

### **BY-LAW No. 3**

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

#### **MORTGAGE BROKERS ASSOCIATION OF ATLANTIC CANADA** (the “Corporation”)

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

#### **ARTICLE 1 – INTERPRETATION**

**1.01** In these By-laws, unless the context otherwise requires:

- i. **“Board”** or **“Board of Directors”** means the Directors and Officers of the Corporation;
- ii. **“Corporation”** shall mean the Mortgage Brokers Association of Atlantic Canada;
- iii. **“Director”** means a person elected or appointed to serve on the Board pursuant to these By-laws:
- iv. **“Member”** means a person approved to be a Member of the Mortgage Brokers Association of Atlantic Canada pursuant to these By-laws who has not ceased to be a Member or who has not become disqualified from being a Member;
- v. **“Officers”** means the President, Vice-President, Secretary and Treasurer of the Corporation.
- vi. **“Registered Address”** of a member means the Member’s address as recorded in the register of Members;

**1.02** In these by-laws and in all other by-laws of the Corporation hereafter unless the context otherwise requires, words importing the singular number or the masculine gender shall include the plural number and the feminine gender, as the case may be, and vice versa, and reference to personal shall include firms and corporations.

#### **ARTICLE 2 – APPLICATION FOR MEMBERSHIP**

**2.01** A person may apply to the Board for Membership in the Corporation and on acceptance by the Board shall be a member. The Board of Directors shall review the application and use its discretion in deciding whether or not to admit the applicant as a member. The Board of Directors shall consider, among other things, whether the prospective member is, in the opinion of the Board of Directors, likely to conduct himself or herself, with integrity, honesty and in accordance with the Code of Ethics of the Corporation.

**2.02** Applications to become a Member shall be in writing on such applications forms as may be from time to time approved by the Board. All applications shall be signed by two (2) Members in good standing of the Corporation as an indication of their endorsement of the candidate for Membership in the Corporation.

### **ARTICLE 3 – MEMBERSHIP CATEGORIES**

**3.01** The Membership of the Corporation shall consist of the following classes of Members, who shall have the privileges hereinafter set out:

a) **“Partner Member”** shall be any individual, corporation or business association or affiliated with the Mortgage Industry in Canada.

b) **“Broker Member”** shall be a registered/licensed broker in their province of residence, with exception of such provinces which currently do not have licensing/registration legislation.

c) **“Honorary Membership”** shall be a member of the Corporation that the Board of Directors has seen fit to honor for outstanding service to the industry. An honorary member shall not be required to pay any membership dues.

**3.02** All Members shall be entitled to notice of and attend all general meetings of the Corporation. Only “Broker Members” and “Honorary Members” shall be entitled to vote at any general meeting of the Corporation. All Members shall be entitled to be elected as a Director of the Corporation.

**3.02** The Board has the sole responsibility to designate the class of Membership of any applicant to the Corporation. Any Member of the Corporation can request a change of class of his/her Membership if his/her employment status changes at any time by providing the Board with a written request.

### **ARTICLE 4 – ENTRANCE FEES AND DUES**

**4.01** There shall be an annual Membership fee payable by each Member, the amount of which and the date payable to be determined by the Board.

**4.02** All Members are in good standing except a Member who has not paid the annual membership fee or who is found by the Ethics Committee to be in default of any provision of these By-laws or the Code of Ethics and that member shall remain not in good standing as long as the default continues.

**4.03** A member shall cease to be a Member of the Corporation:

a) By forwarding his or her resignation in writing to the address of the Corporation by mail or delivery; or

b) On his death; or

- c) On being expelled; or
- d) On having been a Member not in good standing for 90 days.

**4.04** If a member has his/her mortgage broker's license/registration suspended or revoked by the provincial legislative body, his/her Membership in the Association may be suspended or terminated by the Board and reinstatement of Membership, if any, will require the approval of the Board.

## **ARTICLE 5 – MEETING OF MEMBERS**

**5.01** General meetings of the Corporation shall be held at such time and place as the Board shall decide.

**5.02** Every general meeting, other than an Annual General Meeting, is an extraordinary general meeting,

**5.03** The Board may, whenever it thinks fit, convene an extraordinary general meeting.

**5.04** Fourteen (14) days' written notice shall be given to each voting member of any annual or special general meeting of members. Notice of any meeting where special business will be transacted shall contain sufficient information to permit the member to form a reasoned judgment on the decision to be taken. Notice of each meeting of members must remind the member if the member has the right to vote by proxy.

