

## By-law No.1

A by-law relating generally to the conduct and affairs of the Institute of Chartered Shipbrokers Canada (the “Institute”).

### Section 1 - General

#### 1.01 Definitions

In this By-law, 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) “affiliate” means a company engaged in business as a ship owner, operator or agency, which:
  - A. operates from the same office; and
  - B. in general utilizes the same management and/or staff; and/or
  - C. has a majority of the same directors as does a Principal Member of the Institute;
- (c) “Board” means the group of person acting as the directors and officers of the Institute;
- (d) “Institute in London” means the Institute of Chartered Shipbrokers headquarters located in London, UK.
- (e) “members” means all Fellows, Members and Honorary Members of the Institute;
- (f) “ordinary resolution” means a resolution passed by a majority (i.e. more than 50 percent) of the votes cast on that resolution;
- (g) “proposal” means a proposal submitted by a member of the Institute that meets the requirements of section 163 (Shareholder Proposals) of the Act;
- (h) “registered address” of a member means the member’s, or their representative’s, address as recorded in the register of members;
- (i) “Regulations” means the regulations made under the Act, as amended, restated or in effect from time to time;
- (j) “seal” means the seal of the Institute;

- (k) “special resolution” means a resolution passed by a majority of not less than two-thirds (2/3) of the votes cast on that resolution as per the Act; and
- (l) “transaction” means any arrangement, other than a gift under which the Institute and another person agree to exchange value or services, or the Institute confers a benefit on another person, or the Institute receives a benefit from another person.

## **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” refers to an individual and does not include any 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 meaning when used in these by-laws.

## **1.03 Corporate Seal**

The Institute 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 Institute shall be the custodian of the corporate seal. If the secretary position is vacant, then the Chair 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 Institute may be signed by any two (2) persons on the Board. 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 two (2) persons authorized to sign any document may affix the corporate seal (if any) to the document. Any two (2) signing officers may certify a copy of any instrument, resolution, by-law or other document of the Corporation to be a true copy thereof.

## **1.05 Year End**

The Financial Statements shall be submitted and audited by May 31st.

The fiscal year of the Institute shall end on May 31st.

The academic year of the Institute shall end on August 31st.

## **1.06 Banking Arrangements**

The banking business of the Institute shall be transacted at such bank, trust company or other firm or corporation carrying on a banking business in Canada or elsewhere as the board of directors may designate, appoint or authorize from time to time by resolution. The banking business or any part of it shall be transacted by an officer or officers of the Institute and/or other persons as the Board may by resolution from time to time designate, direct or authorize.

## **Section 2 - Membership -**

### **2.01 Membership Conditions**

Subject to the articles, there shall be three classes of members in the Institute, namely, Fellows, Members, and Honorary Members. The Board may, by resolution, approve the admission of the members of the Institute. Members may also be admitted in such other manner as may be prescribed by the Board by resolution. The following conditions of membership shall apply:

### **2.02 Regular Membership**

- (a) Any person having a bona fide connection with the commercial shipping industry at the time of their application may apply to become a Member (“Member”). For clarity, a bona fide connection with the commercial shipping industry may include but are not limited to brokers, agents, principals, owners, lawyers, seafarers and insurers.
- (b) Any person applying to become a Member must have passed the Institute of London’s professional qualifying examination.
- (c) A Member must be a resident of North America unless granted an exemption by the board.
- (d) Subject to the Act and the articles, a Member shall be entitled to receive notice of, attend and vote at meetings of the members of the Institute. Each Member is entitled to one (1) vote.

### **2.03 Fellowship**

- (a) Any person who is a Member and a principal in a firm, a director of a company, or a person holding a position of senior responsibility within the commercial shipping industry at the time of their application may apply to become a Fellow (“Fellow”).
- (b) A Fellow must be a resident of North America unless granted an exemption by the board.
- (c) Subject to the Act and the articles, a Fellow shall be entitled to receive notice of, attend and vote at meetings of the members of the Institute. Each Fellow is entitled to one (1) vote.

### **2.04 Honorary Membership**

- (a) Any person on the Board may nominate a person who has made exceptional contributions to the shipping industry to become an Honorary Member (“Honorary Member”).
- (b) An Honorary Member must be a resident of North America unless granted an exemption by the board.

