

Small Business Club Niagara
(the "Corporation")

By-law Number 2

Effective as of _____ 2009

This By-Law Number 2 supersedes and shall have the effect of repealing By-Law Number 1 of the Corporation dated December 6, 2000.

ARTICLE I. Name

The name of the Corporation shall be "SMALL BUSINESS CLUB NIAGARA".

ARTICLE II. Head Office

The Head Office of the Corporation shall be in the City of Thorold, in the Province of Ontario and at such place therein as the Directors may from time to time determine.

ARTICLE III. Territory

The area within which the activities of the Corporation shall be carried on shall be the Region of Niagara in the Province of Ontario.

ARTICLE IV. Membership

1. Members of the Corporation shall be personal representatives of the diverse elements of the business community of the Niagara area, duly approved by the Board to become a member of the Corporation. Without limiting the generality of the foregoing, the Directors shall determine the qualifications of membership which shall include an obligation to work or operate a business within the Niagara Region and shall include an obligation to pay annual membership dues as stipulated by the Board from time to time.
2. Members who do not return their membership renewal form, along with the membership dues in full, to the Corporation's head office by the anniversary date of their membership in each year will be considered to have resigned. Members may also resign at any other time by notifying the Corporation in writing. Upon thirty days' notice in writing to a member of the Corporation, the board may pass a resolution authorizing the removal of such member from the register of members of the Corporation and thereupon such person shall cease to be a member of the Corporation. Any such member may reapply for membership in the Corporation
3. Members shall be entitled to vote through a written, signed proxy.
4. Every member shall be entitled to one vote by personal attendance or through a duly authorized and signed proxy with respect to a specific vote that each member is duly notified of in accordance with these bylaws. Members shall have the power and responsibility at Meetings of Members to elect Directors, to receive reports from and make recommendations to the Board and to adopt, confirm, ratify and approve by-laws, rules or regulations proposed by the Board.

ARTICLE V. Board of Directors

1. The affairs of the Corporation shall be managed by a Board of Directors, which reflects the community served and which consists of not less than five (5) and no more than twelve (12) persons. The Board of Directors may exercise all such powers and all such acts and things as may be exercised or done by the Corporation, that are not by the by-laws or any special resolution of the Corporation or by statute, expressly directed or required to be done by the members.
2. The membership shall elect Directors for vacancies at the annual meeting, to serve for a two (2)-year term. No person may serve more than three (3) consecutive two-year terms except after an absence from the Board of Directors of one year.
3. Directors shall be resident Canadians over the age of eighteen (18), shall not be undischarged bankrupts, shall be members of the Corporation and shall otherwise satisfy the requirements of directors as determined in this By-Law or as specified by the Board of Directors from time to time.
4. The members may, by resolution passed by at least two-thirds of the votes cast thereon at a general or special meeting of members called for the purpose, remove any Director before the expiration of his/her term of office and may, by majority vote at that meeting, elect any person in his/her stead for the remainder of his/her term.

ARTICLE VI. Meetings, Notices, Quorum

1. The annual meeting of the members of the Corporation shall be held within two months of receiving the audited financial statements and not later than 13 months from the previous annual general meeting.
2. Special meetings of the members for any purpose(s) may be called pursuant to a resolution of the Board of Directors. Business transacted at all special meetings shall be confined to the subjects stated in the call and matters germane thereto.
3. Notice of any meeting of the membership, annual or special, stating the date, time and place where it is to be held and in the case of a special meeting all matters to be considered, shall be provided in writing seven (7) days prior to the date of the meeting. Such notice may be delivered personally, by postage paid mail, facsimile transmission or by email.
4. A quorum is constituted by not less than a thirty percent (30%) majority of members at all meetings of members
5. If such number of members shall not be present in person or by proxy, those present shall have power to adjourn this meeting until a quorum shall be present, at which time any business may be transacted which might have been transacted at the meeting as originally notified.
6. Any action by a majority of members where a quorum (in attendance or by proxy) is present shall be the action of the membership of the Corporation.

