

THE FRIENDS OF THE MARKHAM MUSEUM

BY-LAW NO. 1

A By-law relating generally to the conduct of the affairs of the Corporation.

1. INTERPRETATION

1.1 DEFINITIONS

In this By-law, unless the context otherwise specifies or requires:

- (a) “**Act**” means the *Corporations Act*, R.S.O. 1990, chap. c. 38 as from time to time amended and every statute that may be substituted therefor and, in the case of such substitution, any references in the By-laws to provisions of the Act shall be read as references to the substituted provisions therefor in the new statute or statutes;
- (b) “**Board**” means the Board of Directors of the Corporation;
- (c) “**By-law**” means any by-law of the Corporation from time to time in force and effect;
- (d) “**Corporation**” means *The Friends of the Markham Museum*, an Ontario non-share capital corporation incorporated under the Act;
- (e) “**Directors**” means the directors of the Corporation from time to time and “**Director**” means any one of them;
- (f) “**Letters Patent**” means the Letters Patent and any supplementary letters patent of the Corporation;
- (g) “**Non-Voting Members**” means the Non-Voting Members of the Corporation as determined in accordance with paragraph 12.3 of this By-law and “**Non-Voting Member**” means any one of them;
- (h) “**Regulations**” means the regulations made under the Act as from time to time amended and every regulation that may be substituted therefor and, in the case of such substitution, any references in the By-laws to provisions of the regulations shall be read as references to the substituted provisions therefor in the new regulations;
- (i) “**Special Resolution**” means a resolution passed by the Directors and confirmed with or without variation by at least two-thirds ($\frac{2}{3}$) of the votes cast by the Voting Members at a special meeting or annual special meeting of the members of the

Corporation duly called for that purpose, or, in place of such confirmation, by the consent in writing of all the Voting Members; and

- (j) “**Voting Members**” means the Voting Members of the Corporation as determined in accordance with paragraph 12.2 of this By-law and “**Voting Member**” means any one of them.

1.2 INTERPRETATION

This By-law shall, unless the context otherwise requires, be construed and interpreted in accordance with the following:

- (a) all terms which are contained in the By-laws and which are defined in the Act or the Regulations shall have the meanings given to such terms in the Act or the Regulations;
- (b) words importing the singular number only shall include the plural and vice versa; and the word “**person**” shall include bodies corporate, corporations, companies, partnerships, syndicates, trusts and any number or aggregate of persons; and
- (c) the headings used in the By-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

2. HEAD OFFICE

The head office of the Corporation shall be in the Town of Markham in the Province of Ontario (subject to change by Special Resolution) and at such place within the municipality in Ontario where the head office is from time to time situate as the Directors may from time to time fix by resolution.

3. SEAL

The seal of the Corporation shall be such as the Board may from time to time approve by resolution.

4. DIRECTORS

4.1 DUTIES AND NUMBER

- (a) The affairs of the Corporation shall be managed by the Board.
- (b) The Directors may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation that are not by the By-laws or by statute expressly directed or required to be done in some other manner.

- (c) The Board shall consist of eleven (11) Directors (including any ex officio Directors) or such other number of Directors as may be determined from time to time by Special Resolution.

4.2 QUALIFICATIONS

- (a) Every Director shall be eighteen (18) or more years of age and shall become a Non-Voting Member upon election or appointment as a Director. No undischarged bankrupt shall become a Director.
- (b) The Mayor of the Town of Markham shall be an ex officio voting Director.
- (c) A maximum of two (2) Directors shall be Councillors on the Town Council of the Town of Markham and the balance of the Directors shall be from the community at large.
- (d) The Voting Members may from time to time pass a resolution establishing additional qualifications for the Directors provided that such qualifications do not conflict with the Act, the Letters Patent or the By-laws.

4.3 FIRST DIRECTORS

The applicants for incorporation shall become the first Directors whose term of office on the Board shall continue until their successors are elected.

4.4 ELECTION

- (a) One (1) Councillor on the Town Council of the Town of Markham shall be appointed as a Director by the Voting Members from time to time for a maximum of five (5) years, as the Voting Members shall determine
- (b) One-third ($\frac{1}{3}$) of the remaining Directors (other than the Mayor of the Town of Markham) shall be elected by the Voting Members yearly at an annual meeting of the members of the Corporation on a show of hands, unless a poll is demanded and if a poll is demanded such election shall be by ballot.
- (c) The Directors shall be eligible for re-election.

