**BY-LAW REGARDING BUSINESS AND AFFAIRS**

This By-Law Regarding Business and Affairs is effective [DATE], by:

**[COMPANY NAME]** (the "Company"), a company organised and existing under the laws of the [STATE/PROVINCE] of [COUNTRY], with its head office located at:

[FULL ADDRESS]

1. **INTERPRETATION**
   1. **Definitions**

In this by-law:

“Act” means the Business Companies Act ([STATE/PROVINCE]) and the regulations enacted pursuant to it and any statute and regulations that may be substituted for them, as amended from time to time;

“Articles” means the articles, as that term is defined in the Act, of the Company;

“Auditor” means the auditor of the Company;

“Board” means the board of directors of the Company;

“By-law” means a by-law of the Company;

“Company” means the company continued under the Act by certificate and Articles of Continuance, dated [DATE], under the name [INDIVIDUAL NAME] & [COMPANY NAME]/ [INDIVIDUAL NAME] & [COMPANY NAME];

“Director” means a director of the Company;

“Officer” means an officer of the Company, and reference to any specific officer is to the person holding that office of the Company;

“Person” means an individual, body corporate, partnership, joint venture, trust, unincorporated organisation, association, the Crown or any agency or instrumentality thereof, or any entity recognised by [YOUR COUNTRY LAW];

“Proxyholder” means a person holding a valid proxy for a shareholder;

“Resident [COUNTRY]” has the meaning ascribed to that phrase in the Act;

“Shareholder” means a shareholder of the Company; and

“Voting person” means, *in re*spect of a meeting of shareholders, an individual who is either a shareholder entitled to vote at that meeting, a duly authorised representative of a shareholder entitled to vote at the meeting or a proxy-holder entitled to vote at the meeting.

* 1. **Number, Gender and Headings**

In this by-law, words in the singular include the plural and vice-versa and words in one gender include all genders. The insertion of headings in this by-law and its division into articles, sections and other subdivisions are for convenience of reference only, and shall not affect the interpretation of this by-law.

* 1. **By-Law Subordinate to Other Documents**

This by-law is subordinate to, and should be read in conjunction with, the Act, the articles and any unanimous shareholder agreement of the Company.

* 1. **Computation of Time**

The computation of time and any period of days shall be determined in accordance with the Act.

1. **DIRECTORS**

**2.1 Notice of Meeting**

Any director or the president may call a meeting of the board by giving notice stating the time and place of the meeting to each of the directors other than the director giving that notice. Notices sent by delivery or electronic means shall be sent no less than [NUMBER] hours before the time of the meeting. Notices sent by mail shall be sent no less than [NUMBER] days before the day of the meeting.

The board may appoint, by resolution, dates, time and places for meetings of the board. A copy of any such resolution shall be sent to each director forthwith after being passed, but no other notice is required for any such meeting.

* 1. **Meetings Without Notice**

A meeting of the board may be held without notice immediately following the first or any annual meeting of shareholders.

* 1. **Place of Meeting**

A meeting of the board may be held at any place within or outside [LOCATION], and no such meeting need be held at a place within [COUNTRY].

**2.4 No Notice to Newly Appointed Director**

A person need not be given notice of the meeting at which that person is appointed by the other directors to fill a vacancy on the board if present at that meeting.

* 1. **Quorum for Directors’ Meetings**

If there are [NUMBER] or [NUMBER] directors, all of the directors constitute *a quo*rum at a meeting of the board. If there are [NUMBER], [NUMBER] or [NUMBER] directors, a majority of the directors constitute *a quo*rum at a meeting of the board. Otherwise, such *a quo*rum consists of the next whole number larger than [NUMBER] of the number of directors. In this section, the “number of directors” is either:

* + 1. the number of directors specified in the articles; or
    2. if a minimum and maximum number of directors is provided for in the articles, the number determined from time to time by special resolution or, if the special resolution empowers the directors to determine the number, by resolution of the directors, or if no such resolution has been passed, the number of directors named in the articles.

**2.6 Chairman of Directors’ Meetings**

The chairman of a meeting of the board must be a director present at the meeting who consents to preside as chairman. The first-mentioned of the chairman of the board, the managing director or the president who so qualifies shall preside as chairman of the meeting. If none of them is so qualified, the directors present at the meeting shall choose a director to preside as chairman of the meeting.

**2.7 Votes at Directors’ Meetings**

Each director present at a meeting of the board shall have [NUMBER] vote on each motion arising. Motions arising at meetings of the board shall be decided by a majority vote. The chairman of the meeting shall not have a second or casting vote.

* 1. **When Directors Cease to Hold Office**

A director ceases to hold office when the Act or the articles so provide, or when that director ceases to be a resident of [COUNTRY], if as a result the majority of directors on the board would not be resident [COUNTRY].

1. **OFFICERS**

Each officer shall hold office during the pleasure of the board. Any officer may, however, resign at any time by giving notice to the Corporation.

