonic, electronic or other communication facility that the Corporation has made available for that purpose.

- o **General Meeting held entirely by electronic means**

If the directors or Members call a General Meeting 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 facility that permits all participants to communicate adequately with each other during the meeting.

Executive Committee

- o **Composition & Organisation**

The Executive Committee shall be composed as follows:

A) Regional Representatives

One director shall be elected by the General Meeting for each regional structure established on the basis of Article 0.

B) Representative of the Associate Members

Two directors shall be elected by the General Meeting upon nomination by the Associate Members.

C) Representatives of the Intermediate Members

One director shall be elected by the General Meeting upon nomination by the Intermediate Members, under the condition that, at the time of the election, the number of Intermediate Members is of 20 Members or more. Should that condition not be met, the Intermediate Members shall be treated as Full Members for all matters related to the election of and representation by the Executive Committee, except that they shall have two votes.

D) Members at large

A number of directors, equal to the number of Regional Representatives, shall be elected by the General Meeting upon nomination by the Full Members.

Members at large of the Executive Committee and directors nominated by the Intermediate Members and by the Associate Members serve in their individual personal capacity.

- o **Requirements and process for election**

Candidates for a position of member at large shall be nominated at the level of the CEO or equivalent or at the level of the Executive Board of their organisation.

Candidates must:

- a) justify their ability to represent the ANS industry;
- b) declare they are empowered to commit their organisation;
- c) declare their commitment to make available the time and resources required for the accomplishment of the Executive Committee member duties during the term of office.

The Executive Committee is competent to determine whether an applicant meets the qualification for member at large.

For the election of the directors nominated by the Associate Members, Full Members shall have one vote and Associate Members shall have three votes. The Executive Committee should be appointed in such a way as to ensure adequate regional representation of CANSO membership.

- o **Term of office**

The term of office of the directors is:

- A) three years for members at large, the representatives of the Intermediate Members and the representatives of the Associate Members;
- B) one year for Regional Representatives.

A retiring director may offer himself/herself for re-election provided that he/she does not complete more than:

- A) two consecutive terms of office for members at large and the directors nominated by the Intermediate Members and by the Associate Members;
- B) six consecutive terms of office for Regional Representatives.

- o **Decision taking and quorum**

Five eighths (5/8) of the Executive Committee shall constitute a quorum. Decisions shall require approval of a majority of the directors present. In case of equality of votes, the vote of the Chairman shall count twice.

The Executive Committee may take decision by written correspondence, provided the Executive Committee unanimously agrees to the application of that process in respect of a specific item. Decisions taken by written correspondence require a majority of three quarters (3/4) of the Executive Committee.

The directors representing the Intermediate Members and the Associate Members shall have voting rights unless the Chairperson of the Executive Committee determines that a topic shall be decided upon by representatives of the Full membership only.

- o **Replacement, unavailability and removal of directors**

Where a director is unable to complete his/her full term of office, the Executive Committee shall co-opt a replacement to serve until the next AGM. A replacement director may offer him/herself for election for a full term of office at the next General Meeting.

If a director is temporarily prevented from performing his duties, the remaining directors shall be temporarily entrusted with the management of the Corporation. If all directors are temporarily prevented from performing their duties, the management of the Corporation shall be temporarily entrusted to one or more persons appointed for that purpose by the General Meeting.

A director can be removed from office in case of a severe breach of the duties associated with the status of Executive Committee member. Removal requires a majority decision of 75% of the Executive Committee and must be validated by the next General Meeting. All rights and prerogatives associated with the status of Executive Committee member are suspended until the decision of the General Meeting.

