

BY-LAW NO. 1

A by-law relating generally to
the transaction of the business
and affairs of
SOMBRILLA INTERNATIONAL DEVELOPMENT SOCIETY

(Corporate Registry – October 9, 1987)

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A BY-LAW RELATING GENERALLY TO THE TRANSACTION OF THE BUSINESS AND AFFAIRS
OF THE SOMBRILLA INTERNATIONAL DEVELOPMENT SOCIETY.

Updated: March 2018

ARTICLE I

DEFINITIONS AND INTERPRETATION

In these By-Laws, unless the context requires a different meaning:

- (a) "Act" shall mean the Societies Act, R.S.A. 1980, c. S-18, as amended, and any statute that may be substituted therefor;
- (b) "Board" shall mean the Board of Directors;
- (c) "Board of Directors" shall mean the Board of Directors of the Society;
- (d) "By-laws" shall mean the By-laws of the Society as amended from time to time;
- (e) "Director" shall mean any person occupying the position of director by whatever name called;
- (f) "Member" shall mean a member of the Society unless the context requires otherwise;
- (g) "Member of the Board" shall mean a person who has been duly elected or appointed to the Board of Directors;
- (h) "Membership Fee" shall mean the annual and other fees payable by each Member;
- (i) "Registered Office" shall mean the office for the Society and be at such place within the Province of Alberta as the Board of Directors determines from time to time;
- (j) "Society" shall mean the SOMBRILLA INTERNATIONAL DEVELOPMENT SOCIETY; and
- (k) "Special Resolution" shall mean:
 - (i) a resolution passed;
 - a) at a general meeting of which not less than twenty-one (21) days' notice specifying the intention to propose the resolution has been duly given;
 - b) by the vote of not less than 75% of those members who are entitled to vote in person at a general meeting of Members.
 - (ii) a resolution proposed and passed as a special resolution of which less than twenty-one (21) days' notice has been given, if all the members entitled to attend and vote at the general meeting so agree, or
 - (iii) a resolution consented to in writing by all the members who would have been entitled at a general meeting to vote on the resolution in person.

ARTICLE II

INTERPRETATION

2.01 In all By-laws of the Society the singular shall include the plural and the plural, the singular; the masculine shall include the feminine and "person" shall include firms, partnerships, corporations and societies. Wherever reference is made to any statute or section of any statute such reference shall be deemed to extend and apply to any amendment to the statute or section of the statute as the case may be.

2.02 Headings

The captions or section numbers appearing in these By-laws are inserted only as a matter of convenience and in no way define, limit or describe the scope or intent of these By-laws.

2.03 Notice

Unless stated otherwise in these By-laws any notice to be given under the provisions of these By-laws shall be in writing and either delivered personally, emailed or sent by mail to the last address recorded on the records of the Society of the party to be notified.

2.04 Any notice shall:

- (a) If delivered or emailed, be deemed to have been given or received on the day it was so delivered or emailed;
- (b) If mailed, shall be deemed to have been given or received on the third day following the day on which it was mailed; and
- (c) If mailed at a time when there is an interruption of mail service or an anticipated interruption of mail service affecting the delivery of such mail, shall be deemed to have been given or received on the fifth business day after the date normal postal service is restored.

ARTICLE III MEMBERS OF THE SOCIETY

3.01 The Members of the Society shall be the subscribers to the application and By-laws and such other persons as are from time to time admitted as Members of the Society.

3.02 Any person residing in Canada, and being of the full age of 16 years may become a Member upon payment of the Membership Fee, if any.

3.03 Membership Fees

- (a) The Membership Fees shall be prescribed from time to time by the Members at a general meeting;
- (b) The Board shall fix the due date for the payment of any Membership Fee; and

- (c) The Board may accept a lump sum payment, payment in kind or payment by services in lieu of the payment by a Member of that Member's Membership Fees.

3.04 Categories and Rights of Members

- (a) The Society shall consist of its Members and the Board shall establish such categories or Members of the Society as it deems fit from time to time;
- (b) The Board may discontinue one or more categories of Members from time to time provided that the status of existing Members in that category is not thereby in effect until the next annual general meeting of the Society;
- (c) A Member shall be deemed to be in good standing when not in arrears of the payment of any fees or other sums due from time to time to the Society;
- (d) A Member shall be entitled to notice of and to attend at all general meetings of the Society and shall be entitled to one vote at all such meetings; and
- (e) The Board may provide for any firm or corporation to be a Member of the Society.

3.05 Withdrawal and Expulsion of Members

- (a) A Member may withdraw from membership by a notice in writing to the Board addressed to the Secretary;
- (b) If a Member is in arrears for fees such Member shall be deemed to have withdrawn from membership within three (3) months of the date such fees were due; and
- (c) A Member may be expelled from membership by a Special Resolution for any reason.