## **ARTICLE 6 – PROCEEDINGS AT GENERAL MEETINGS**

**6.01** Any general meeting is a meeting of the membership and include the Annual General Meeting. The business to be conducted at the Annual General Meeting of the Corporation shall be:

- a) To receive reports and statements required by the Canada Not-For-Profit Corporations Act, including financial statements and the report of the auditors to be placed before the meeting;
- b) The transaction of such other business as may be properly brought before the meeting.

**6.02** Proceedings to be conducted at all general meetings, whether extraordinary general meetings or the Annual General Meeting, require a quorum to be present. A quorum at any general meeting requires a minimum of ten (10) to be present and proxies will not be included in this minimum quorum requirements. No business, other than the election of a Chairperson and the adjournment or closing of the meeting shall be conducted at a general meeting at a time when a quorum is not present. If at any time during a general meeting there ceases to be a quorum present, business then in progress shall be suspended until there is a quorum present or until the meeting is adjourned or closed.

**6.03** If a quorum is not present within thirty (30) minutes from the time appointed for a general meeting, the meeting, if convened at the requisition of Members, shall be closed. In any other case, it shall stand adjourned to the same day in the next week at the same time and place, and if, at the adjourned meeting a quorum is not present within thirty (30) minutes from the time appointed for the meeting the Members present shall constitute a quorum.

**6.04** Subject to Article 6.05, the President of the Corporation, the Vice President, or in the absence of both one of the Directors present shall preside as Chairperson of a general meeting.

**6.05** If at any general meeting:

- a) There is no President, Vice-President, or other Director present within fifteen (15) minutes after the time of appointed for holding the meeting; or
- b) If the President and all other Directors are unwilling to act as Chairperson, the Members present shall choose one of their numbers to be Chairperson.

**6.06** A general meeting may be adjourned, but no business shall be transacted at the resumption of the adjourned meeting other than business left unfinished at the meeting from which the adjournment took place. Where a general meeting is adjourned for ten (10) days or more, notice of the adjourned meeting shall be given as in the case of the original meeting. Except as provided in these By-laws, it is not necessary to give notice of an adjournment or of other business to be transacted at an adjourned meeting.

**6.07** Every resolution proposed at a general meeting shall be seconded and the Chairperson of a meeting may move or propose a resolution as long as the motion has been seconded. Except as provided for in Article 7.07, in the case of an equality of votes the Chairperson shall not have a casting or second vote in addition to the vote to which he or she may be entitled as a Member and the proposed resolution shall not pass.

**6.08** Voting by proxy is permitted provided the proxy is received at the business address of the Corporation not less than two (2) business days prior to the Annual General Meeting for which notice is given. The form of proxy must be substantially in the following form:

*The undersigned, being a member of the Mortgage Brokers Association of Atlantic Canada, hereby appoints (name) or, failing that person, (name) as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of Members of the Corporation to be held on (month, day, year) and at any adjournment of that meeting.*

Signed [month, day, year]

[Signature of Member]

[Name of Member - Printed]

**6.09** Robert's Rules of Order, unless in contravention of these By-laws, shall be the adopted rules of order at any general meeting, including the Annual General Meeting.

## **ARTICLE 7 – DIRECTORS AND OFFICERS**

**7.01** The applicants for incorporation shall become the first directors of the corporation whose terms of office on the Board of Directors shall continue until their successors are elected. At the first meeting of Members, the Board of Directors then elected shall replace the provisional directors names in the Letters Patent of the Corporation.

**7.02** No resolution passed by the Corporation in a general meeting invalidates a prior act of the Directors that would have been valid if that resolution had not been passed.

**7.03** No Member of the Board shall be remunerated for being or acting as a Member of the Board but the Board shall have the power to pay out of funds of the Corporation for reasonable expenses incurred by the Directors or Officers or others appointed or elected by the Board.

**7.04** The maximum number of Directors on the Board shall , subject to Article 7.05, be nine (9) or such other number as may be determined from time to time at a general meeting. No act or proceeding of the Directors is invalid only by reason of there being less than the prescribed number of Directors in office.

**7.05** In addition to the number of Board members as set out in Article 7.04, the Board shall also include as a voting Director, the immediate Past President or, if he or she is unwilling or unable to serve, the most recent Immediate Past President who is willing and able to serve.

**7.06** The Directors shall be elected or appointed pursuant to these By-laws from the Members for the Corporation. The term for an elected Director shall be two (2) years on an alternating basis so that in one year up to one-half of the Directors shall be elected and in the following year the remaining Directors shall be elected. If there is not approximately one-half of the Board of Directors up for re-election, terms shall be staggered and the Board of Directors shall determine which Director(s) shall serve a one year term to ensure that approximately one-half of the Board of Directors is elected each year.

