

**THE UNITED CHURCH OF CANADA FOUNDATION/
LA FONDATION DE L'ÉGLISE UNIE DU CANADA**

BY-LAW NUMBER 1

BE IT ENACTED as a by-law of The United Church of Canada Foundation/La Fondation de L'Église Unie du Canada (the "Corporation"), which was incorporated under the Canada Corporations Act (the "Act") or a predecessor thereof, as follows:

PART 1 - CORPORATE SEAL

1.1 **Seal.** The seal, an impression whereof is stamped in the margin hereof, shall be the seal of the Corporation.

PART 2 - CONDITIONS OF MEMBERSHIP

2.1 **Membership.** Membership in the Corporation shall be limited to persons interested in furthering the objects of the Corporation and shall consist of anyone whose application for admission as a member has received the approval of the board of directors of the Corporation and of the General Council of The United Church of Canada, which, in giving their approval, shall consider the advisability of regional representation from across Canada, and shall ensure that a majority of the members of the Corporation are members of The United Church of Canada, and that a majority of the members of the Corporation are not members of the General Council of the United Church of Canada.

2.2 **Dues.** There shall be no membership fees or dues unless otherwise directed by the board of directors.

2.3 **Resignation of Membership.** Any member may withdraw from the Corporation by delivering to the Corporation a written resignation and lodging a copy of the same with the secretary of the Corporation.

2.4 **Termination of Membership.** Any member may be required to resign by a vote of 3/4 of the members voting at an annual or special general meeting, provided that any such member shall be granted an opportunity to be heard at such meeting.

PART 3 - HEAD OFFICE

3.1 **Head Office.** Until changed in accordance with the Act, the head office of the Corporation shall be in the City of Toronto, in the Province of Ontario.

PART 4 - BOARD OF DIRECTORS

4.1 **Number of Directors, Quorum and Qualifications.** The property and business of the Corporation shall be managed by a board of not less than five (5) and not more than nineteen (19) directors of whom one shall be the Moderator of The United Church of Canada or a nominee of the Moderator and one shall be the General Secretary of the General Council of The United Church of Canada or a nominee of the General Secretary. All directors shall be approved by the General Council of The United Church of Canada. A majority of the directors must be members of the United Church of Canada. A majority of the directors must not be members of the General Council of the United Church of Canada. A majority of the number of directors in office at any time shall constitute a quorum. The number of directors shall be determined from time to time by a resolution passed at a meeting of the members of the Corporation. Directors must be individuals who are at least 18 years of age with power under law to contract. Directors must be members of the eCorporation.

4.2 **First Directors.** The applicants for incorporation shall become the first directors of the Corporation whose term of office on the board of directors shall continue until their successors are elected. At the first meeting of members of the corporation, the board of directors then elected shall replace the first directors named in the Letters Patent of the Corporation.

4.3 **Election and Term.** Directors shall be elected for a term of three years by the members at an annual meeting of the members except the Directors who are nominees of the Moderator or General Secretary of the General Council. These Directors shall serve until a replacement is nominated. Notwithstanding the above, the directors elected at the first meeting of members may be elected for terms of one, two or three years.

4.4 **Vacancies.** The office of director shall be automatically vacated:

- (a) if a director shall resign such office by delivering a written resignation to the secretary of the Corporation;
- (b) if the director is found by a court to be of unsound mind;
- (c) if the director becomes bankrupt;

- (d) if at a special general meeting of members a resolution is passed by 2/3 of the votes cast by the members present at the meeting that the director be removed from office;
- (e) on death;

provided that if any vacancy shall occur for any reason contained in this paragraph, and if a quorum of directors remains in office, the board of directors by majority vote, may, by appointment, fill the vacancy with a qualified person.

4.5 **Retiring Director.** A retiring director shall remain in office until the dissolution or adjournment of the meeting at which such retirement is accepted and a successor is elected.

4.6 **Place of Meeting and Notice.** Meetings of the board of directors may be held at any time and place to be determined by the directors provided that 48 hours written notice of such meeting shall be given, other than by mail, to each director. Notice by mail shall be sent at least 14 days prior to the meeting. There shall be at least 1 meeting per year of the board of directors. No error or omission in giving notice of any meeting of the board of directors or any adjourned meeting of the board of directors of the Corporation shall invalidate such meeting or make void any proceedings taken thereat and any director may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. Each director is authorized to exercise 1 vote.

4.7 **Written Resolutions.** If permitted by law and by Industry Canada policy, a resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or committee of directors, is as valid as if it had been passed at a meeting of directors or committee of directors.