- o **Functions**

The Executive Committee shall:

- a) Elect its Chairman;
- b) Be vested with executive powers and duties, including the general management, oversight and control of the business, affairs, funds and property of the organisation, as well as the auditing of the Corporation's accounts. While the

performance of management and control activities may be delegated to the President and Chief Executive Officer under the terms of his Duty Statement, ultimate accountability regarding such activities shall rest with the Executive Committee at all times. The Executive Committee shall be responsible for the approval of the President and Chief Executive Officer's Duty Statement;

- c) Determine, review and approve policy within the framework of these Articles and Resolutions of General Meetings;
- d) Propose the Agenda for the General Meeting;
- e) Establish and determine the membership duties and rules and regulations of any sub-committee of the Executive Committee, or authorise any such sub-committee to adopt its own rules and regulations;
- f) Recommend to the General Meeting the fees and the time by which they shall be payable, as well as the currency or currencies in which they are to be paid;
- g) Consider and approve applications for membership;
- h) Take such action as may be appropriate with respect to the termination, limitation or suspension of the membership;
- i) Determine the process for the nomination and election of the Executive Committee members;
- j) Adopt and amend its rules and regulations as deemed appropriate for the exercise of its executive powers and the performance of its duties;
- k) Appoint the President and Chief Executive Officer and approve his proposals for all employees empowered to represent the Corporation;
- l) Make appropriate arrangements for the facilities of the head offices of the Corporation at the locations decided by the General Meeting,
- m) Approve CANSO Mandates in accordance with Article 12 of these Articles;
- n) Approve the annual budget, provided it is within the provisional budget endorsed by the General Meeting. Special assessments and related conditions and procedures may be approved by a General Meeting;
- o) Execute any other competency given by these Articles or the General Meeting.

- o **Calling of meetings of the Executive Committee**

Meetings of the Executive Committee may be called by the chair of the Executive Committee, the vice-chair of the Executive Committee or any two (2) directors at any time; provided that for the first organisation meeting following incorporation, such meeting may be called by any director or incorporator.

- o **Notice of meeting of the Executive Committee**

Notice of the time and place for the holding of a meeting of the board shall be given to every director of the Corporation not less than 3 days before the time when the meeting is to be held by one of the following methods:

- A) delivered personally 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);
- B) mailed by prepaid ordinary mail to the director's address as set out in A);
- C) by telephonic, electronic or other communication facility at the director's recorded address for that purpose; or
- D) by an electronic document in accordance with Part 17 of the Act.

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.

CANSO Secretariat

- o **President and Chief Executive Officer**

The President and Chief Executive Officer is responsible for the management of the CANSO Secretariat and of the Corporation activities, in accordance with the decisions of the General Meeting and instructions from the Executive Committee.

The President and Chief Executive Officer is appointed by the Executive Committee for renewable terms of 3 years.

The conditions of employment of the President and Chief Executive Officer are decided and negotiated by the Executive Committee, including the President and Chief Executive Officer's Duty Statement, which as an integral part of the employment contract, details the responsibilities, competencies and authority of the President and Chief Executive Officer.

- o **Secretariat posts**

The President and Chief Executive Officer decides Secretariat posts including roles and responsibilities, terms and conditions, etc., within the boundaries of the approved budget.

The appointment of employees empowered to represent and commit the Corporation requires the approval of the Executive Committee.

Representation

- o **By the Executive Committee**

The Executive Committee represents and commits the Corporation.

- o **By officers appointed by the Executive-Committee**

The Executive Committee may appoint officers on an annual or more frequent basis, specify their duties and, subject to the Act, delegate to such officers the power to manage the affairs of the Corporation. A director may be appointed to any office of the Corporation. An officer may, but need not be, a director unless the By-law otherwise provide. Two or more offices may be held by the same person.

- o **By the President and Chief Executive Officer or CANSO employees**

The President and Chief Executive Officer and CANSO employees may represent and commit the Corporation by their individual signature within the boundaries of the powers formally entrusted to them by the Executive Committee.

- o **Execution of documents**

Unless otherwise provided in these By-law, 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.

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.

- o **Borrowing powers**

The directors may, without authorisation of the Members, up to a limit of 1'000'000 CAD (one million Canadian dollars):

- a) borrow money on the credit of the Corporation;
- b) issue, reissue, sell, pledge or hypothecate debt obligations of the Corporation;
- c) give a 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 obligation of the Corporation.