ARTICLE VII. Meetings of the Board

1. Meetings of the Board of Directors shall be held monthly or as otherwise determined by the Board, provided that the board shall meet at least six (6) times per calendar year. Additional meetings may be held on the call of the President or Vice-President or on direction in writing of two (2) Directors. Absence from three (3) consecutive meetings or six (6) regular meetings within any twenty-four (24) month period may be considered by the Board as a resignation by a Director, provided that the President of the Board is unable to establish a valid reason for a Director's absence.
2. Notice of any meeting of the Directors, regular or special, given in accordance with these by-laws shall be delivered, telephoned, sent by email or by facsimile transmission to each Director not less than seven (7) days before the meeting. A Directors' meeting may also be held, without notice, immediately following the annual general meeting of the corporation to elect officers.
3. The presence of a majority of the Directors, rounded up to the nearest whole person, shall be necessary to constitute a quorum. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business. If a quorum is not present at the time appointed for a meeting of the Board, within such reasonable time thereafter as the Board Members present may determine, the Board Members present may vote to adjourn the meeting to a fixed time and place but may not transact any other business, and the provisions of Article VII.2 with regard to notice shall apply to such rescheduled meeting.
4. Questions arising at any meeting of the Directors shall be decided by a majority of votes. The President will vote only in the case of a tie. All votes at any such meeting shall be taken by ballot if so demanded by any Director present. If no demand is made, the vote shall be taken by a show of hands indicating assent or dissent. A declaration by the President that a resolution has been carried and an entry to that effect in the minutes shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. In the absence of the President, the Vice-President, or such other Director as the Board may from time to time appoint for this purpose may perform his or her duties.
5. In addition to the powers by this By-Law expressly confirmed upon them, the Board of Directors of the Corporation may exercise such powers and do such lawful acts and things that are not by statute or by this By-Law required to be exercised by the members or officers.
6. It shall be the duty of every Director of the Corporation who is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or proposed arrangement with the Corporation to declare such interest to the extent, in the manner and at the time required by the Corporations Act of Ontario.

ARTICLE VIII. Officers

1. The officers of the Corporation shall consist of President, Vice-President, Treasurer, Secretary and other officers holding such titles and authority and performing such duties as the Board of Directors may determine. All such officers are elected annually by the Board of Directors immediately following the annual meeting of the Corporation.
2. The President of the board shall be the senior volunteer officer of the Corporation. The President shall, if present, preside at all meetings of the Board of Directors and of the members. He or she shall have such other powers and perform such other duties as are usual for a person holding such an office in such circumstances or as may from time-to-time be assigned to him or her by the Board of Directors.
3. The Executive Director shall be the senior professional officer and employee of the Corporation. The Executive Director shall, subject to the direction of the President of the Board, Vice-President acting in his or her place, and the Board of Directors, have such powers and perform such duties as are usual for a person holding such an office. The Executive Director shall at all reasonable times give to the Board of Directors or any Director such information as may be required by it or such director regarding the affairs of the Corporation. The Executive Director shall be the custodian of the seal of the Corporation and of all books, papers, records, correspondence, contracts and other documents belonging to the Corporation. The Executive Director shall have custody of the original copy of the bylaws and all amendments thereof. The Executive Director shall be present at all meetings of the Board of Directors except when excused and except for *in camera* meetings of the Board.
4. The Treasurer, or person performing the usual duties of a Treasurer, shall oversee the maintenance of full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall oversee the deposit of all monies and other valuable effects in name and to the credit of the Corporation in such depositories as may be approved and designated by the Board of Directors. The Treasurer shall oversee the disbursement of funds of the Corporation in accordance with the guidelines set out by the Directors and shall render, or shall cause to be rendered, to the Board of Directors at the regular meetings an account of all transactions of the financial condition of the Corporation.
5. The Secretary shall attend and be the Secretary of all meetings of members and directors and shall enter or cause to be entered in books kept for that purpose minutes of all proceedings thereat. He or she shall give or cause to be given, as and when instructed, all notices to members and directors. He or she shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and other instruments belonging to the Corporation except when some other office or agent has been appointed for that purpose.
6. The Vice President shall assume all duties and powers of the President in the absence or inability of the President to perform such duties and shall perform other duties as may be assigned by the Board of Directors from time to time.