ARTICLE IV MEETINGS OF THE SOCIETY

4.01 The Annual General Meeting

- (a) An annual general meeting of the Society shall be held no later than six (6) months from the end of each fiscal year in the city of Edmonton, in the Province of Alberta on a day to be fixed by the Board;
- (b) At least fourteen (14) days prior to the annual general meeting the Secretary shall give each Member notice of the date, time and place of the annual general meeting;
- (c) At the annual general meeting the Members shall consider the report of the President, review an annual financial statement setting out the Society's income, disbursements, assets and liabilities, appoint auditors or accountants, elect officers and the Board, and transact such other business as may be put before the meeting;

- (d) The lesser of a majority or ten (10) of the Members personally present shall constitute a quorum for the annual general meeting of the Society;
- (e) Unless any Member demands a ballot vote, all voting at the annual general meeting shall be done by a show of hands, each Member in good standing, including the president, being entitled to one (1) vote. In case of an equality of votes, the President shall not have a second or casting vote and the resolution will be deemed to have been defeated; and
- (f) With the exception of those matters requiring a Special Resolution each issue and resolution to be decided at an annual general meeting shall be decided by a majority of the votes of the Members present in person.

4.02 Special Meetings of the Society

- (a) Special general meetings of the Society shall be called at the direction of the President or Secretary upon the request in writing of ten (10) of the Members in good standing, stating the reasons for calling the special general meeting which shall be mailed to the last known address of each Member at least fourteen (14) days prior to the meeting;
- (b) At least fourteen (14) days prior to the special general meeting, the Secretary shall give to each Member notice of the date, place and time of the special general meeting; and
- (c) The method of voting and the quorum required for any special general meeting shall be the same as for the annual general meeting.

ARTICLE V THE GOVERNMENT OF THE SOCIETY

5.01 The Board of Directors

- (a) Subject to the By-laws and any directions given by a majority vote at any meeting of the members properly called and constituted the affairs of the Society shall be managed by the Board consisting of not less than three (3) nor more than twelve (12) persons each of whom at the time of the election of such member of the Board and throughout the term of office of such Member of the Board shall be a Member in good standing of the Society;
- (b) No Member may be elected or serve on the Board whose business, profession or occupation may directly or indirectly benefit from such position and shall, where evidence indicates a conflict, resign from the Board;
- (c) Each Member of the Board shall be elected to hold office for a one (1) year term;
- (d) The number of Members to constitute the Board shall be determined at the first meeting of the Members of the Society and thereafter by Special Resolution of the Society from time to time;

- (e) The Board, at any meeting following the annual general meeting of the Society, may appoint not more than two (2) Members to the Board in the event that at the annual general meeting of the Society there are an insufficient number of Members elected to the Board;
- (f) In the event of the withdrawal or expulsion of any Member of the Board resulting in a vacancy on the Board, the remaining Members of the Board may appoint some other Member in good standing in the Society to fill that vacancy until the next annual general meeting of the Society;
- (g) A Member of the Board shall be deemed to have withdrawn his or her membership of the Board if he or she is absent from three (3) consecutive meetings of the Board without reasonable excuse delivered to the Secretary of the Society ~~in writing~~;
- (h) Any Member of the Board shall be eligible for re-election to the Board;
- (i) Meetings of the Board shall be held as often as required, but at least once every three months;
- (j) Meetings of the Board shall be called by the President or by any two (2) Members of the Board;
- (k) Unless waived by all of the Members of the Board, the Secretary shall give each Member of the Board notice of the date, place and time of the meeting of the Board, and for the purposes of this section 5.01, such notice may be in writing, in accordance with section 2.03 of these By-Laws or may be given verbally in person or by telephone communication, provided such notice of the date, place and time of the meeting of the Board is given directly to the Member of the Board to be notified;
- (l) A majority of the elected Members of the Board, personally present, shall constitute a quorum at any meeting of the Board;
- (m) Each Member of the Board including the President shall have one (1) vote. In the case of an equality of votes, the President shall not have a second or casting vote and the resolution will be deemed to have been defeated.

5.02 Duties of the Board

Except as provided in the Act and otherwise in these By-laws, the powers of the Society shall be exercised by the Board and the duties of the Board shall include but shall not be limited to the following:

- (a) To facilitate and promote the objects of the Society;
- (b) To create and define categories of Members and, if the Board so resolves, to promote membership in the Society;

- (c) To engage, hire and discharge any employees, including administrative employees, in respect to the operations of the Society;
- (d) To maintain and properly protect the assets and property of the Society;
- (e) To pay all expenses of and incidental to the operation and management of the Society;
- (f) To remunerate or indemnify any person for services rendered or liabilities incurred in connection with the affairs of the Society;
- (g) To invest and deal with the monies of the Society not immediately required in such securities and in such manner as from time to time may be determined by the Board;
- (h) To finance the operations of the Society and to borrow, raise or secure the payment of money in such manner as the Board may, from time to time think fit;
- (i) To maintain all accounting and financial records of the Society;
- (j) To appoint legal counsel from time to time;
- (k) To make rules and regulations for the operation of the Society and the use of its facilities and assets; and
- (l) Without in any way abrogating or limiting the general responsibility of the Board, to delegate its powers and duties to any employee engaged as a manager of the Society.