4.5 TERM OF OFFICE

- (a) Directors (other than the Mayor of the Town of Markham and the Director appointed by the Voting Members pursuant to paragraph 4.4(a) of this By-law) shall be elected for a three (3) year term commencing at the annual meeting of members of the Corporation at which they are elected until the third annual meeting next following or until their successors are elected or appointed.

- (b) The terms of the Directors (other than the Mayor of the Town of Markham and the Director appointed by the Voting Members pursuant to paragraph 4.4(a) of this By-law) shall be staggered to allow for approximately one-third ($\frac{1}{3}$) of the Directors to be elected each year.
- (c) At the first election of Directors following the incorporation of the Corporation:
 - (i) one (1) Director shall be appointed in accordance with paragraph 4.4(a) of this By-law;
 - (ii) three (3) Directors shall be elected for a one (1) year term and their terms of office shall end immediately after the first annual meeting of the members of the Corporation following the incorporation of the Corporation;
 - (iii) three (3) Directors shall be elected for a two (2) year term and their terms of office shall end immediately after the second annual meeting of the members of the Corporation following the incorporation of the Corporation; and
 - (iv) three (3) Directors shall be elected for a three (3) year term and their terms of office shall end immediately after the third annual meeting of the members of the Corporation following the incorporation of the Corporation.

4.6 REMOVAL

The members of the Corporation may, by resolution passed by at least two-thirds ($\frac{2}{3}$) of the votes cast by the Voting Members at a special meeting or annual special meeting of the members of the Corporation of which notice specifying the intention to pass such resolution has been given, remove any Director before the expiration of that Director's term of office and may, by a majority of the votes cast by the Voting Members at that meeting, elect any person in the Director's stead for the remainder of the Director's term.

4.7 VACATION OF OFFICE

The office of a Director shall *ipso facto* be vacated if the Director:

- (a) becomes bankrupt or suspends payment of debts generally or compounds with creditors or makes an authorized assignment or is declared insolvent;
- (b) is found to be a mentally incompetent person or becomes of unsound mind;
- (c) if by notice in writing to the Corporation resigns office which resignation shall be effective at the time it is received by the Corporation or at the time specified in the notice, whichever is later;

- (d) dies; or
- (e) is removed from office in accordance with paragraph 4.6 of this By-law.

4.8 FILLING VACANCIES

- (a) Any vacancy occurring in the Board may be filled for the remainder of the term by a majority of the votes cast by the Voting Members at a special meeting or annual special meeting of the members of the Corporation of which notice specifying the intention to pass such resolution has been given, if they shall see fit to do so.
- (b) If the number of Directors is increased between the terms, a vacancy or vacancies, to the number of authorized increase, shall thereby be deemed to have occurred, which may be filled in the manner above provided.

4.9 EXECUTIVE COMMITTEE

- (a) Subject to Section 70 of the Act and in the event that the number of Directors on the Board is greater than six (6), the Directors may pass a by-law authorizing them to elect from among their number an executive committee consisting of not fewer than three (3) Directors and may delegate to such executive committee any of the powers of the Board, subject to the restrictions, if any, contained in the By-laws or imposed from time to time by the Board.
- (b) Subject to the By-laws and any resolution of the Board, the executive committee may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit and may from time to time adopt, amend or repeal rules or procedures in this regard, provided, however, that if the executive committee is authorized to fix its quorum, such quorum shall not be less than a majority of its members.
- (c) Subject to the Act, except to the extent otherwise determined by the Board or, failing such determination, as determined by the executive committee, the provisions of paragraphs 5.1 to 5.8 inclusive of this By-law shall apply, with all necessary changes, to the executive committee.

5. MEETINGS OF DIRECTORS

5.1 PLACE OF MEETING

Meetings of the Board may be held either at the place where the head office of the Corporation is located or at any place within or outside Ontario.

5.2 NOTICE

- (a) A meeting of Directors may be convened by the Chair of the Board (if any and if so authorized by Special Resolution of the Corporation), the President, a Vice-President who is a Director or any two (2) Directors at any time, and the Secretary, when directed or authorized by any of such officers or any two (2) Directors, shall convene a meeting of Directors.
- (b) The notice of meeting so convened need not specify the purpose of or the business to be transacted at the meeting.
- (c) Notice of any such meeting shall be served in the manner specified in paragraph 18.1 of this By-law not less than two (2) days (exclusive of the day on which the notice is delivered or sent but inclusive of the day for which notice is given) before the meeting is to take place.
- (d) A Director may in any manner and at any time waive notice of a meeting of Directors and attendance of a Director at a meeting of Directors shall constitute a waiver of notice of the meeting except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.
- (e) Meetings of Directors may be held at any time without notice if all the Directors are present (except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all of the absent Directors waive notice before or after the date of such meeting.
- (f) If the first meeting of the Board following the election of Directors by the Voting Members is held immediately thereafter, then for such meeting or for a meeting of the Board at which a Director is appointed to fill a vacancy in the Board, no notice shall be necessary to the newly elected or appointed Directors or Director in order to legally constitute the meeting, provided that a quorum of the Directors is present.