- (c) Subject to the Act and the articles, an Honorary Member shall not be entitled to receive notice of, attend or vote at meetings of the members of the Institute.

## **2.05 Amendments to Membership Structure**

Pursuant to subsection 197(1) (Fundamental Change) 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)

## **2.06 Membership Transferability**

An individual's membership in the Institute is not transferrable under any circumstances.

## **2.07 Notice of Meeting of Members**

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

- (a) By mail, courier or personal delivery to each member entitled to vote at the meeting, during a period of 21 to 60 days before the day on which the meeting is to be held; or
- (b) By telephonic, electronic or other communication facility to each member entitled to vote at the meeting, during a period of 21 to 35 days before the day on which the meeting is to be held.

Pursuant to subsection 197(1)(Fundamental Change) of the Act, a special resolution of the members is required to make any amendment to the by-laws of the Institute to change the manner of giving notice to members entitled to vote at a meeting of members.

## **2.08 Absentee Voting by Mail Ballot**

Pursuant to section 171(1)(Absentee Voting) of the Act, a member entitled to vote at a meeting of members may vote by mailed-in ballot if the Institute 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 Institute without it being possible for the institute 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 Institute to change this method of voting by members not in attendance at a meeting of members.

## **Section 3 – Membership dues, termination, professional conduct and discipline**

### **3.01 Membership Dues**

All members are in good standing except a member who has failed to pay, within one month of when due and payable, their current annual membership fee or any other subscription or debt due

and owing by them to the Institute and they are not in good standing so long as the fee, subscription or debt remains unpaid one month after it has become due and payable.

### **3.02 Termination of Membership**

A membership in the Institute is terminated when:

- (a) the member dies;
- (b) the member fails to maintain any qualifications for membership described in Section 2.02, 2.03 or 2.04 of these by-laws;
- (c) the member resigns by delivering a written resignation to the Chair in which case such resignation shall be effective on the date specified in the resignation;
- (d) the member is expelled in accordance with section 3.03 or 3.05 below or is otherwise terminated in accordance with the articles or by-laws;
- (e) the member's term of membership expires; or
- (f) the Institute is liquidated or dissolved under the Act.

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

### **3.03 Professional Conduct**

All members shall conduct themselves professional at all times. The Board shall have the power to investigate any complaint received in writing regarding alleged professional misconduct of any member and, after interviewing the member concerned, shall duly report its findings to the Institute in London and act as the Institute in London may direct.

Alternatively, the Board may take cognizance of any matter which may be brought before them as affecting the Institute and/or the Institute in London or the conduct of any one of the members as affecting their professional status or the reputation of the Institute and in any such matter shall report its finding thereon to the Institute in London and act as the Institute in London may direct.

### **3.04 Principles of Membership or Principles of Fellowship**

Fellows and Members of the Institute must comply with the principles of membership or principles of fellowship, as applicable. The principles are attached as Schedule "A" to these bylaws.

### **3.05 Discipline of Members**

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

- (a) violating any provisions of the articles, by-laws, or written policies of the Institute;
- (b) carrying out any conduct which may be detrimental to the Institute as determined by the Board in its sole discretion; and
- (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 Institute.

## **Section 4 – Meeting of Members**

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

All members are entitled to be at a meeting of members.

The Board and the public accountant of the Institute and such other persons who are entitled or required under any provision of the Act, articles or by-laws of the Institute are also entitled to be present at the meeting.

### **4.02 Special General Meeting**

Any Special General Meeting shall require not less than 7 days' notice being given to members of the Institute and to anyone entitled to be at a meeting of members under section 4.01. A Special General Meeting of members may be called at any time by the Board and shall be called by the Board upon a requisition in writing of at least 20% of the members of the Institute.

### **4.03 Quorum**

A quorum at any Special General Meeting of the members (unless greater numbers are required to be present by the Act), shall be ten (10) members. If a quorum is present at the opening of a meeting of members, the members present may proceed with the business of the meeting even if a quorum is not present throughout the meeting.

### **4.04 Dissolution of Quorum Not Met**

In the case of a meeting of members convened upon the requisition of members as described in section 4.02, if a quorum be not present within fifteen minutes of the time appointed for holding such meeting, it shall be dissolved.

### **4.05 Chair of the Meeting**

In the event that the Chair 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 members to chair the meeting.