5.03 Board Committees

- (a) The Board may appoint committees to advise the Board from time to time in respect to the various duties and responsibilities of the Board;
- (b) Each committee created by the Board shall be headed by one of its Members appointed by the President to be the Chairman of that committee;
- (c) Each committee created by the Board shall meet at the call of the Chairman, record minutes of its proceedings, distribute such minutes to the Members of the committee and to the Chairman of all other committees and furnish reports at the request of the President prior to each Board meeting. Unless waived by all of the Members of the committee, not less than two (2) days prior notice of the date, place and time a committee meeting shall be given to each Member of the committee and for the purposes of this section 5.03, such notice may be in writing in accordance with section 2.03 of these By-Laws or may be given verbally in person or by telephone communication, provided that such notice of the date, place and time of the committee meeting is given directly to the Member of the committee to be notified;

- (d) A majority of the Members of any committee personally present at a meeting shall constitute a quorum; and
- (e) Each Member of a committee including the Chairman shall have one (1) vote at meetings of the committee but in case of an equality of votes, there shall be no casting vote and the resolution will be deemed to have been defeated.

5.04 Officers

- (a) The officers of the Society shall be a President, a Secretary, a Treasurer and such other officers as the Members may determine from time to time at an annual general meeting;
- (b) The officers shall be elected from among the Members of the Board;
- (c) The President shall exercise supervision of the affairs of the Society, preside at all meetings of the Society and of the Board and make recommendations and report to the Board and to the annual general meeting and act as an ex officio Member of all committees;
- (d) If the Members of a Society have determined that there shall be a Vice-President then the Vice-President shall act in the place of the President whenever the President is unable to perform any of the President's duties. If the Members of the Society have not determined that there shall be a Vice-President, the Secretary shall act in the place of the President whenever the President is unable to perform any of the President's duties;
- (e) The Secretary shall cause minutes of the meetings of the Society to be made and kept, cause notices of meetings of the Society and of the Board to be mailed or delivered; and unless otherwise directed by the Board, have charge of the seal of the Society;
- (f) In the absence of the Secretary the Secretary's duties shall be discharged by such officer as may be appointed by the Board;
- (g) The Treasurer shall cause the financial records of the Society to be kept in a proper manner and present a full detailed account of the Society's financial position to the Board and the annual general meeting of the Society or whenever requested to do so by the President;
- (h) The officers of the Society shall be elected for a term of one (1) year or until the next annual general meeting whichever first occurs;
- (i) Any vacancy arising in any office shall, except as otherwise provided herein, be filled by the appointment by the Board of another Member of the Board who shall hold such office until the next annual general meeting of the Society; and
- (j) The officers of the Society shall serve without remuneration but shall be reimbursed for expenses authorized by the Board and incurred in respect to the business of the Society;

ARTICLE VI BORROWING POWERS

6.01 For the purpose of carrying out the objects of the Society, the Society may borrow, raise or secure the payment of money in such manner as the Board thinks fit and in particular by the issue of debentures, provided however, that such debentures shall not be issued without the approval by a Special Resolution of the Members of the Society.

ARTICLE VII ACCOUNTS

7.01 The books, accounts, and records of the Secretary and Treasurer shall be audited at least once each year by a duly qualified auditor or accountant or by two members of the society elected for that purpose at the Annual General Meeting.

7.02 The Board may fill any casual vacancy in the office of the auditor or accountant but while such vacancy continues, the surviving or continuing auditor or accountant, if any, may act.

7.03 The remuneration of the auditors or accountants of the Society shall be fixed by Resolution of the Members, or if the Members so resolve, by the Board.

ARTICLE VIII MINUTES OF PROCEEDINGS

9.01 The Secretary shall maintain and have charge of a copy of the Minute Books, the original Minute Books being maintained at the Registered Offices of the Society and shall record in the copy and cause to be recorded in the original, minutes of all proceedings of all meetings of the Members and of the Board.

9.02 The Board shall see that all necessary books and records of the Society required by the By-laws of the Society or by any applicable statute or law are regularly and properly kept and filed.

ARTICLE IX INSPECTION OF BOOKS AND RECORDS

10.01 The books and records of the Society may be inspected by Members at the records office of the Society during such times as that office is normally open.

ARTICLE X RESOLUTIONS IN WRITING

11.01 A resolution in writing signed by all Directors or Members entitled to vote on that resolution at a general meeting of the Board or meeting of the Members, as the case may be, is as valid as if it had been passed at a meeting of the Board or meeting of the Members, and shall be effective as of the date stated therein.

ARTICLE XI INDEMNITY

12.01 Each Member of the Board, officer and employee shall be indemnified by the Society against any and all liability and reasonable expenses in connection with or resulting from any claim, action, suit or proceeding in which he or she may become involved as a party or otherwise by reason of his or