5.3 OMISSION OF NOTICE

The accidental omission to give notice of any meeting of Directors to, or the non-receipt of any notice by, any person shall not invalidate any resolution passed or any proceeding taken at such meeting.

5.4 ADJOURNMENT

- (a) Any meeting of Directors may be adjourned from time to time by the chairperson of the meeting, with the consent of a majority of the Directors present at such meeting, to a fixed time and place.

- (b) Notice of any adjourned meeting of Directors is not required to be given if the time and place of the adjourned meeting is announced at the original meeting.
- (c) Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present at such meeting.
- (d) The Directors who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting.
- (e) If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.
- (f) Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

5.5 REGULAR MEETINGS

The Board may appoint a day or days in any month or months for regular meetings of the Board at a place or hour to be named by the Board, and a copy of any resolution of the Board fixing the place and time of regular meetings of the Board shall be sent to each Director forthwith after being passed, but no other notice shall be required for any such regular meetings.

5.6 QUORUM

- (a) The number of Directors which shall form a quorum for the transaction of business shall be that which is set out in the Letters Patent or a Special Resolution and, in the event of no such provision, a majority of the Directors shall form a quorum for the transaction of business.
- (b) Notwithstanding any vacancy among the Directors, a quorum of Directors may exercise all the powers of Directors.

5.7 VOTING

- (a) Each Director is authorized to exercise one (1) vote.
- (b) Questions arising at any meeting of Directors shall be decided by a majority of votes.
- (c) In case of an equality of votes, the chairperson of the meeting in addition to an original vote shall have a second or casting vote.

5.8 TELEPHONE PARTICIPATION

- (a) If all the Directors present at or participating in the meeting consent, a meeting of Directors may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a Director participating in such meeting by such means is deemed for the purpose of the Act to be present at that meeting.
- (b) The Secretary of the Corporation shall ensure that each particular meeting is handled in a secure fashion.
- (c) Quorum shall be established by a verbal roll call conducted by the Secretary of the Corporation at the beginning of each particular meeting.
- (d) Each vote cast by a Director participating by teleconference call shall be recorded in the minutes by the Secretary of the Corporation.

5.9 WRITTEN RESOLUTIONS

Any by-law or resolution signed by all the Directors is as valid and effective as if passed at a meeting of the Directors duly called, constituted and held for that purpose.

6. POWERS OF DIRECTORS

6.1 ADMINISTER AFFAIRS

The Directors 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 Letters Patent or otherwise authorized to exercise and do.

6.2 EXPENDITURES

- (a) The Directors shall have the 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.
- (b) The Directors shall have the power to make expenditures for the purpose of furthering the objects of the Corporation.
- (c) The Directors shall have the power to enter into a trust arrangement with a trust company for the purpose of creating a trust fund in which the capital and interest may be made available for the benefit of promoting the interests of the Corporation in accordance with such terms as the Board may prescribe.

- (d) Notwithstanding any other provision of this or any other By-law, the Directors may not enter into any agreement or contract or otherwise expend or agree to expend any funds in the amount of \$100,000.00 or more without the prior approval of a resolution passed by a majority of the Voting Members. No contract or other expenditure of funds shall be divided into one or more contracts or expenditures so as to avoid the limit set out herein. Furthermore, if a series of contracts or expenditures relate to the same subject matter, supplier, consultant or customer within any twelve (12) month period so as to combine to equal or exceed the limit set out in this paragraph (d), then the series of contracts or expenditures shall be deemed to be a single purchase or expenditure for the purposes of the monetary limit set out herein.

6.3 BORROWING POWER

- (a) The Directors of the Corporation may from time to time:
 - (i) borrow money on the credit of the Corporation;
 - (ii) issue, sell or pledge debt obligations (including bonds, debentures, debenture stock, notes or other like liabilities whether secured or unsecured) of the Corporation;
 - (iii) charge, mortgage, hypothecate or pledge all or any currently owned or subsequently acquired real or personal, movable or immovable property of the Corporation, including book debts, rights, powers, franchises and undertakings, to secure any debt obligations or any money borrowed, or other debt or liability of the Corporation; and
 - (iv) delegate the powers conferred on the Directors under this By-law to such officer or officers of the Corporation and to such extent and in such manner as the Directors shall determine.
- (b) The powers hereby conferred shall be deemed to be in supplement of and not in substitution for any powers to borrow money for the purposes of the Corporation possessed by its Directors or officers independently of a borrowing By-law.