### **4.06 Votes to Govern**

At any Special General 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 question. 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.

## **Section 5 – Annual General Meeting**

### **Section 5.01 Notice of Annual General Meeting**

The Annual General Meeting of the Institute shall be held in Canada within 45 days after the end of the Institute's fiscal year as listed in 1.05 and after 21 days' notice thereof has been given to each member for the purpose of:

- (a) Presentation of the Chair's report, audited Financial Statements, Audit Committee's report and reports of Sub Committee(s) if any;
- (b) Electing a Chair, Vice-Chair, Secretary, Treasurer, Website Administrator, Student Liason and East Coast representative for the ensuring year;
- (c) Appointing an internal audit committee from among the members. The Audit committee shall consist a minimum of two Members, and a maximum of 5 members;
- (d) Discussing any proposed resolution submitted in writing by at least two Members not later than 14 days prior to the Annual General Meeting; and/or
- (e) Dealing with any other business placed on the Agenda.

### **Section 5.02 Quorum for Annual General Meeting**

A quorum at the Annual General Meeting shall be 10% of the Institute's members. Votes can be sent by email for amendment proposals.

### **Section 5.03 Amending By-laws**

These Rules shall not be amended except by a majority of two thirds of those present at the Annual General Meeting or at a Special General Meeting called for the purpose or by email circulation. Any motions for amending of the by-laws must be received by the Secretary 21 days before the meeting and must be signed by the proposer and seconder unless recommended by the Board. Such motion is to be incorporated in the notice convening the meeting. Any amendments to the by-laws of the Institute must receive approval of the Council of the Institute in London.

## **Section 6 – Directors**

### **6.01 First Directors**

Prior to the holding of the first Annual General Meeting, the signatories to these by-laws shall appoint the Board which shall exercise all of the powers of the Board, until the election of the Board to be held at the first Annual General Meeting.

The number of persons on the Board shall be a minimum of seven (7) and a maximum of nine (9), according to the Institute.

### **6.02 Election**

The members will elect the Board at the first meeting of members and at each succeeding annual meeting at which an election of the Board is required, and the Board shall be elected to hold office.

### **6.04 Remuneration for Board**

No person on the Board shall be remunerated for being or acting on the Board, but a person on the Board can be reimbursed for all expenses necessarily and reasonably incurred while engaged in the affairs of the Institute.

### **6.05 Term Limit for the Chair**

The Chair shall serve for a period of two years and may not be re-elected without a break of at least one year, unless by Special Resolution of the members.

## **Section 7 – Board Meeting**

### **7.01 Calling of Meetings**

Board Meetings shall be called on the same day of the month as the AGM in June, September, January and April (“Board Meeting”); provided that, for the first organization meeting following incorporation, such meeting may be called by any person on the Board. At least three such meetings (excluding the Annual General Meeting) shall be held each branch year. If the Institute has only one person on the Board, that person may call and constitute a meeting.

### **7.02 Notice of Meeting**

Notice of the time and place for holding of a meeting of the Board shall be given to every director of the Institute not less than 7 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 Institute in accordance with section 128 or 134 of the Act;
- (b) Mailed by prepaid ordinary mail to the person of the Board’s address as set out in (a);
- (c) By telephonic, electronic or other communication facility at the person on the Board 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 Board is 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 the Board Meeting 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 (“Regular Meetings of the Board”). 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 person 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 in addition to an original vote shall have a second or casting vote.

#### **7.05 Additional Members**

The Board may resolve to invite additional members to assist the Board, but such invitation does not include the right to vote at the Board Meeting or Regular Meetings of the Board.

### **Section 8 – Powers of the Board**

#### **8.01 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. The Chair shall be an ex-officio member of all sub-committees.

#### **8.03 Adopt Resolutions**

The Board may adopt a resolution passed by the majority at any meeting including, but not limited to the Annual General Meeting and the meeting of members.

### **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, 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 Institute or in the case of notice to the person on the Board to the latest address as shown in the last notice that was sent by the Institute in accordance with section 128 or 134 of the Act;
- (b) if mailed to such person at such person's recorded address by prepaid ordinary or air mail;
- (c) if sent to such person by telephonic, electronic or other communication facility at such person's recorded address for that purpose;

(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, person on the Board, 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 person on the Board of the Institute to any notice or other document to be given by the Institute may be written, stamped, type-written or printed or partly written, stamped, type-written or printed.