**7.07** Upon election or appointment, each new Director must sign a document acknowledging his or her fiduciary, fiscal and ethical responsibilities to the Corporation. This document will be in a prescribed form as set out from time to time by the Board of Directors. Upon request, this document will be available for review by any Member in good standing of the Corporation.

**7.08** The Directors shall retire from office at the end of their terms at each Annual General Meeting when their successors shall be elected.

**7.09** If the number of votes shall be found to be equal for any Members seeking the office of Directors, the Chairperson of the Annual General Meeting shall have a casting vote and shall determine which Directors shall be elected.

**7.10** An election may be by acclamation; otherwise it shall be by ballot.

**7.11** The Board may at any time appoint a Member to serve as a Director to fill a vacancy on the Board. All Members of the Corporation can be appointed by the Board to fill a vacancy. A director so appointed shall serve the full unexpired term of the Director being replaced.

## **ARTICLE 8 – DUTIES OF OFFICERS**

**8.01** The President is the Chief Executive Officer of the Corporation and shall supervise the other Directors in the execution of their duties. The President shall preside at all meeting of the Corporation and of the Directors. He shall have the general and active management of the affairs of the corporation. He shall see that all orders and resolutions of the Board of Directors are carried into effect.

**8.02** The officers are to be elected by the Members at the Annual General Meeting. No Member may stand for election as President, unless that Member has served as a Director of the Corporation for a period of not less than one full year, either as a current Director or as a past Director.

**8.03** The Vice- President shall have such duties and powers as may from time to time be designated by the Board and shall carry out the duties of the President during his or her absence.

**8.04** The Secretary, when in attendance, shall attend all meetings and act as clerk thereof and record all votes and minutes of all proceedings in the books to be kept for that purpose. The Secretary shall give or cause to be given notice of all meeting of the Members and the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision the Secretary shall be. The Secretary shall be the custodian of the minute book and seal of the Corporation.

**8.05** The Treasurer shall ensure that such financial records, including books of account, as are necessary to comply with the Canada Not-For-Profit Corporations Act are prepared and kept, and that financial statements are rendered to the Board, Members and others as and when required.

## **ARTICLE 9 – MEETINGS OF THE BOARD AND PROCEEDINGS OF DIRECTORS AND OFFICERS**

**9.01** The Board may meet together at such places as it thinks fit for the dispatch of business, adjourn and otherwise regulate it's meetings and proceedings, as it sees fit. Minutes of any meetings of the board (and the Members) shall be prepared by and retained at the offices of the Corporation.

**9.02** The Board may from time to time fix the quorum necessary for the transaction of business and unless so fixed the quorum shall be a majority of the Board then in office.

**9.03** The President shall be Chairperson of all meetings of the Board. If at any meeting the President is not present within fifteen (15) minutes after the time appointed for holding the meeting, the Vice-President shall act as Chairperson at the meeting. If neither is present the Directors present may choose one of their members to be Chairperson at the meeting.

**9.04** A majority of Directors or any two (2) Officers may at any time request, and the Board, on receiving such a request shall convene a meeting of the Directors.

**9.05** It shall not be necessary to give notice of the first Board meeting held following the appointment or election of a Director to the newly elected or appointed Directors for the meeting to be duly constituted, if a quorum of the Board is present.

**9.06** A director who may be absent temporarily from Atlantic Canada may send or deliver to the business address of the Corporation a written waiver of notice of meetings of the Directors and may, at any time, withdraw the waiver. Until the waiver is withdrawn, no meeting of Directors, no notice of which has been given to that Director shall be valid because of failure to give such notice.

**9.07** Questions arising at any meeting of the Board shall be decided by a majority of votes. All elected or appointed Directors shall be entitled to one vote at any meeting of the Board. In case of an equality of votes, the Chairperson does not have a second or casting vote.

**9.08** No resolutions proposed at a meeting of the board need to be seconded and the Chairperson of a meeting may move or propose a resolution.

**9.09** A resolution in writing, signed by all members of the Board and placed with the minutes of the Board is as valid and effective as if regularly passed at a meeting of the Board.

**9.10** Roberts's Rules of Order, unless in contravention of these By-laws, shall be the adopted rules of order at any meeting of the Board.

