

DRAFT: 2013-10-09

A by-law relating generally to the conduct
of the affairs of the

Canadian Institute of Neutron Scattering
Institut canadien de la diffusion des neutrons
(the "Corporation")

BE IT ENACTED as a by-law of the Corporation as follows:



Interpretation

1. Definition

In this by-law and all other by-laws of the Corporation, unless the context otherwise requires:

"**Act**" means the *Canada Not-For-Profit Corporations Act* S.C. 2009, c. 23 including the Regulations made pursuant to the Act, and any statute or regulations that may be substituted, as amended from time to time;

"**articles**" means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation;

"**board**" means the board of directors of the Corporation and "**director**" means a member of the board;

"**by-law**" means this by-law and any other by-law of the Corporation as amended and which are, from time to time, in force and effect;

"**meeting of members**" includes an annual meeting of members or a special meeting of members; "**special meeting of members**" includes a meeting of any class or classes of members and a special meeting of all members entitled to vote at an annual meeting of members;

"**ordinary resolution**" means a resolution passed by a majority of more than 50% of the votes cast on that resolution;

"**proposal**" means a proposal submitted by a member of the Corporation that meets the requirements of section 163 (Shareholder Proposals) of the Act;

"**Regulations**" means the regulations made under the Act, as amended, restated or in effect from time to time; and

"**special resolution**" means a resolution passed by a majority of not less than two-thirds (2/3) of the votes cast on that resolution.

2. Interpretation

In the interpretation of this by-law, words in the singular include the plural and vice-versa, words in one gender include all genders, and "person" includes an individual, body corporate, partnership, trust and unincorporated organization.

Other than as specified above, words and expressions defined in the Act have the same meanings when used in these by-laws.

3. **Parliamentary Authority**

Except as specified in the Act, the articles, the bylaws or policies of the Corporation, the rules contained in the current edition of *The Standard Code of Parliamentary Procedure (Sturgis)*, latest revision, shall govern all the meetings of the Corporation.

4. **New or Amended By-laws and Effective Date**

Subject to the articles, the board of directors may, by resolution, make, amend or repeal any by-laws that regulate the activities or affairs of the Corporation. Any such by-law, amendment or repeal shall be effective from the date of the resolution of directors until the next meeting of institutional members where it may be confirmed, rejected or amended by the members by ordinary resolution. If the by-law, amendment or repeal is confirmed or confirmed as amended by the members it remains effective in the form in which it was confirmed. The by-law, amendment or repeal ceases to have effect if it is not submitted to the members at the next meeting of institutional members or if it is rejected by the members at the meeting. If a by-law, amendment or repeal ceases to have effect, a subsequent resolution of the directors that has substantially the same purpose or effect is not effective until it is confirmed, or confirmed as amended, by the members.

This section does not apply to a by-law that requires a special resolution of the members according to subsection 197(1) (fundamental change) of the Act because such by-law amendments or repeals are only effective when confirmed by members.

Membership

5. **Membership Conditions**

Subject to the articles, there shall be two classes of members in the Corporation, namely, institutional members and individual members. The board of directors of the Corporation may, by resolution, approve the admission of the members of the Corporation. Members may also be admitted in such other manner as may be prescribed by the board by resolution. The following conditions of membership shall apply:

Institutional Members

- a. Institutional membership shall be available to any Canadian academic, government or industrial or non-profit institution which has staff members who are actively involved or intend to become involved in research using neutron beams, and which has applied and has been accepted for institutional membership in the Corporation.

- b. The term of membership of an institutional member and renewal thereof shall be set out in the policies of the Corporation. The membership fee for institutional members shall be set by the board of directors.
- c. As set out in the articles, each institutional member is entitled to receive notice of, attend and vote at all meetings of the institutional members of the Corporation and each such institutional member shall be entitled to one (1) vote at such meetings.

Individual Members

- d. Individual membership shall be available to any individual and who has applied and has been accepted for individual membership in the Corporation and who is either based at a Canadian institution and has an active interest in research using neutron beams, or is based a foreign institution and conducts research at a Canadian neutron beam facility.
- e. The term of membership of individual members and renewal thereof shall be set out in the policies of the Corporation. The membership fee for individual members, if any, must be ratified by a vote of the individual members.
- f. Each individual member is entitled to receive notice of, attend and vote at all meetings of the individual members of the Corporation and each such individual member shall be entitled to one (1) vote at such meetings.
- g. Except as otherwise provided by the Canada Not-for-Profit Corporations Act, S.C. 2009, c.23, an individual member shall not be entitled to receive notice of, attend or vote at meetings of the institutional members of the Corporation.

Pursuant to subsection 197(1) (Fundamental Change) of the Act, a special resolution of the members is required to make any amendments to this section of the by-laws if those amendments affect membership rights and/or conditions described in paragraph 197(1).