1. **MEETINGS OF SHAREHOLDERS**
   1. **Notice of Shareholders’ Meetings**

The board may call a meeting of shareholders by causing notice of the time and place of the meeting to be sent to each shareholder entitled to vote at the meeting, each director and the auditor. Such notice shall be sent no less than [NUMBER] days and no more than [NUMBER] days before the meeting, if the Company is an offering company (as defined in the Act), or no less than [NUMBER] days and no more than [NUMBER] days before the meeting, if the Company is not an offering company.

* 1. **Quorum at Meetings of Shareholders**

If the Company has only [NUMBER] shareholder entitled to vote at a meeting of shareholders, that shareholder constitutes *a quo*rum. Otherwise, any [NUMBER] voting persons present shall constitute *a quo*rum, but only to appoint a chairman and adjourn the meeting. For all other purposes, *a quo*rum consists of at least [NUMBER] voting persons present and authorised to cast in the aggregate not less than [PERCENTAGE %] of the total number of votes attaching to all shares carrying the right to vote at that meeting.

* 1. **Chairman’s Vote**

The chairman of any meeting of shareholders shall not have a second or casting vote.

* 1. **Voting**

Unless the chairman of a meeting of shareholders directs a ballot, or a voting person demands one, each motion shall be voted upon by a show of hands. Each voting person has [NUMBER] vote in a vote by show of hands. A ballot may be directed or demanded either before or after a vote by show of hands. If a ballot is taken, a prior vote by show of hands has no effect.

* 1. **Scrutineers**

The chairman of a meeting of shareholders may appoint for that meeting [NUMBER] or more scrutineers, who need not be voting persons.

* 1. **Who May Attend Shareholders’ Meeting**

The only persons entitled to attend a meeting of shareholders are voting persons, the president, the directors, the auditor and others permitted by the chairman of the meeting.

1. **SECURITY CERTIFICATES**

Security certificates shall be in such form as the board may approve or the Company adopt. The president or the board may order the cancellation of any security certificate that has become defaced and the issuance of a replacement certificate for it when the defaced certificate is delivered to the Company or to a transfer agent or branch transfer agent of the Company.

1. **PAYMENTS**
   1. **Cheques**

Any amount payable in cash to shareholders (including dividends payable in cash) may be paid by cheques drawn on any of the Company’s bankers to the order of each registered holder of shares of the class or series *in re*spect of which such amount is to be paid. Cheques may be sent by delivery or first class mail to such registered holder at that holder’s address appearing on the register of shareholders unless that holder otherwise directs in writing. By sending a cheque, as provided in this by-law, in the amount of the dividend less any tax that the Company is required to withhold, the Company discharges its liability to pay the amount of that dividend, unless the cheque is not paid on due presentation.

* 1. **Cheques to Joint Holders**

Cheques payable to joint holders shall be made payable to the order of all such joint holders unless such joint holders direct otherwise. Such cheques may be sent to the holders at the address appearing on the register of shareholders *in re*spect of that joint holding, to the first address so appearing if there is more than one, or to such other address as those joint holders direct in writing.

* 1. **Non-Receipt of Cheques**

The Company shall issue a replacement cheque in the same amount to any person who does not receive a cheque sent as provided in this by-law, if that person has satisfied the conditions regarding indemnity, evidence of non-receipt and title set by the board from time to time, either generally or for that particular case.

* 1. **Currency of Dividends**

Dividends or other distributions payable in cash may be paid to some shareholders in [COUNTRY] currency and to other shareholders in equivalent amounts of currency or currencies other than [COUNTRY] currency. The board may declare dividends or other distributions in any currency or in alternative currencies and make such provisions, as it deems advisable for the payment of such dividends or other distributions.

1. **EXECUTION OF DOCUMENTS**
   1. **Signatories**

The following are the only persons authorised to sign any document on behalf of the Company, other than in the usual and ordinary course of the Company’s business:

* + 1. any person appointed by resolution of the board to sign a specific document, that type of document or generally on behalf of the Company or
    2. any director or any officer appointed to office by the board.
    3. Any document so signed may, but need not, have the company seal applied, if there is one.
  1. **Facsimile Signatures**

The signature of any person authorised to sign on behalf of the Company may, if specifically authorised by resolution of the board, be written, printed, stamped, engraved, lithographed or otherwise mechanically reproduced. Anything so signed shall be as valid as if it had been signed manually, even if that person has ceased to hold office when anything so signed is issued or delivered, until revoked by resolution of the board.

1. **INFORMATION PROVIDED TO SHAREHOLDERS**

Except as required by the Act or authorised by the board, no shareholder is entitled by virtue of being a shareholder to disclosure of any information or records respecting the Company or its business.

1. **PROTECTION AND INDEMNITY**
   1. **Transactions with the Company**

No director or officer shall be disqualified, by virtue of being a director, or by holding any other office of, or place of profit under, the Company or any body corporate in which the Company is a shareholder or is otherwise interested, from entering into, or from being concerned or interested in any manner in, any contract, transaction or arrangement made, or proposed to be made, with the Company or any body corporate in which the Company is interested and no such contract, transaction or arrangement shall be void or voidable for any such reason. No director or officer shall be liable to account to the Company for any profit arising from any such office or place of profit or realised *in re*spect of any such contract, transaction or arrangement. Except as required by the Act, no director or officer must make any declaration or disclosure of interest or, in the case of a director, refrain from voting *in re*spect of any such contract, transaction or arrangement.