4.8 **Meetings by Teleconference.** Directors may hold meetings by teleconference or by other electronic means that permit all persons participating in the meeting to hear each other.

4.8.1 If all the directors of the Corporation consent thereto generally or in respect of a particular meeting, a director may participate in a meeting of the board or of a committee of the board by means of such conference telephone or other electronic communications facilities to which all directors have equal access and as permit all persons participating in the meeting to hear and communicate with each other, and a director participating in such a meeting by such means is deemed to be present at the meeting.

4.8.2 At the commencement of each such meeting the secretary of the meeting will record the names of those persons in attendance in person or by electronic communications facilities and the chair will determine whether quorum is present. The chair of each such

meeting shall determine the method of recording votes thereat, provided that any director present may require all persons present to declare their votes individually. The directors shall take such reasonable precautions as may be necessary to ensure that such communications facilities are secure from unauthorized interception or monitoring.

4.9 **Resolutions.** Resolutions will be passed by a majority of the participating directors by an ~~oral~~ ~~verbal~~ vote recorded by the secretary, unless the Act or these by-laws otherwise provide.

4.10 **Remuneration of Directors.** The directors shall serve as such without remuneration and no director shall directly or indirectly receive any profit from his or her position as such; provided that a director may be paid reasonable expenses incurred by the director in the performance of his or her duties.

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

4.12 **Remuneration of Officers, Agents, Employees and Committee Members.** A reasonable remuneration of all officers, agents and employees and committee members shall be fixed by the board of directors by resolution.

4.13 **Mail Ballots.** Where a notice of meeting states that the members may vote by mail ballot for the election of directors, the form of mail ballot shall be attached to the notice of meeting and the notice shall specify that the mail ballot must be completed, signed by the member and received by the Secretary of the Corporation (at the address specified) at least twenty-four (24) hours before the meeting at which the member wishes to record his or her vote. Any votes received by mail ballot after that time shall not be counted for the purposes of the meeting. The mail ballot shall only be counted provided that the motion on the floor at the meeting is identical to that contained in the mail ballot and all background material available to members at the meeting has been made available in advance to members exercising their vote by mail ballot. A mail ballot cannot replace a director for the purposes of establishing quorum.

PART 5 - INTEREST OF DIRECTORS IN CONTRACTS

- 5.1 (a) **Conflict of Interest.** Any director of the Corporation who:
- (i) is a party to a material contract or proposed material contract with the Corporation, or
 - (ii) is a director or officer of or has a material interest in any body corporate or business firm who is a party to a material contract or proposed material contract with the Corporation,

shall disclose in writing or have entered in the minutes, the nature and extent of such director's interest in such material contract or proposed material contract with the Corporation, provided that if any director does not disclose such information, but the information is made known to the chair, the chair may decide if such director has a conflict of interest.

- (b) The disclosure required by (a) above, shall be made:
 - (i) at the meeting at which a proposed contract is first considered;
 - (ii) if the director was not then interested in a proposed contract, at the first meeting after such director becomes so interested; or
 - (iii) if the director becomes interested after a contract is made, at the first meeting held after the director becomes so interested.
- (c) If a contract or a proposed contract is one that, in the ordinary course of carrying on the Corporation's non-pecuniary purpose or purposes, would not require approval by the directors or members, a director shall disclose in writing the nature and extent of the director's interest at the first meeting held after the director becomes aware of the contract or proposed contract.
- (d) A director referred to in sub-paragraph (a) above is liable to account for any profit made on the contract by the director or by a corporate entity or business firm in which the director has a material interest, unless
 - (i) the director disclosed the director's interest in accordance with sub-paragraphs (b) or (c) above or (f) below;

- (ii) after such disclosure the contract was approved by the directors or members; and
- (iii) the contract was reasonable and fair to the Corporation at the time it was approved.

Provided that a director who has made a declaration of the director's interest in a contract or a proposed contract and has not voted in respect of such contract contrary to the prohibition contained in sub-paragraph (e) below, if such prohibition applies, is not accountable to the Corporation or any of its members or creditors by reason only of such director holding that office or of the fiduciary relationship thereby established, for any profit realized by such contract.

- (e) A director referred to in sub-paragraph (a) above shall not vote on any resolution to approve the contract, unless the contract is an arrangement by way of security for money lent to or obligations undertaken by the director for the benefit of the Corporation.
- (f) For the purposes of this paragraph 5.1, a general notice to the directors by a director declaring that the person is a director or officer of or has a material interest in a body corporate or business firm and is to be regarded as interested in any contract made therewith, is a sufficient declaration of interest in relation to any contract so made.
- (g) A contract is not void by reason only of the failure of a director to comply with the provisions of this paragraph 5.1 but the court may upon the application of the Corporation or a member, set aside a contract in respect of which a director has failed to comply with the provisions of this paragraph 5.1, and the court may make any further order it thinks fit.