## **9.02 Omissions and Errors**

The accidental omission to give any notice to any member, person on the Board, member of a committee of the Board or public accountant, or the non-receipt of any notice by any such person where the Institute 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 – Disclosure of Interest by Person on the Board**

### **10.01 Best Interests of the Institute**

Each person on the Board shall act honestly and in good faith and in the best interests of the Institute. A person on the Board shall act solely for the benefit of the Institute and shall avoid conflicts of interest so as not to receive any direct or indirect gain or benefit from their position.

### **10.02 Disclosure of Interest**

A person on the Board who is, in any way, directly or indirectly interested in an existing or proposed contract or transaction with the Institute shall disclose fully and promptly the nature and extent of their interest in such contract or transaction in accordance with the provisions of the Act.

### **10.03 Disclosure of Conflict of Interest**

A person on the Board, who holds any office or possesses any property right or interest that could result, directly or indirectly, in the creation of a duty or interest that might conflict with their duty or interest as a person on the Board, shall disclose fully and promptly the nature and extent of the conflict or potential conflict with their duty and interest as director.

### **10.04 Becoming Director of Other Corporation**

A person on the Board may be or become a director or officer or employee of, or otherwise interested in, any corporation or firm in which the Institute may be interested, and subject to the provisions of the Act, such director shall not be accountable to the Institute for any remuneration or other benefits received as director, officer or employee of, or from their interest in such other corporation or firm, unless the Institute otherwise directs.

## **Section 11 – Banking Transactions**

### **11.01 Borrowing Powers**

Subject to the provisions of the Act, any person on the Board may, without authorization of the members and on behalf of and in the name of the Institute, raise or secure the payment or repayment of money in the manner they decide, in order to meet the operational expenses of the Institute and in furtherance of the objects of the Institute.

### **11.02 Transactions**

The Chair, Vice-Chair, Treasurer and one other appointed person on the Board shall be approved signatories of any cheques or banking transactions issued on behalf of the Institute.

### **11.03 Indemnity**

Any persons on the Board shall be indemnified by the Institute from all losses and expenses incurred by them in or about the discharge of their respective duties except such as happens from their own respective willful default.

## **Section 12 - Miscellaneous**

### **Section 12.01 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.

## **Schedule “A”**

### **Principles of the Institute**

#### **Principles of Membership**

Guided by ‘our word our bond’ members should uphold the following principles of membership.

##### **As a Member I will:**

1. Strive to conduct business with respect, honesty, objectivity and integrity.
2. Respect and obey the Institute bye laws, governance, rules and regulations both literally and implied.
3. Not misrepresent the Institute or any members for personal or professional benefit or for the benefit of a family member, friend or associate
4. Promote the importance of education within our industry
5. Respect the democracy, confidentiality and transparency within the Institute
6. Act within my given authority
7. Act in accordance with all applicable, local, national and international legislation, rules and regulation and use these as minimum standards
8. Co-operate with and contribute to the efforts of the appropriate authorities to combat illegal activities
9. Strive to amicably resolve issues internally within the Institute before seeking an external remedy

#### **Principles of Fellowship**

Guided by ‘our word our bond’ fellows should uphold the following principles of fellowship.

##### **As a Fellow I will:**

1. Strive to conduct business with respect, honesty, objectivity and integrity.
2. Respect and obey the Institute bye laws, governance, rules and regulations both literally and implied.
3. Not misrepresent the Institute or any members for personal or professional benefit or for the benefit of a family member, friend or associate
4. Promote the importance of education within our industry
5. Respect the democracy, confidentiality and transparency within the Institute
6. Act within my given authority

7. Act in accordance with all applicable, local, national and international legislation, rules and regulation and use these as minimum standards
8. Co-operate with and contribute to the efforts of the appropriate authorities to combat illegal activities
9. Strive to amicably resolve issues internally within the Institute before seeking an external remedy
10. Actively participating and contributing to the Institute and its branches
11. Support, champion and mentor students, graduates, associates, and members of the Institute

The reputation of the Institute is the responsibility of all members and fellows.

Any unethical or illegal practices of members should be reported to the Institute. The Institute commits to the confidentiality of any such reporting.