**9.11** A quorum of Board members shall be defined as five (5).

## **ARTICLE 10 – INDEMINFICATION**

**10.01** Subject to the Canada Not-For-Profit Corporations Act, every Director or Officers shall be indemnified and saved harmless by the Corporation from and against all claims whatsoever which such Director or Officer incurs from any claim which is brought against him or her in respect to any act whatsoever done or permitted by him or her in or about the execution of the duties of his or her office except such claims as are caused by his or her own willful neglect or default.

## **ARTICLE 11 – SEAL**

**11.01** The seal, an impression whereof is stamped in the margin hereof, shall be the seal of the corporation.

**11.02** The common seal shall be affixed only when authorized by a resolution of the Board and then only in the presence of the persons prescribed in the resolution or if no persons are prescribed, then in the presence of no fewer than two (2) Officers.

## **ARTICLE 12 – BORROWING**

**12.01** Funds for the operation of the Corporation shall be raised by annual dues, special assessments, grants, voluntary contributions and fees for service.

**12.02** In order to carry out the purposes of the Corporation the Board may raise or secure the payment or repayment of money in such a manner as it decides and in particular but without limiting the generality of the foregoing, by issue of debentures.

**12.03** No debenture shall be issued without the sanction of a special resolution.

**12.04** The members may by special resolution restrict the borrowing powers of the Board by a restriction so imposed expires at the next annual general meeting.

## **ARTICLE 13 – EXECUTION OF DOCUMENTS**

**13.01** Contracts, documents or any instruments in writing requiring the signature of the Corporation, shall be signed by any two officers and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The Directors shall have power from time to time by resolution to appoint any officer or officers on behalf of the Corporation to sign specific contracts, documents and instruments in writing. The Directors may give the Corporation's power of attorney to any registered dealer in securities for the purpose of the transferring of and dealing with any stocks, bonds, and other securities of the Corporation. The seal of the Corporation when required may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any officer or officers appointed by resolutions of the Board of Directors.

## **ARTICLE 14 – NOTICES**

**14.01** Unless the Canada Not-For-Profit Act or these By-laws provide otherwise, a notice, statement, report or other record required or permitted by the NFP Act or these By-laws to be sent by or to a person may be sent by any one of the following methods:

- a) Mail addressed to the person at the applicable address for that person as follows:
  - (i) For a record mailed to a Member, the Member's registered address;
  - (ii) For a record mailed to a Director or Officer, the prescribed address for mailing shown for the Director or Officer in the records kept by the Corporation of the mailing address provided by the recipient for the sending of that record or records of that class;



- (iii) In any other case, the mailing address of the intended recipient;
- b) Deliver at the applicable address for that person as follows, address to that person:
- (i) For a record deliver to a Member, the Member's registered address;
  - (ii) For a record delivered to a Director or Officer, the prescribed address for delivery shown for the Director or Officer in the records kept by the Corporation or the delivery address provided by the recipient for the sending of that record or records of that class;
  - (iii) In any other case, the delivery address of the intended recipient;
- c) Sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- d) Sending the record by email or future electronic method to the email address provided by the intended recipient for the sending of that record or records of that class;
- e) Physical delivery to the intended recipient.

**14.02** A notice sent by mail shall be deemed to have been given on the second day following that on which the notice is posted. In proving that notice has been given it is sufficient to prove that the notice was properly addressed and put in a Canadian Post Office receptacle. A notice being personally delivered will be deemed to have been given at the time of delivery. A notice given by other permitted means will be deemed to have been given on the day following the date appearing on the proof of transmission.

**14.03** Notice of a general meeting shall be given to every Member shown on the register of Members on the day the notice is given, and the auditor, if any. No other person is entitled to receive a notice of general meeting.

## **ARTICLE 15 – BY-LAWS**

**15.01** On being admitted to Membership, a Member is entitled to and upon request, the Corporation shall give without charge, a copy of the Constitution, Code of Ethics and the By-laws of the Corporation.

**15.02** These By-Laws shall not be altered except by special resolution.

## **ARTICLE 16 – COMMITTEES**

**16.01** The Board may delegate any but not all of its powers to committees as it sees fit. A committee so formed shall conform to any rules that may be imposed on it by the Board, and shall

report every act or thing done in exercise of those powers to the earliest meeting of the board to be held next after it has been done.

**16.02** Each committee shall consist of at least two (2) Members and be chaired by a Director.

**16.03** The President and Vice President of the Board shall be ex-officio members of each standing committee.

**16.04** The President shall name the chair of each committee and shall require the committee chair to submit the names of the committee members selected by him or her to the Board for approval at its next meeting.

