

BY-LAW NO. 1

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

CANADA'S AVIATION HALL OF FAME

(the "**Corporation**")

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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) "**Aerospace**" means those activities involved in the development and manufacture of aircraft, spacecraft and related equipment;
- c) "**Articles**" means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation;
- d) "**Aviation**" means the operation of aircraft and related equipment;
- e) "**Belt of Orion**" means the award by the Corporation pursuant to the provisions of Section 3.01 to an entity, other than an individual, for their contribution to Aviation and Aerospace in Canada;

- f) "**Belt of Orion Recipient**" means an entity that has been awarded the Belt of Orion by the Corporation;
- g) "**Board**" means the board of directors of the Corporation and "**director**" means a member of the Board;
- h) "**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;
- i) "**Corporate Friend**" means any corporation, business, organization or association that supports the aims and objectives of the Corporation and has been accepted as a Corporate Friend pursuant to the provisions of Section 2.01(b);
- j) "**Friend**" means any person who supports the aims and objectives of the Corporation and has been accepted as a Friend pursuant to the provisions of Section 2.01(a);
- k) "**Hall**" means the aviation hall of fame created and maintained by the Corporation to honour persons and organizations whose contributions to Aviation and Aerospace has been of major benefit to Canada;
- l) "**Inducted Members**" mean those individuals who have been inducted into the Hall prior to the date hereof and after the date hereof pursuant to the provisions of Section 3.01;
- m) "**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;
- n) "**Members**" means the Corporate Friends, the Friends and the Inducted Members;
- o) "**Ordinary Resolution**" means a resolution passed by a majority of not less than 50% plus 1 of the votes cast on that resolution;
- p) "**Proposal**" means a proposal submitted by a Member of the Corporation that meets the requirements of section 163 (Shareholder Proposals) of the Act;
- q) "**Regulations**" means the regulations made under the Act, as amended, restated or in effect from time to time; and
- r) "**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 determined by the Board.

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 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 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.

SECTION 2 - MEMBERSHIP - MATTERS REQUIRING SPECIAL RESOLUTION

2.01 Membership Conditions

Subject to the Articles, there shall be three classes of Members in the Corporation, namely, Inducted Members, Corporate Friends and Friends. The Board may, by resolution, approve the admission of the Members of the Corporation. [Members may also be admitted in such other manner as may be prescribed by the Board by Ordinary Resolution. *Note: Mary Oswald had some concerns about this language being used to change the nomination process and thought some further discussion by the Board would be appropriate*] The following conditions of membership shall apply:

a) Inducted Members

- (i) Inducted Members shall be only those persons whose contribution to Aviation and Aerospace has been of major benefit to Canada and who have been inducted into the Hall;
- (ii) There shall be no limitation on the term of membership of an Inducted Member;
- (iii) As set out in the Articles, each Inducted Member is entitled to receive notice of, attend and vote at all meetings of Members and each such Inducted Member shall be entitled to one (1) vote at such meetings. The right of an Inducted Member to vote at meetings shall cease upon the death of such Inducted Member;
- (iv) No change to the purpose or the name of the Corporation shall be made without the approval of two-thirds (2/3) of the Inducted Members present at a meeting called to approve such change.

b) Corporate Friends

- (i) Corporate Friends class of membership shall be available to:
 - a. Any corporation, business, organization or association that supports the aims and objectives of the Corporation and who files an application for Corporate Friend membership and pays the required fee. Such fee shall be considered a donation; and

- b. All Belt of Orion Recipients shall automatically be eligible to become a Corporate Friend upon filing an application. There shall be no fee charged by the Corporation to such Belt of Orion Recipients.
 - (ii) Each Corporate Friend shall designate an individual as its representative;
 - (iii) Save and except for Belt of Orion Recipients, the term of membership of a Corporate Friend shall be annual, subject to renewal in accordance with the policies of the Corporation. There shall be no limitation on the term of membership of a Belt of Orion Recipient;
 - (iv) Subject to the Act and the Articles, a Corporate Friend shall be entitled to receive notice of, attend and vote at meetings of the Members and each such Corporate Friend shall be entitled to one (1) vote at such meetings.
- c) **Friends**
- (i) Friends class of membership shall be available to any person who supports the aims and objectives of the Corporation and who files an application for Friend membership and pays the required fee. Such fee shall be considered a donation;
 - (ii) The term of membership of a Friend shall be annual, subject to renewal in accordance with the policies of the Corporation;
 - (iii) Subject to the Act and the Articles, a Friend shall be entitled to receive notice of, attend and vote at meetings of the Members and each such Friend shall be entitled to one (1) vote at such meetings.