Any of the actions listed under the present Article with a value higher than 1'000'000 CAD (one million Canadian dollars), requires an ordinary resolution of the General Meeting.

o Representation of Members

The Executive Committee may issue mandates to officers to represent the Corporation and its Full Members toward third parties, provided the following conditions are fulfilled:

- a) Each mandate must be related to a specific issue;
- b) The contents, scope and limits of the mandate must be clearly defined;
- c) For each individual mandate, the Executive Committee shall define and implement appropriate monitoring and reporting arrangements to ensure that all mandates are fulfilled in accordance with their actual intention;
- d) All Full Members shall be consulted as to the form and contents of the mandate;
- e) All Full Members shall vote on the issuance of the mandate and the issuance of such mandate will require a majority of two thirds of the voting Members. Voting shall take place by correspondence, unless the Executive Committee determines a formal meeting of concerned Members is required;
- f) Any Member retains the right to remain unbound by a mandate issued by the Executive Committee by formally expressing its decision to opt-out.

Representation of Members shall only be to the extent authorised and permitted by the laws of a Member's country.

Finances

o Financial year end

The financial year end of the Corporation shall be determined by the Executive Committee.

o Annual financial statements

A copy of the annual financial statements and other documents referred to in subsection 172(1) (Annual Financial Statements) of the Act shall be included in the documents made available to Members for the Annual General Meeting.

o Revenues

The Corporation's revenues shall consist of:

- a) Membership fees;
- b) Entrance fees;
- c) Revenues from commercial activities;
- d) Other contributions.

The Corporation's revenues shall exclusively be used for pursuing the corporate objectives, as listed in article 0 of this By-law.

Liability

- o **Members**

Members bear no individual liability.

- o **CANSO**

The corporate liability of the Corporation is limited to its own property and assets.

Language

English will be the official language of CANSO. Exceptionally, other language(s) may be used when circumstances dictate and upon agreement of the General Meeting.

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.

Settlement of Disputes

- o **Dispute**

Any dispute between the Corporation and one or several of its Members, arising from the interpretation or application of this By-law shall be resolved by final and binding arbitration under the Arbitration Rules of the ADR Institute of Canada, Inc. The Seat of Arbitration will be in Montreal, Canada. The language of the arbitration will be English.

- o **Arbitration**

The concerned Member and the Executive Committee shall each designate one arbitrator within thirty days after the demand for arbitration initiated by one of the parties had been notified to the second. When several Members are seeking arbitration for the same matter, they shall jointly designate one arbitrator. The two arbitrators so named shall designate a third arbitrator.

- o **Decision**

The arbitrators shall proceed without delay to consider all matters related to the case and must hand down a decision by majority within ninety days after appointment of the third arbitrator. The decision of the majority of such arbitrators shall be final and binding on the Corporation and the Member(s) concerned.

- o **Exclusion**

This Article shall not apply to any Member who has submitted a written request for exclusion from this Article, at the moment it has applied for CANSO membership.

Amendments of the By-laws

Subject to the articles, the Executive Committee 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 directors until the next General Meeting 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-

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law, amendment or repeal ceases to have effect if it is not submitted to the Members at the next General Meeting or if it is rejected by the Members at the meeting.

This section does not apply to a By-law that requires a special resolution of the Members according to subsection 197(1) (fundamental change) of the Act because such By-law amendments or repeals are only effective when confirmed by Members.

Dissolution

- o **By Resolution**

The Corporation may be dissolved by Resolution of a General Meeting, approved by a special resolution. In such event the General Meeting shall decide the destiny of any accrued assets of the Corporation. This shall be done in line with the corporate goals of the Corporation.

The Executive Committee shall undertake the disposal of assets or appoint a person (Executor) to act on its behalf.

After dissolution the Corporation shall continue to exist for the time period required to complete the disposal of assets. During this period this By-law will remain in force. In all documents and communications of the Corporation the term 'in liquidation' shall be added to her name.

The dissolution shall be effective from the moment that no further assets are known to the Executor.

The accounts and documents of the liquidated Corporation shall remain in safe deposit for a period of seven years after dissolution. The Executor shall appoint a caretaker.

The Term of Office of the directors will end on dissolution of the Corporation.

- o **By Law**

The Corporation shall be dissolved in the event of bankruptcy or in the event the Executive Committee, following all practical steps, cannot be constituted in accordance with the present Articles.