6.4 FUND RAISING

- (a) Subject to subparagraph (b) of this paragraph 6.4, the Board 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.
- (b) The Corporation may not accept a gift of or in any way acquire real property without the approval of a resolution passed by a majority of the Voting Members.

6.5 AGENTS AND EMPLOYEES

The Board may appoint such agents and engage such employees as it shall deem necessary from time to time, subject to the prior approval of a resolution passed by a majority of the Voting Members, and such persons shall have such authority and shall perform such duties as shall be prescribed by the Board at the time of such appointment.

6.6 REMUNERATION OF AGENTS AND EMPLOYEES

The remuneration of all agents and employees shall be fixed by the Board by resolution, subject to the approval of a resolution passed by a majority of the Voting Members.

6.7 COMMITTEES

- (a) The Board may from time to time appoint any other committee or committees, as it deems necessary or appropriate for such purposes and with such powers as the Board shall see fit.
- (b) 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.
- (c) The Board may remove any committee member and may fix any remuneration for such committee members.

7. REMUNERATION OF DIRECTORS

The Directors shall serve without remuneration and Directors shall not directly or indirectly receive any profit from their positions as such; provided that Directors may be reimbursed for reasonable expenses incurred by them in the performance of their duties.

8. OFFICERS

8.1 APPOINTMENT

- (a) The Board shall annually or more often as may be required, elect a President and Secretary, and if authorized by Special Resolution, a Chair of the Board, from among themselves and if deemed advisable may appoint annually or more often as may be required one or more Vice-Presidents, a Treasurer and one or more Assistant Secretaries and/or one or more Assistant Treasurers.
- (b) Notwithstanding the foregoing, each incumbent officer shall continue in office until the earlier of:
 - (i) that officer's resignation, which resignation shall be effective at the time the written resignation is received by the Corporation or at the time specified in the resignation, whichever is later;

- (ii) the appointment of a successor;
 - (iii) that officer ceasing to be a Director or member if such is a necessary qualification of appointment;
 - (iv) the meeting at which the Directors annually appoint the officers of the Corporation;
 - (v) that officer's removal;
 - (vi) that officer's death.
- (c) A Director may be appointed to any office of the Corporation but, subject to Section 291 of the Act, none of the said officers (except the Chair of the Board, the President and the Secretary) need be a Director or member of the Corporation.
- (d) Two (2) or more of the aforesaid offices may be held by the same person.
- (e) In case and whenever the same person holds the offices of Secretary and Treasurer that person may but need not be known as the Secretary-Treasurer.
- (f) The Board may from time to time appoint such other officers and agents as it shall deem necessary, who shall have such authority and shall perform such duties as may from time to time be prescribed by the Board.

8.2 REMUNERATION OF OFFICERS

The remuneration of all officers appointed by the Board shall be determined from time to time by resolution of the Board.

8.3 REMOVAL OF OFFICERS

All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the Board at any time, with or without cause.

8.4 VACANCIES

If the office of any officer of the Corporation shall be or become vacant by reason of death, resignation, disqualification or otherwise, the Directors by resolution may appoint a person to fill such vacancy.

8.5 DUTIES OF OFFICERS MAY BE DELEGATED

In case of the absence or inability to act of any officer of the Corporation or for any other reason that the Board may deem sufficient, the Board may delegate all or any of the powers of any such officer to any other officer or to any Director for the time being.

8.6 POWERS AND DUTIES

All officers shall sign such contracts, documents or instruments in writing as require their respective signatures and shall respectively have and perform all powers and duties incident to their respective offices and such other powers and duties respectively as may from time to time be assigned to them by the Board. The duties of the officers shall include:

- (a) **Chair of the Board.** Where the Corporation by Special Resolution provides for the election by the Directors of a Chair of the Board from among themselves, the Directors may define the duties, and may assign to the Chair of the Board any or all of the duties of the President or other officer of the Corporation, and in that case the Special Resolution shall fix and prescribe the duties of the President.
- (b) **President.** The President shall be the chief executive officer of the Corporation unless otherwise determined by resolution of the Board or Special Resolution. The President shall be a Director and shall be vested with and may exercise all of the powers and perform all of the duties of the Chair of the Board in the event that there is no Chair of the Board, or where there is a Chair of the Board and such person is absent or refuses to act.
- (c) **Vice-President.** The Vice-President or, if more than one, the Vice-Presidents, in order of seniority, shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or refusal to act of the President; provided, however, that a Vice-President who is not a Director shall not preside as chairperson at any meeting of the Board or of committees of Directors, if any, and that a Vice-President who is not a Director shall not, subject to paragraph 14.7 of this By-law, preside at any meeting of members of the Corporation.
- (d) **Secretary.** The Secretary shall give or cause to be given notices for all meetings of the Board or the executive committee, if any, and members of the Corporation when directed to do so and have charge of the corporate seal of the Corporation, the minute books of the Corporation and of the documents and registers referred to in Section 300 of the Act.
- (e) **Treasurer.** Subject to the provisions of any resolution of the Board, the Treasurer shall have the care and custody of all the funds and securities of the Corporation and shall deposit the same in the name of the Corporation in such bank or banks or with such depository or depositories as the Board may direct. The Treasurer shall keep or cause to be kept the requisite books of account and accounting records. The Treasurer may be required to give such bond for the faithful performance of the Treasurer's duties as the Board in their uncontrolled discretion may require but no Director shall be liable for failure to require any bond or for the insufficiency of any bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided.

- (f) **Assistant Secretary and Assistant Treasurer.** The Assistant Secretary or, if more than one, the Assistant Secretaries in order of seniority, and the Assistant Treasurer or, if more than one, the Assistant Treasurers in order of seniority, shall respectively perform all the duties of the Secretary and the Treasurer, respectively, in the absence or inability or refusal to act of the Secretary or the Treasurer, as the case may be.
- (g) **Executive Director.** The Board may from time to time appoint an Executive Director and may delegate to that person full power to manage and direct the business and affairs of the Corporation (except such matters and duties as by law must be transacted or performed by the Board and/or by the members) and to employ and discharge agents and employees of the Corporation or may delegate to that person any lesser authority. An Executive Director shall conform to all lawful orders given by the Board and shall at all reasonable times give to the Directors or any of them all information they may require regarding the affairs of the Corporation.

9. FOR THE PROTECTION OF DIRECTORS AND OFFICERS

- (a) Except as otherwise provided in the Act, no Director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or employee or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person including any person with whom or which any moneys, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication 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 whatever which may happen in the execution of the duties of the Director's or officer's respective office or trust or in relation thereto unless the same shall happen by or through the Director's or officer's own wilful neglect or default.
- (b) The Directors and officers for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the Board.
- (c) If any Director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a Director or officer or shall have an interest in a person who is employed by or performs services for the Corporation, the fact of being a Director or officer of the Corporation shall not

disentitle such Director or officer or such person, as the case may be, from receiving proper remuneration for such services.

10. INDEMNITIES TO DIRECTORS AND OTHERS

- (a) 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 corporation 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:
 - (i) all costs, charges and expenses whatsoever (including, without limitation, legal fees) which such Director, officer or other person sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against the Director, officer or other person for or in respect of any act, deed matter or thing whatever, made, done or permitted by them, in or about the execution of the duties of such office or in respect of any such liability; and
 - (ii) all other costs, charges and expenses which the Director, officer or other person sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by their own wilful neglect or default.
- (b) The Corporation shall also indemnify any such person in such other circumstances as the Act or law permit or requires.
- (c) Nothing in this By-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this By-law to the extent permitted by the Act or law.

11. INTERESTED DIRECTOR CONTRACTS

11.1 CONFLICT OF INTEREST

- (a) A Director who is in any way directly or indirectly interested in a contract or proposed contract with the Corporation shall make the disclosure required by the Act.
- (b) Except as provided by the Act, no such Director shall vote on any resolution to approve any such contract.
- (c) In supplement of and not by way of limitation upon any rights conferred upon Directors by Section 71 of the Act and specifically subject to the provisions contained in that section, it is declared that no Director shall be disqualified by

any such office from, or vacate any such office by reason of, holding any office or place of profit under the Corporation or under any corporation in which the Corporation shall be a shareholder or by reason of being otherwise in any way directly or indirectly interested or contracting with the Corporation as vendor, purchaser or otherwise or being concerned in any contract or arrangement made or proposed to be entered into with the Corporation in which the Director is in any way directly or indirectly interested as vendor, purchaser or otherwise.

- (d) Subject to compliance with the Act, no contract or arrangement entered into by or on behalf of the Corporation in which any Director shall be in any way directly or indirectly interested shall be voided or voidable and no Director shall be liable to account to the Corporation or any of its members or creditors for any profit realized by or from any such contract or arrangement by reason of any fiduciary relationship.