PART 6 - PROTECTION OF OFFICERS AND DIRECTORS

6.1 For the Protection of Directors and Officers. Any director or officer of the Corporation shall not be liable for any act, receipt, neglect or default of any other director, officer or employee or for any loss, damage or expense happening to the Corporation through any deficiency of title to any property acquired by the Corporation or for any deficiency of any security upon which any moneys of the Corporation shall be invested or for any loss or damage arising from bankruptcy, insolvency or tortious act of any person including any person with whom any moneys, securities or effects shall be deposited or for any loss, conversion, or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune which may happen in the execution of the duties of such

director's or officer's respective office unless such occurrence is as a result of such director's or officer's own wilful neglect or default.

6.2 **Insurance.** If the directors so authorize, the Corporation may purchase and maintain insurance for a director or officer of the Corporation against any liability incurred by the director or officer, in the capacity as a director or officer of the Corporation, except where the liability relates to the person's failure to act honestly and in good faith with a view to the best interests of the Corporation.

PART 7 - INDEMNITIES TO DIRECTORS AND OTHERS

7.1 **Indemnities to Directors and others.** Every director or officer of the Corporation or other person who has undertaken or is about to undertake any liability on behalf of the Corporation or any company controlled by it and their heirs, executors and administrators, and estate and effects, respectively, shall from time to time and at all times, be indemnified and saved harmless out of the funds of the Corporation, from and against;

- (a) all costs, charges and expenses which such director, officer or other person sustains or incurs in or about any action, suit or proceedings which is brought, commenced or prosecuted against him or her, or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by him or her, in or about the execution of the duties of his or her office or in respect of any such liability; and
- (b) all other costs, charges and expenses which he or she sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his or her own wilful neglect or default.

PART 8 - EXECUTIVE COMMITTEE

8.1 **Executive Committee.** There may be an executive committee composed of five (5) directors who shall be appointed by the board of directors. The executive committee shall exercise such powers as are authorized by the board of directors. Any executive committee member may be removed as such, but not as a director, by a majority vote of the board of directors. Executive committee members shall receive no remuneration for serving as such, but are entitled to reasonable expenses incurred in the exercise of their duty.

8.2 **Meetings of Executive Committee.** Meetings of the executive committee shall be held at any time and place to be determined by the members of such committee provided that 48 hours written notice of such meeting shall be given, other than by mail, to each member of such committee. Notice by mail shall be sent at least five (5) days prior to the meeting. A majority of the members of such

committee shall constitute a quorum. No error or omission in giving notice of any meeting of the executive committee or any adjourned meeting of the executive committee of the Corporation shall invalidate such meeting or make void any proceedings taken thereat and any member of such committee may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat.

PART 9 - POWERS OF DIRECTORS

9.1 **Powers.** The directors of the Corporation may administer the affairs of the Corporation in all things and make or cause to be made for the Corporation, in its name, any kind of contract which the Corporation may lawfully enter into and, save as hereinafter provided, generally, may exercise all such other powers and do all such other acts and things as the Corporation is by its charter or otherwise authorized to exercise and do.

9.2 **Committees.** The board of directors may appoint committees whose members will hold their offices at the will of the board of directors. The members of any committee need not be directors of the Corporation. The board of directors shall determine the duties of such committees. No committee except the executive committee shall have the power to bind the Corporation.

9.3 **Expenditures.** The directors shall have power to authorize expenditures on behalf of the Corporation from time to time and may delegate by resolution to an officer or officers of the Corporation the right to employ and pay salaries to employees on behalf of the Corporation.

9.4 **Fund Raising.** The board of directors shall take such steps as they may deem requisite to enable the Corporation to acquire, accept, solicit or receive legacies, gifts, grants, settlements, bequests, endowments and donations of any kind whatsoever for the purpose of furthering the objects of the Corporation.

PART 10 - OFFICERS

10.1 **Appointment.** The officers of the Corporation, which may include the offices of the chair/president, vice-chair, secretary, treasurer and Executive Director and any such other officers as the board of directors may by by-law determine, shall be appointed by resolution of the board of directors at the first meeting of the board of directors following the annual meeting of members in which the directors are elected. A person may hold more than one office. The chair and the vice-chair shall be directors of the corporation, but the other officers of the corporation need not be directors or members of the corporation. The Executive Director shall not be a director or a member of the Corporation.