* 1. **Limitation of Liability**

Subject to the Act, no director or officer shall be liable for:

* + 1. the acts, receipts, neglects or defaults of any other person;
    2. joining in any receipt or act for conformity;
    3. any loss, damage or expense to the Company arising from the insufficiency or deficiency of title to any property acquired by or on behalf of the Company;
    4. the insufficiency or deficiency of any security in or upon which any monies of the Company are invested;
    5. any loss, damage or expense arising from the bankruptcy, insolvency, act or omission of any person with whom any monies, securities or other property of the Company are lodged or deposited;
    6. any loss, damage or expense occasioned by any error of judgement  or oversight;
    7. any other loss, damage or expense related to the performance or non-performance of the duties of that person’s office.

**9.3 Contracts on Behalf of the Company**

Subject to the Act, any contract entered into, or action is taken or omitted, by or on behalf of the Company shall, if duly approved by a resolution of the shareholders, be deemed for all purposes to have had the prior authorisation of the shareholders.

* 1. **Indemnity of Directors and Officers**

As required or permitted by the Act, the Company shall indemnify each Indemnified Person against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, that that Indemnified Person reasonably incurs *in re*spect of any civil, criminal or administrative action or proceeding to which that Indemnified Person is made a party by reason of being or having been a director or officer of the Company or of a body corporate of which the Company is or was a shareholder or creditor if:

* + 1. that Indemnified Person acted honestly and in good faith with a view to the best interests of the Company; and
    2. in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, that Indemnified Person had reasonable grounds for believing that the conduct was lawful.
    3. “Indemnified Person” means
       1. each director and former director of the Company,
       2. each officer and former officer of the Company,

9.4.3.3 each person who acts or acted at the Company’s request as a director or officer of a body corporate of which the Company is or was a shareholder or creditor, and

* + - 1. the respective heirs and legal representatives of each of the persons designated in paragraphs 9.4.1 through 9.4.3.
  1. **Indemnities Not Limiting**

The provisions of this Article [NUMBER] shall be in addition to and not in substitution for any rights, immunities and protections to which an Indemnified Person is otherwise entitled.

1. **NOTICES**
   1. **Procedure for Sending Notices**

Notice shall be deemed to have been sufficiently sent if sent in writing to the address of the addressee on the books of the Company and delivered in person, sent by prepaid first-class mail or sent by any electronic means of sending messages, including telex or facsimile transmission, which produces a paper record. The notice shall not be sent by mail if there is any general interruption of postal services in the municipality in which or to which it is mailed. Each notice so sent shall be deemed to have been received on the day it was delivered or sent by electronic means or on the fifth day after it was mailed.

* 1. **Notices to Successors in Title**

Notice to a shareholder is sufficient notice to each successor in title to that shareholder until the name and address of that successor have been entered on the Company’s share register.

* 1. **Notice to Joint Shareholders**

Notice to one joint shareholder is sufficient notice to all of them. Such notice shall be addressed to all such joint holders and sent to the address for them on the Company’s register of shareholders or to the first such address if there is more than one.

* 1. **Facsimile Signatures on Notices**

The signature on any notice or other communication or document to be sent by the Company may be written, printed, stamped, engraved, lithographed or otherwise mechanically reproduced.

* 1. **Omission of Notice does not Invalidate Actions**

All actions taken at a meeting *in re*spect of which a notice has been sent shall be valid even if:

* + 1. by accident, notice was not sent to any person,
    2. notice was not received by any person, or
    3. there was an error in a notice that did not affect the substance of that notice.
  1. **Waiver of Notice**

Any person entitled to notice under the Act, the articles or the by-laws may waive that notice. Waiver, either before or after the event referred to in the notice, shall cure any default in sending that notice.

1. **REPEAL OF FORMER BY-LAWS**
   1. **Former By-Laws May Be Repealed**

The directors may repeal one or more by-laws by passing a by-law that contains provisions to that effect.

* 1. **Repeal of By-Laws**

By-laws [NUMBER] to [NUMBER] of the Company, being the General By-Laws adopted prior to the continuance of the Company under the Act, are repealed.

**11.3 Effect of Repeal of By-Laws**

The repeal of any by-law in whole or part shall not in any way affect the validity of any act done or right, privilege, obligation or liability acquired or incurred thereunder prior to such repeal. All directors, officers and other persons acting under any by-law repealed in whole or part shall continue to act as if elected or appointed under the provisions of this by-law.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

PRESIDENT VICE PRESIDENT

Authorised Signature Authorised Signature

Print Name and Title Print Name and Title

SECRETARY TREASURER

Authorised Signature Authorised Signature

Print Name and Title Print Name and Title