11.2 SUBMISSION OF CONTRACTS OR TRANSACTIONS TO MEMBERS FOR APPROVAL

The Board:

- (a) shall submit any contract, act or transaction with the Corporation referred to in paragraph 6.2(d) of this By-law for approval by the Voting Members; and
- (b) in its discretion, may submit any other contract, act or transaction with the Corporation for approval or ratification by the Voting Members;

at any special meeting or annual special meeting of the members called for the purpose of considering the same and, subject to the provisions of Section 71 of the Act, any such contract, act or transaction that shall be approved or ratified or confirmed by a resolution passed by a majority of the votes cast by the Voting Members at any such meeting (unless any different or additional requirement is imposed by the Act or by the Letters Patent) shall be as valid and as binding upon the Corporation and upon all the members as though it had been approved, ratified or confirmed by every member of the Corporation.

12. MEMBERS

12.1 CLASSES

There shall be the following classes of members of the Corporation:

- (a) Voting Members; and
- (b) Non-Voting Members.

12.2 VOTING MEMBERS

- (a) The Voting Members of the Corporation shall be the Mayor of the Town of Markham and the members of the Town Council of the Town of Markham from time to time.
- (b) The Voting Members shall be entitled to notice of, to attend, to participate at and to vote at meetings of the members of the Corporation.

12.3 NON-VOTING MEMBERS

- (a) The Non-Voting Members of the Corporation shall be the Directors of the Corporation from time to time.
- (b) The Non-Voting Members shall be entitled to notice of and to attend, but shall not be entitled to participate or vote at, meetings of the members of the Corporation.

12.4 CESSATION OF MEMBERSHIP

- (a) A Voting Members shall cease to be a Voting Member when he or she ceases to be the Mayor of the Town of Markham or a member of the Town Council of the Town of Markham, as applicable.
- (b) A Non-Voting Member shall cease to be a Non-Voting Member when he or she ceases to be a Director of the Corporation.
- (c) The interest of a member in the Corporation is not transferable; and lapses and ceases to exist upon death or when the member ceases to be a member in accordance with the By-laws.

13. MEMBERSHIP DUES

There shall be no dues or fees payable by the members of the Corporation.

14. MEMBERS' MEETINGS

14.1 ANNUAL MEETING

Subject to compliance with Section 293 of the Act, the annual meeting of the members of the Corporation shall be held on such day in each year and at such time as the Directors may by resolution determine at any place within Ontario or, in the absence of such determination, at the place where the head office of the Corporation is located.

14.2 SPECIAL MEETINGS

- (a) Other meetings of the members of the Corporation may be convened by order of the Chair of the Board, by the President or by a Vice-President who is a Director

on a date and at a place scheduled for a meeting of the Town Council of the Town of Markham; provided that in an extraordinary circumstance a meeting may be called at any date and time and at any place within Ontario.

- (b) The Board shall call a special meeting of members of the Corporation on written requisition of not less than one-tenth (1/10) of the Voting Members.

14.3 NOTICE

- (a) Subject to Section 133(2) of the Act, ten (10) days' written notice shall be given in the manner specified in paragraph 18.1 of this By-law to each member of the Corporation of any annual or special meeting of members of the Corporation.
- (b) Notice of any meeting where special business will be transacted should contain sufficient information to permit the member to form a reasoned judgment on the decision to be taken.
- (c) Notice of each meeting of members of the Corporation may remind the Voting Members that the Voting Members have the right to vote by proxy.

14.4 WAIVER OF NOTICE

A member and any other person entitled to attend a meeting of members of the Corporation may in any manner waive notice of a meeting of members and attendance of any such person at a meeting of members shall constitute a waiver of notice of the meeting except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

14.5 OMISSION OF NOTICE

The accidental omission to give notice of any meeting or any irregularity in the notice of any meeting or the non-receipt of any notice by any member or members or by the auditor of the Corporation shall not invalidate any resolution passed or any proceedings taken at any meeting of members.

14.6 QUORUM

- (a) A quorum at any meeting of the members of the Corporation (unless a greater number of members and/or proxies are required to be present by the Act, Letters Patent or By-laws) shall be a majority of the Voting Members present in person or represented by proxy provided that there shall not be less than two (2) Voting Members present in person.
- (b) No business shall be transacted at any meeting of members of the Corporation unless the requisite quorum is present at the time of the transaction of such business.

- (c) If a quorum is not present at the time appointed for a meeting of members of the Corporation or within such reasonable time thereafter as the Voting Members present may determine, the Voting Members may adjourn the meeting to a fixed time and place but may not transact any other business and the provisions of paragraph 18.1 of this By-law with regard to notice shall apply to such adjournment.