Pursuant to subsection 197(1) (Fundamental Changes) of the Act, a Special Resolution of the Members is required to make any amendments to this section of the By-laws if those amendments affect membership rights and/or conditions described in paragraphs 197(1)(e), (h), (l) or (m).

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 twenty-one (21) to sixty (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 twenty-one (21) to thirty-five (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.

SECTION 3 – NOMINATIONS TO HALL

3.01 Nomination Process

A nominations review committee process shall be used for induction of new Inducted Members to the Hall and for the award of the Belt of Orion. Nominations shall be accepted from the public at large, using the nomination form and criteria prescribed by the Board from time to time. The nominations review committee shall review nominations and make recommendations to the Board. Persons found to meet the criteria established by the Board may be accepted for membership as an Inducted Member or Belt of Orion Recipient, as the case may be, at the sole discretion of the Board. The number of new Inducted Members each year, if any, shall be at the sole discretion of the Board. Provided a satisfactory candidate is identified, one Belt of Orion shall be awarded each year.

3.02 Nominations Review Committee

A nominations review committee shall be appointed by the Board to make independent recommendations on all nominations for induction to the Hall and receipt of the Belt of Orion. This committee shall consist of a chair and a minimum of six (6) other persons, including at least two (2) Inducted Members. The names of the persons serving on the nominations review committee shall remain confidential, known only to the Board. The nominations review committee shall provide its recommendations to the Board at its fall meeting on all individuals recommended by the committee but not yet inducted into the Hall and for an organization to be awarded the Belt of Orion.

3.03 Restrictions on Nominations

Nominations and support letters shall not be accepted from directors, members of committees or employees of the Corporation.

SECTION 4 – MEMBERSHIP DUES, TERMINATION AND DISCIPLINE

4.01 Membership Dues

Members shall be notified in writing of the membership dues at any time payable by them and, if any are not paid within sixty (60) days of the membership renewal date, the Members in default shall automatically cease to be Members of the Corporation.

4.02 Termination of Membership

A membership in the Corporation is terminated when:

- a) Save and except for the Inducted Members, 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 By-laws;
- c) The Member resigns by delivering a written resignation to the chair of the Board in which case such resignation shall be effective on the date specified in the resignation;
- d) The Member is expelled in accordance with Section 4.03 below 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.

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.

4.03 Discipline of Members

The Board shall have authority to suspend or expel any Member (save and except for an Inducted 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 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.

In the event that the Board determines that a Member should be expelled or suspended from membership in the Corporation, the chair of the Board, 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 of the Board, 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, the chair of the Board 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, without any further right of appeal.

SECTION 5 - MEETINGS OF MEMBERS

5.01 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.

5.02 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.

5.03 Quorum

A quorum at any meeting of the Members (unless a greater number of Members are required to be present by the Act) shall be twelve (12) 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.

5.04 Votes to Govern

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. The chair of the meeting shall not have a second or casting vote.

SECTION 6 - DIRECTORS

6.01 Election and Term

Subject to the Articles, the Members will elect the directors at the first meeting of members and at each succeeding annual meeting at which an election of directors is required, and the directors shall be elected to hold office for a term expiring not later than the close of the third annual meeting of Members following the election.

6.02 Directors Liability and Indemnification

The directors and officers of the Corporation, their heirs, executors, administrators and other legal personal representatives shall at all times be indemnified and saved harmless by the Corporation from and against any liability and all costs, charges and expenses that are sustained or incurred in respect of any action, suit or proceeding that is proposed or commenced against them for or in respect of anything done or permitted to be done by them in respect of the execution of their duties. The Corporation shall purchase and maintain liability insurance for the benefit of its directors and officers.

SECTION 7 - MEETINGS OF DIRECTORS

7.01 Calling of Meetings

Meetings of the Board may be called by the chair of the Board, the vice-chair of the Board or any five (5) directors at any time. If the Corporation has only one director, that director may call and constitute a meeting.