6. Termination of Membership

A membership in the Corporation is terminated when:

- a. the member dies, or, in the case of a member that is a corporation, the corporation is dissolved;
- b. a member fails to maintain any qualifications for membership described in the section on membership conditions of these by-laws;
- c. a member fails to pay any applicable dues within a period of time as prescribed by the policies of the Corporation;
- d. the member resigns by delivering a written resignation to the chair of the board of the Corporation in which case such resignation shall be effective on the date specified in the resignation;
- e. the member is expelled in accordance with any discipline of members section or is otherwise terminated in accordance with the articles or by-laws;
- f. the member's term of membership expires; or

g. the Corporation is liquidated or dissolved under the Act.

7. Effect of Termination of Membership

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

8. Discipline of Members

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

- a. violating any provision of the articles, by-laws, or written policies of the Corporation;
- b. carrying out any conduct which may be detrimental to the Corporation as determined by the board in its sole discretion;
- c. for any other reason that the board in its sole and absolute discretion considers to be reasonable, having regard to the purpose of the Corporation.

In the event that the board determines that a member should be expelled or suspended from membership in the Corporation, the president, or such other officer as may be designated by the board, shall provide twenty (20) days notice of suspension or expulsion to the member and shall provide reasons for the proposed suspension or expulsion. The member may make written submissions to the president, or such other officer as may be designated by the board, in response to the notice received within such twenty (20) day period. In the event that no written submissions are received by the president, the president, or such other officer as may be designated by the board, may proceed to notify the member that the member is suspended or expelled from membership in the Corporation. If written submissions are received in accordance with this section, the board will consider such submissions in arriving at a final decision and shall notify the member concerning such final decision within a further twenty (20) days from the date of receipt of the submissions. The board's decision shall be final and binding on the member, without any further right of appeal.

Individual Members' Meetings

9. Individual Members' Meetings

The provisions in this by-law with respect to the calling of, notice to be given, absentee voting in, place of, and electronic means of general or special meetings of institutional members apply to general or special meetings of individual members *mutatis mutandis*.

10. Quorum at Individual Members' Meetings

A quorum at any meeting of the members (unless a greater number of members are required to be present by the Act) shall be 15 of the individual members entitled to

vote at the meeting. The members present may not proceed with the business of the meeting if a quorum is not present throughout the meeting.

Science Council

11. Science Council

There shall be a science council of the Corporation (hereafter called "the council"), elected by the individual members. The composition, manner of election, meetings, and other matters with respect to the structure and operation of the council shall be set out in the policies of the Corporation.

12. Duties and Powers of the Science Council

The council shall establish the scientific policies and procedures of the corporation, shall supervise the scientific activities of the corporation and shall allocate the funds of the Corporation provided by the board of directors for these purposes.

The council shall advise the board of directors to apply from time to time on behalf of the corporation for grants of funds for the support of research using neutron beams.

The council may also exercise any discretion which may be given to the corporation by the grantor and the board of directors as to the allocation and expenditure of grant funds for research using neutron beams.

The council shall also coordinate the activities of the individual members of the Corporation with respect to promoting research using neutron beams.

The board of directors may refuse to approve or follow any action of council.

Institutional Members' Meetings

13. Place of Institutional Members' Meeting

Subject to compliance with section 159 (Place of Members' Meetings) of the Act, meetings of the institutional members may be held at any place within Canada determined by the board or, if all of the members entitled to vote at such meeting so agree, outside Canada.

14. Notice of Institutional Members' Meeting

Notice of the time and place of a meeting of institutional members shall be given to each member entitled to vote at the meeting by telephonic, electronic or other communication facility, during a period of 21 to 35 days before the day on which the meeting is to be held. If a member requests that the notice be given by non-electronic means, the notice will be sent by mail, courier or personal delivery.

Pursuant to subsection 197(1) (Fundamental Change) of the Act, a special resolution of the members is required to make any amendment to the by-laws of the

Corporation to change the manner of giving notice to members entitled to vote at a meeting of members.

15. Members Calling an Institutional Members' Meeting

The board of directors shall call a special meeting of institutional members in accordance with Section 167 of the Act, on written requisition of 5% of the institutional members. If the directors do not call a meeting within twenty-one (21) days of receiving the requisition, any member who signed the requisition may call the meeting.

16. Quorum at Institutional Members' Meetings

A quorum at any meeting of the institutional members (unless a greater number of members are required to be present by the Act) shall be 40% of the members entitled to vote at the meeting. The members present may not proceed with the business of the meeting if a quorum is not present throughout the meeting.

17. Participation by Electronic Means at Institutional Members' Meetings

If the Corporation chooses to make available a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during a meeting of institutional members, any person entitled to attend such meeting may participate in the meeting by means of such telephonic, electronic or other communication facility in the manner provided by the Act. A person participating in a meeting by such means is deemed to be present at the meeting. Notwithstanding any other provision of this by-law, any person participating in a meeting of members pursuant to this section who is entitled to vote at that meeting may vote, in accordance with the Act, by means of any telephonic, electronic or other communication facility that the Corporation has made available for that purpose.