14.7 CHAIRPERSON OF THE MEETING

In the event that the Chair of the Board, if any, is, by Special Resolution, entitled or required to act as chairperson of the meetings of the members of the Corporation and is absent, the President is absent and there is no Vice-President present who is a Director and a member, the persons who are present and entitled to vote shall choose another Director as chairperson of the meeting and if no Director is present or if all the Directors present decline to take the chair then the persons who are present and entitled to vote shall choose one (1) of their number to be the chairperson of the meeting.

14.8 ADJOURNMENT

- (a) The chairperson of any meeting of the members of the Corporation may with the consent of a majority of the Voting Members present at such meeting adjourn the same from time to time to a fixed time and place and no notice of such adjournment need be given to the members.
- (b) Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

14.9 VOTES

- (a) Every question submitted to any meeting of members of the Corporation shall be decided by a majority of the Voting Members present at such meeting (unless such greater or lesser number of votes is required by the Letters Patent, By-Laws, or the Act) by a show of hands, and in the case of an equality of votes, the chairperson of the meeting shall both on a show of hands and at a poll have a second or casting vote in addition to the vote or votes to which the chairperson may be otherwise entitled.
- (b) At any meeting of members of the Corporation, unless a poll is demanded, a declaration by the chairperson of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.
- (c) A poll may be demanded either before or after any vote by show of hands by any person entitled to vote at the meeting.

- (d) If at any meeting a poll is demanded on the election of a chairperson or on the question of adjournment, it shall be taken forthwith without adjournment.
- (e) If at any meeting a poll is demanded on any other question or as to the election of Directors, the vote shall be taken by ballot in such manner and either at once, later in the meeting or after adjournment as the chairperson of the meeting directs.
- (f) The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- (g) A demand for a poll may be withdrawn.

14.10 PROXIES

- (a) Votes at meetings of the members of the Corporation may be given either personally or by proxy or, in the case of a member who is a body corporate or association, by an individual authorized by a resolution of the board of directors or governing body of the body corporate or association to represent it at meetings of members of the Corporation.
- (b) At every meeting at which a member is entitled to vote, every member and/or person appointed by proxy to represent one (1) or more members and/or individual so authorized to represent a member who is present in person shall have one (1) vote on a show of hands.
- (c) Upon a poll and subject to the provisions, if any, of the Letters Patent, every member who is entitled to vote at the meeting and who is present in person or represented by an individual so authorized shall have one (1) vote and every person appointed by proxy shall have one (1) vote for each member who is entitled to vote at the meeting and who is represented by such proxy holder.
- (d) A proxy shall be executed by the member or the member's attorney authorized in writing or, if the member is a body corporate or association, by an officer or attorney thereof duly authorized.
- (e) A person appointed by proxy need not be a member of the Corporation.
- (f) A proxy may be in the following form:

The undersigned member of The Friends of the Markham Museum hereby appoints ● of ● or failing the person appointed above, ● of ● as the proxy of the undersigned to attend and act at the ● meeting of the members of the said Corporation to be held on the ● day of ●, 20●, and at any adjournment or adjournments thereof in the same manner, to the same extent and with the same power

as if the undersigned were present at the said meeting or such adjournment or adjournments thereof.

DATED ● day of ●, 20●,

● Signature of member

- (g) The Directors may from time to time make regulations regarding the lodging of proxies at some place or places other than the place at which a meeting or adjourned meeting of members is to be held and for particulars of such proxies to be cabled or telegraphed or sent by facsimile or in writing before the meeting or adjourned meeting to the Corporation or any agent of the Corporation for the purpose of receiving such particulars and providing that proxies so lodged may be voted upon as though the proxies themselves were produced at the meeting or adjourned meeting and votes given in accordance with such regulations shall be valid and shall be counted.
- (h) The chairperson of any meeting of members may, subject to any regulations made as aforesaid, in the chairperson's discretion accept telegraphic or cable or facsimile or written communication as to the authority of any person claiming to vote on behalf of and to represent a member notwithstanding that no proxy conferring such authority has been lodged with the Corporation, and any votes given in accordance with such telegraphic or cable or facsimile or written communication accepted by the chairperson of the meeting shall be valid and shall be counted.

14.11 WRITTEN RESOLUTIONS

Any resolution signed by all the Voting Members is as valid and effective as if passed at a meeting of the members of the Corporation duly called, constituted and held for that purpose.

15. CUSTODY AND VOTING OF SHARES AND SECURITIES

15.1 VOTING SHARES AND SECURITIES

- (a) All of the shares or other securities carrying voting rights of any company or corporation held from time to time by the Corporation may be voted at any and all meetings of shareholders, bondholders, debenture holders or holders of other securities (as the case may be) of such company or corporation and in such manner and by such person or persons as the Board shall from time to time determine.