7.02 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 9.01 of this By-law to every director of the Corporation not less than thirty (30) 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.

7.03 Regular Meetings

The Board may appoint a day or days in any month or months for regular meetings of the Board at a place and hour to be named. 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 forthwith 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 the purpose thereof or the business to be transacted to be specified in the notice.

7.04 Votes to Govern

At all meetings of the Board, every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the chair of the meeting shall not have a second or casting vote.

7.05 Committees

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 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.

SECTION 8 - OFFICERS

8.01 Description of Offices

Unless otherwise specified by the Board which may, subject to the Act, modify, restrict or supplement such duties and powers, the officers 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, if one is to be appointed, shall be a director. The chair of the Board, if any, shall, when present, preside at all meetings of the Board and of the Members. The chair shall be the chief executive officer of the Corporation and shall be responsible for implementing the strategic plans and policies of the Corporation. The chair shall, subject to the authority of the Board, have general supervision of the affairs of the Corporation. The chair shall have such other duties and powers as the Board may specify.

- b) Vice-Chair of the Board - The vice-chair of the Board, if one is to be appointed, shall be a director. If the chair of the Board is absent or is unable or refuses to act, the vice-chair of the Board, if any, shall, when present, preside at all meetings of the Board of directors and of the members. The vice-chair shall have such other duties and powers as the Board may specify.
- c) Secretary - If appointed, the secretary 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 - If appointed, the treasurer shall make arrangements for the care and custody of the funds and other assets of the Corporation, oversee the preparation of the budget, require that full and accurate accounts are kept of financial transactions, require that moneys received are deposited with a chartered bank or trust company and make payments on this institution for all approved expenses incurred by the Corporation, report regularly to the directors regarding the present and projected financial standing of the Corporation, sign such documents as require the Treasurer's signature and perform such other related duties as the Board may 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 or the chair of 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.

8.02 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.

SECTION 9 - NOTICES

9.01 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, 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.

9.02 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.

9.03 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 10 - DISPUTE RESOLUTION

10.01 Mediation and Arbitration

Disputes or controversies among Members, directors, officers, committee members, or volunteers of the Corporation are as much as possible to be resolved in accordance with mediation and/or arbitration as provided in Section 10.02 of this By-law.

10.02 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 law suit or legal action, such dispute or controversy shall be settled by a process of dispute resolution as follows:

- a) The dispute or controversy shall first be submitted to a panel of mediators whereby the one party appoints one mediator, the other party (or if applicable the Board) appoints one mediator, and the two mediators so appointed jointly appoint a third mediator. The three mediators will then meet with the parties in question in an attempt to mediate a resolution between the parties.
- b) The number of mediators may be reduced from three to one or two upon agreement of the parties.
- c) If the parties are not successful in resolving the dispute through mediation, then the parties agree that the dispute shall be settled by arbitration before a single arbitrator, who shall not be any one of the mediators referred to above, in

accordance with the provincial or territorial legislation governing domestic arbitrations in force in the province or territory where the registered office of the Corporation is situated or as otherwise agreed upon by the parties to the dispute. The parties agree that all proceedings relating to arbitration shall be kept confidential and there shall be no disclosure of any kind. The decision of the arbitrator shall be final and binding and shall not be subject to appeal on a question of fact, law or mixed fact and law.

- d) All costs of the mediators appointed in accordance with this section shall be borne equally by the parties to the dispute or the controversy. All costs of the arbitrators appointed in accordance with this section shall be borne by such parties as may be determined by the arbitrators.

SECTION 11 – AMENDMENT AND REPEAL

11.01 Amendment

Subject to the Articles, 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.

11.02 Special Resolution

Section 11.01 does not apply to a By-law that requires a special resolution of the Members according to subsection 197(1) (Amendment of Articles or By-laws) of the Act. Pursuant to subsection 197(1) of the Act, a special resolution of the Members is required to make any amendments to Sections 2.01, 2.02, 9.01 or 11.02 if those amendments affect membership rights and/or conditions described in paragraphs 197(1)(e), (h), (l) or (m) of the Act.

SECTION 12 - EFFECTIVE DATE

12.01 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 _____, 2014, and confirmed by the members of the Corporation by special resolution on the _____ day of _____, 2015.

Dated as of the _____ day of _____, 2015.

Secretary