18. Institutional Members' Meeting Held Entirely by Electronic Means

If the directors or members of the Corporation call a meeting of members pursuant to the Act, those directors or members, as the case may be, may determine that the meeting shall be held, in accordance with the Act and the Regulations, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

Board of Directors

19. Election of Directors

One director (hereafter called the "President") shall be elected for a two-year term at the annual meeting of the individual members, or at a special meeting of the individual members called for this purpose. By virtue of election to the board of

directors, the President shall also be Chair of the Science Council and be responsible for the duties of the President as prescribed in the policies of the corporation.

Other directors (hereafter called "institutional directors") shall be elected at the annual meeting of the institutional members, or at a special meeting of the institutional members called for election of directors.

20. Number and Term of Office of Directors

The board shall be comprised of the President plus a fixed number of institutional directors as determined from time to time by the institutional members by ordinary resolution. The minimum number of directors may not be fewer than three (3), at least two of whom are not officers or employees of the Corporation or its affiliates.

At the first election of institutional directors following the approval of this by-law, one shall be elected for a three-year term, one shall be elected for a two-year term and one shall be elected for a one-year term. Thereafter, except where an election is held to fill the unexpired portion of a term, newly elected directors shall be elected for three-year (3) terms.

Whenever the number of institutional directors is changed by the institutional members as set out above, the institutional members shall, by ordinary resolution, fix the length of the terms of office for any new directors for not more than three (3) years and may reduce the term of office of any incumbent director as needed to achieve staggered terms in which approximately one-third (1/3) of the terms expire each year.

As specified in the articles, the directors may appoint one or more directors, who shall hold office for a term expiring not later than the close of the next annual general meeting of institutional members, but the total number of directors so appointed may not exceed one-third (1/3) of the number of directors elected by the members.

21. Calling of Meetings of Board of Directors

Meetings of the board may be called by the chair of the board, the vice-chair of the board or any two (2) directors at any time.

22. Notice of Meeting of Board of Directors

Notice of the time and place for the holding of a meeting of the board shall be given in the manner provided in the section on giving notice of meeting of directors of this by-law to every director of the Corporation not less than 5 days before the time when the meeting is to be held. Notice of a meeting shall not be necessary if all of the directors are present, and none objects to the holding of the meeting, or if those absent have waived notice of or have otherwise signified their consent to the holding of such meeting. Notice of an adjourned meeting is not required if the time and place of the adjourned meeting is announced at the original meeting. Unless the by-law otherwise provides, no notice of meeting need specify the purpose or the business to be transacted at the meeting except that a notice of meeting of directors shall specify any matter referred to in subsection 138(2) (Limits on Authority) of the Act that is to be dealt with at the meeting.

23. Regular Meetings of the Board of Directors

The board may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings of the board shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except if subsection 136(3) (Notice of Meeting) of the Act requires the purpose thereof or the business to be transacted to be specified in the notice.

Officers

24. Appointment of Officers

The board may designate the offices of the Corporation, appoint officers on an annual or more frequent basis, specify their duties and, subject to the Act, delegate to such officers the power to manage the affairs of the Corporation. A director may be appointed to any office of the Corporation. An officer may, but need not be, a director unless these by-laws otherwise provide. Two or more offices may be held by the same person.

Conflict of Interest

25. Conflict of Interest for Directors and Officers

Every Director and Officer shall disclose to the Corporation the nature and extent of any interest that the Director or Officer has in a material contract or material transaction, whether made or proposed, with the Corporation, in accordance with the manner and timing provided in section 141 of the Act.

Financial Matters

26. Execution of Documents

Deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring execution by the Corporation may be signed by any two (2) persons authorized by the board to be signing officers. The board may from time to time direct the manner in which and the person or persons by whom a particular document or type of document shall be executed. Any signing officer may certify a copy of any instrument, resolution, by-law or other document of the Corporation to be a true copy thereof.

27. Banking Arrangements

The banking business of the Corporation shall be transacted at such bank, trust company or other firm or corporation carrying on a banking business in Canada or

elsewhere as the board of directors may designate, appoint or authorize from time to time by resolution. The banking business or any part of it shall be transacted by an officer or officers of the Corporation and/or other persons as the board of directors may by resolution from time to time designate, direct or authorize.

28. Annual Financial Statements

The Corporation may, instead of sending copies of the annual financial statements and other documents referred to in subsection 172(1) (Annual Financial Statements) of the Act to the members, publish a notice to its members stating that the annual financial statements and documents provided in subsection 172(1) are available at the registered office of the Corporation and any member may, on request, obtain a copy free of charge at the registered office or by prepaid mail.

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