10.2 **Term and Removal of Officers.** The officers of the Corporation shall hold office for one year from the date of appointment or election or until their successors are elected or appointed in their stead. Officers shall be subject to removal by resolution of the board of directors at any time.

PART 11 - DUTIES OF OFFICERS

11.1 **Chair/President (“Chair”).** The chair shall preside at all meetings of the board of directors of the Corporation and of the members of the Corporation. The chair shall be a member of the board of directors of the Corporation.

11.2 **Vice-Chair.** In the absence of the chair/president, the vice-chair shall preside at all meetings of the board of directors of the Corporation and of the members of the Corporation. The vice-chair shall be a member of the board of directors of the Corporation.

11.3 **Executive Director.** The Executive Director shall be the chief executive officer of the Corporation, shall have the general and active management of the affairs of the Corporation and shall see that all orders and resolutions of the board of directors are carried into effect.

11.4 **Treasurer.** The treasurer shall have the custody of the funds and securities of the Corporation and shall keep full and accurate accounts of all assets, liabilities, receipts and disbursements of the Corporation in the books belonging to the Corporation and shall deposit, or cause to be deposited, all monies, securities and other valuable effects in the name and to the credit of the Corporation in such chartered bank or trust company, or, in the case of securities, in such registered dealer in securities as may be designated by the board of directors from time to time.

The treasurer shall disburse the funds of the Corporation as may be directed by proper authority, taking proper vouchers for such disbursements, and shall render to the chair and directors at the regular meeting of the board of directors, or whenever they may require it, an accounting of all the transactions

and a statement of the financial position of the Corporation. The treasurer shall also perform such other duties as may from time to time be directed by the board of directors.

11.5 **Secretary.** The secretary ~~may be empowered by the board of directors, upon resolution of the board of directors, to carry on the affairs of the Corporation generally under the supervision of the officers thereof and~~ 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 meetings of the members and of the board of directors and shall perform such other duties as may be prescribed by the board of directors or by the chair, under whose supervision the secretary shall be. The secretary shall be custodian of the seal of the Corporation, which the secretary shall deliver only when authorized by a resolution of the board of directors to do so and to such person or persons as may be named in the resolution.

11.6 **Duties of Officers.** The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the board of directors requires of them.

PART 12 - EXECUTION OF DOCUMENTS

12.1 **Execution of Documents.** Contracts, documents or any instruments in writing requiring the signature of the Corporation, shall be signed by any two officers of the Corporation 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 persons 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 purposes 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 persons appointed by resolution of the board of directors.

PART 13 - MEMBERS MEETINGS

13.1 **Time and Place of Meetings.** Meetings of the members shall be held at least once a year or more often if necessary at the head office of the Corporation or at any place in Canada as the board of directors may determine and on such day as the said directors shall appoint. The members may resolve that a particular meeting of members be held outside Canada.

13.2 **Annual Meetings.** At every annual meeting, in addition to any other business that may be transacted, the report of the directors, the financial statement and the report of the auditors shall be presented and auditors appointed for the

ensuing year. The members may consider and transact any business either special or general at any meeting of the members. The board of directors or the chair shall have power to call, at any time, a general meeting of the members of the Corporation. The board of directors shall call a special general meeting of members on written requisition of at least twenty-five percent (25%) of the members of the Corporation. ~~carrying not less than twenty-five percent (25%) of the voting rights.~~ A majority of the members will constitute a quorum at any meeting of members. Such majority shall be either present in person or represented by proxy at such meeting.

13.3 Written Resolutions. If permitted by law and by Industry Canada policy, a resolution in writing, signed by all the members entitled to vote on that resolution at a meeting of members, is as valid as if it had been passed at a meeting of members and such written resolution will satisfy all requirements relating to meetings of members.

13.4 Means of Meetings. Members may hold meetings by teleconference or by other electronic means that permit all persons participating in the meeting to hear each other and communicate adequately.

13.4.1 If all the members of the Corporation consent thereto generally or in respect of a particular meeting, a member may participate in a meeting of the members by means of such conference telephone or other electronic communications to which all members have equal access and as permit all persons participating in the meeting to hear and communicate with each other, and a member participating in such a meeting by such means is deemed to be present at the meeting.

13.4.2 At the commencement of each such meeting the secretary of the meeting will record the names of those persons in attendance in person or by electronic communications facilities and the chair will determine whether a quorum is present. The chair of each such meeting shall determine the method of recording votes thereat, provided that any member present may require all persons present to declare their votes individually. The chair of such meetings shall be satisfied that members have taken such reasonable precautions as may be necessary to ensure that such communications facilities are secure from unauthorized interception or monitoring.