**16.05** If at any meeting the chair is not present within thirty (30) minutes after the time appointed for holding the meeting, those present who are members of the committee shall choose one of their number to chair the meeting.

**16.06** The Members of a committee may meet and adjourn, as they think proper.

## **ARTICLE 17 – NOMINATIONS**

**17.01** The Corporation in accordance with these By-laws shall conduct nominations and elections of Directors. Each year the Board shall determine the number of Directors to be elected and sworn in at the next Annual General Meeting.

**17.02** A minimum of forty-five (45) calendar days prior to the Annual General Meeting all Members shall be contacted in the manner prescribed for a Notice of Meeting, requesting nomination for the position of expiring Directors.

**17.03** Any Member eligible to vote may nominate one or more eligible Members to stand for election. All nominations must be signed by the nomination Member supported by the signature of one other eligible voting Member or the prescribed form as supplied by the Corporation. This form must contain the consent of the Member being nominated.

**17.04** The Board prior to holding an election will validate all nomination submitted. If a nomination is declared invalid all Members submitting the nomination must be notified and given the opportunity to correct their nomination.

## **ARTICLE 18 – RETURN OF NOMINATIONS**

**18.01** Nominations for election must be returned to the Board not less than thirty (30) days prior to the Annual General Meeting. If nominations for Directors do not exceed the number available for election (as determined by the Board) then all eligible nominees will be deemed elected by acclamation and balloting as hereafter provided shall not be required.

## **ARTICLE 19 – BALLOTS**

**19.01** Except where there is an election by acclamation, balloting must be conducted by way of mail ballot or an electronic ballot. Not fewer than twenty (20) days prior to the Annual General Meeting, one ballot shall be mailed or notice of electronic balloting given to each member eligible to vote. These ballots or notices shall be accompanied with a brief biographical sketch as described below.

## **ARTICLE 20 – BIOGRAPHY OF CANDIDATES**

**20.01** All nominees for Director after consenting in writing to the said nomination shall provide a brief biographical background to the Board for distribution to the general Membership at least twenty-five (25) days prior to the Annual General Meeting.

## **ARTICLE 21 – ELECTION PROCEDURE AND TABULATION**

**21.01** Where mail balloting is used, not less than five (5) calendar days prior to the Annual General meeting all mail ballots must be returned to the nominations Committee for tabulations. Where an electronic balloting system is used, the deadline for completion of voting by electronic balloting shall allow for reporting of these results to the Nominations Committee at least five (5) calendar days prior to the Annual General Meeting. Results of the tabulation will be announced at the Annual General Meeting.

**21.01** The Nominations Committee will control all ballots. Voting results cannot be disclosed to any Member of the Corporation other than when declaring the elected candidates to the membership at the Annual General Meeting.

## **ARTICLE 22 – NOMINATIONS COMMITTEE**

**22.01** The Board will establish a Nominations Committee annually to supervise the nomination of candidates for election to the Board of Directors. The Nominations Committee shall have the responsibility to ensure candidates for office satisfy these By-laws and will supervise all aspects of the election, including counting the ballots and announcing the results as the Annual General Meeting. The Membership of this Committee shall comply with Article 16.02 herein.

## **ARTICLE 23 – FINANCIAL YEAR**

**23.01** The financial year of the Corporation shall be determined by the Board of Directors.

## **ARTICLE 24 – AMENDMENT OF BY-LAWS**

**24.01** The By-laws of the Corporation not embodied in the Letters Patent may be repealed or amended by by-law, or a new by-law relating to the requirements of subsection 155(20) of the Canada Corporations Act, may be enacted by a majority of the Directors at a meeting of the Board of Directors sanctioned by an affirmative vote of at least two-third (2/3) of the votes cast in favour of the by-law at a meeting of Members duly called for the purpose of considering the

said by-law, provided that the repeal or amendment of such by-laws shall not be enforced or acted upon until the approval of the minister of Industry has been obtained.

#### **ARTICLE 25 – BOOKS AND RECORDS**

**25.01** The Directors shall see that all necessary books and records of the corporation required by the By-laws of the Corporation or by any applicable statute or law are regularly and properly kept.

#### **ARTICLE 26 – RULES AND REGULATIONS**

**26.01** The Board of Directors may prescribe such rules and regulations not inconsistent with these By-laws relating to the management and operation of the Corporation as they deem expedient, provided that such rules and regulations shall have force and effect only until the next annual meeting of the Members of the Corporation when they shall be confirmed, and failing such confirmation at such annual meeting of Members, shall at and from that time cease to have any force and effect.