- (b) The duly authorized signing officers of the Corporation may also from time to time execute and deliver for and on behalf of the Corporation proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the Board.
- (c) All share certificates, bonds, debentures, notes or other obligations belonging to the Corporation may be issued or held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one (1) nominee shall be held in the names of the nominees jointly with the right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer to be completed and registration to be effected.

15.2 CUSTODY OF SECURITIES

All shares and securities owned by the Corporation shall be lodged (in the name of the Corporation) with a chartered bank or a trust company or in a safety deposit box or, if so authorized by resolution of the Board, with such other depositories or in such other manner as may be determined from time to time by the Board.

16. EXECUTION OF INSTRUMENTS

- (a) Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by any two (2) Directors or 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.
- (b) The Board shall have the power from time to time by resolution to appoint any officer or officers or any person or persons on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.
- (c) The seal of the Corporation may when required be affixed to contracts, documents and instruments in writing signed as aforesaid or by any officer or officers, person or persons, appointed as aforesaid by resolution of the Board.
- (d) The term “**contracts, documents or instruments in writing**” as used in this By-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures or other securities and all paper writings.
- (e) In particular, without limiting the generality of the foregoing, any two (2) Directors or officers of the Corporation shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds,

debentures, rights, warrants or other securities owned by or registered in the name of the Corporation and to sign and execute (under the seal of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

17. CHEQUES, DRAFTS, NOTES, ETC.

All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers or person or persons, whether or not officers of the Corporation, and in such manner as the Board may from time to time designate by resolution.

18. NOTICES

18.1 SERVICE

Any notice or other document required by the Act, the Regulations, the Letters Patent or the By-laws to be sent to any Director or member of the Corporation or to the auditor shall be delivered personally or sent by prepaid mail or by telegram or cable or facsimile to any such Director or member at their latest address as shown in the records of the Corporation and to the auditor at its business address, or if no address be given therein then to the last address of such Director or member known to the Secretary; provided always that notice may be waived or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto.

18.2 SIGNATURE TO NOTICES

The signature of any Director or officer of the Corporation on any notice or document to be given by the Corporation may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

18.3 COMPUTATION OF TIME

Where a given number of days' notice or notice extending over a period is required to be given under the By-laws or Letters Patent the day of service or posting of the notice shall not, unless it is otherwise provided be counted in such number of days or other period.

18.4 PROOF OF SERVICE

- (a) With respect to every notice or other document sent by post it shall be sufficient to prove that the envelope or wrapper containing the notice or other document was properly addressed as provided in paragraph 18.1 of this By-law and put into a Post Office or into a letter box.

- (b) A certificate of an officer of the Corporation in office at the time of the making of the certificate as to facts in relation to the sending or delivery of any notice or other document to any member, Director, officer or auditor of the Corporation or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every member, Director, officer or auditor of the Corporation, as the case may be.

19. BY-LAWS

The Board may from time to time enact By-laws relating in any way to the Corporation or to the conduct of its affairs, including, but not limited to, By-laws providing for applications for supplementary letters patent, and may from time to time by By-law amend, repeal or re-enact the By-laws and any such By-law shall be sanctioned by the Voting Members and become effective in accordance with the Act.

20. AUDITORS

- (a) The Voting Members shall at each annual meeting of members of the Corporation appoint an auditor to audit the accounts of the Corporation for reporting to the members who shall hold office until the next following annual meeting; provided, however, that the Directors may fill any casual vacancy in the office of the auditor.
- (b) If an appointment is not so made, the auditor in office must continue until a successor is appointed.
- (c) The remuneration of the auditor shall be fixed by the Voting Members or by the Directors if they are authorized to do so by the Voting Members and the remuneration of an auditor appointed by the Directors shall be fixed by the Directors.
- (d) The Voting Members may, by resolution passed by at least two-thirds ($\frac{2}{3}$) of the votes cast at a meeting of the members of the Corporation of which notice of intention to pass the resolution has been given, remove any auditor before the expiration of the auditor's term of office and shall by a majority of the votes cast at that meeting appoint another auditor in such auditor's stead for the remainder of the term.

21. FINANCIAL YEAR

The financial year of the Corporation shall terminate on the 31st day of December in each year or on such other date as the Directors may from time to time by resolution determine.

PASSED by the Directors of the Corporation this ● day of ●, 2009.

●, Chair

●, Secretary

CONFIRMED by the Voting Members of the Corporation this ● day of ●, 2009.

●, Secretary