13.5 Resolutions. Resolutions will be passed by a majority of the participating members by a verbal vote recorded by the secretary, unless the Act or these by-laws otherwise provide.

13.6 Notice. 14 days' written notice shall be given to each voting member of any meeting of members. Notice of any meeting where special business will be transacted should contain sufficient information to permit the member to form a

reasoned judgement on the decision to be taken. Notice of each meeting of members must state that the member has the right to vote by proxy.

13.7 Voting of Members and Proxies. Each voting member present at a meeting shall have the right to exercise one vote. A member may, by means of a written proxy in the form attached to these By-laws, appoint a proxyholder to attend and act at a specific meeting of members, in the manner and to the extent authorized by the proxy. A proxyholder must be a member of the Corporation.

13.8 Errors or Omissions in Giving Notice. No error or omission in giving notice of any meeting or any adjourned meeting, whether annual or general, of the members of the Corporation shall invalidate such meeting or make void any proceedings taken thereat and any member may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. For purpose of sending notice to any member, director or officer for any meeting or otherwise, the address of the member, director or officer shall be that person's last address recorded on the books of the Corporation.

PART 14 - MINUTES OF BOARD OF DIRECTORS
AND EXECUTIVE COMMITTEE MEETINGS AND ANNUAL REPORT

14.1 Minutes of Board of Directors Meetings. The minutes of the board of directors meetings and the minutes of meetings of the Executive Committee of the board of directors shall be available to the general membership of the Corporation and shall be available to the board of directors, each of which directors shall receive a copy of such minutes.

14.2 Annual Report, etc. Immediately following each annual meeting of the members of the Corporation, the Executive Director of the Corporation shall submit to the General Council of The United Church of Canada a report, an audited statement, and a list of the current directors of the Corporation for information.

PART 15 - VOTING OF MEMBERS

15.1 **Voting of Members.** At all meetings of members of the Corporation, every question shall be determined by a majority of votes cast unless otherwise specifically provided by statute or by these by-laws.

PART 16 - FINANCIAL YEAR

16.1 **Financial Year.** Unless otherwise ordered by the board of directors, the fiscal year-end of the Corporation shall be the last day of December in each year.

PART 17 - AMENDMENT OF BY-LAWS

17.1 **Amendment of By-laws.** The provisions of the by-laws of the Corporation not embodied in the letters patent may be repealed or amended by by-law enacted by a majority of the directors at a meeting of the board of directors and sanctioned by at least 2/3 of the members voting at a meeting 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 Canada has been obtained, and provided further that Parts 2.1, 4.1, 4.10, 14.2, 17.1, 21.1, 21.2, 21.3, and 21.4 of these By-laws may be changed or modified only with the prior written approval of the General Council of The United Church of Canada.

PART 18 - AUDITOR

18.1 **Auditor.** The members shall at each annual meeting appoint an auditor to audit the accounts of the Corporation for report to the members at the next annual meeting. The auditor shall hold office until the next annual meeting, provided that the directors may fill any casual vacancy in the office of auditor. The remuneration of the auditor shall be fixed by the board of directors.

PART 19 - BOOKS AND RECORDS

19.1 **Books and Records.** The directors shall ensure 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.

PART 20 - RULES AND REGULATIONS

20.1 **Rules and Regulations.** 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.

PART 21 – FINANCIAL AND OTHER MATTERS

21.1 No appeal or solicitation for funds shall be undertaken on behalf of the Corporation without the prior written consent of the General Council of The United Church of Canada.

21.2 At no time shall the total indebtedness of the Corporation, except for indebtedness on the security of real or personal property, exceed the amount of one hundred thousand dollars (\$100,000.00).

21.3 The Corporation shall not effect any sale, transfer, leasing for a term of, or exceeding, five (5) years (including all rights of renewal), mortgaging or acquisition of any real property or personal property having a value in excess of twenty five thousand dollars (\$25,000.00) without the prior written consent of the General Council of The United Church of Canada. Any lease for a term of less than five (5) years (including all rights of renewal) may be made without such consent of the General Council.

21.4 The Corporation shall keep in force insurance covering fire, comprehensive liability and such other insurable items in such amounts as the General Council of the United Church of Canada may require.

PART 22 - INTERPRETATION

22.1 **Interpretation.** In these by-laws and in all other by-laws of the Corporation hereafter passed, unless the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and references to persons shall include firms and corporations.