ARTICLE VIII. Officers Cont...

7. The Directors and officers of the Corporation shall serve as such without remuneration and no Director or officer shall directly or indirectly receive any profit from their position as such, provided that the Directors and officers may be paid reasonable expenses incurred by them in the performance of their duties.
8. The Board of Directors may require such officers, employees and agents of the Corporation as the board deems advisable to furnish bonds for the faithful discharge of their duties, in such form and with such surety as the board may from time to time prescribe.
9. The Board of Directors will cause the financial records to be audited annually by a chartered public accountant or accountants as approved and directed by the Board. Such financial records and recommendations from the auditor shall be submitted to the Board not less than thirty (30) days after such audited statements are provided to the Corporation by the auditor.

ARTICLE IX. Committees

1. Unless otherwise determined by the Board of Directors, the Executive Committee shall consist of the President, Vice-President, Treasurer, Secretary and other such officers as the Board may determine. The Executive Director shall serve as an *ex-officio* officer of the Corporation, without a vote and whose presence shall not be numbered in the establishment of a quorum.
2. The Nominating Committee consists of the President, Vice-President and other Directors appointed by the Board. The Nominating Committee ensures the health of the Corporation through the recruitment and development of stable representation and effective leadership. The Nominating Committee recommends to the membership a slate of nominees for election to the Board of Directors as well as a slate of officers following the vote on nominees to the Board.
3. The Board of Directors may by resolution create one or more other committees which may but need not include members of the Board. Unless otherwise provided, the president and the Executive Director shall be *ex officio* members of all committees. All committees shall be accountable to the Board which shall approve such committees' terms of reference; and the committees shall provide regular reports of activities and adherence to budgets.

ARTICLE X. Vacancies

1. All vacancies on the Board of Directors, however caused, may be filled by vote of the remaining Directors, providing a quorum of Directors remains in office.
2. In case there is a vacancy in any office of the Corporation, however caused, such vacancy may be filled by a vote of the Board of Directors at any regular or special meeting. Such officers so elected to fill vacancies shall serve until the next annual meeting. This would limit the newly elected members to only the remainder of the term, unless re-elected subject to the provisions of this by-law.
3. If the number of Directors is increased by the Board of Directors, a vacancy or vacancies is deemed to exist. Such vacancy or vacancies shall be filled in the manner described within this by-law.

ARTICLE XI. Banking

1. All monies received from time to time by the Corporation shall, upon their receipt, be deposited to the credit of the Corporation in such depositories as may be designated by the Board of Directors.
2. All cheques, drafts, electronic transactions or orders for payment of money shall be signed and authorized by two officers or other persons who are designated with such signing authority as the Board of Directors may from time to time appoint by resolution.

ARTICLE XII. Financial Year

Unless otherwise determined by the Board of Directors, the financial year of the corporation shall be the calendar year and as such shall terminate on December 31 in each year.

ARTICLE XIII. Seal

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

ARTICLE XIV. Amendments

1. The members shall have the power to make, alter, amend or repeal the by-laws of the Corporation by a two-thirds vote of the membership at any regular or special meeting thereof when notice of such proposed action has been announced in the notice of such meeting.
2. Any amendments, alterations, changes, additions or deletions from these by-laws, when approved by the members, shall be consistent with the laws which define, limit or regulate the powers of the Corporation or the Directors of the Corporation.

ARTICLE XV. Directors Indemnification

1. **Limitation of liability** No director or officer of the Corporation shall be liable for the acts, receipts, neglects or default of any other director or officer or employee, or for joining in any receipt of other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by order of the board for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same are occasioned by his own willful neglect or default.

2. **Indemnity** Every director and officer of the Corporation and his heirs, executors and administrators and estate and effects, respectively, shall from time to time and at all times be indemnified and saved harmless out of the funds of the Corporation from and against:
 - (a) all costs, charges and expenses whatsoever that such director or officer sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against him for in respect of any act, deed, matter or thing whatsoever made, done or permitted by him in or about the execution of the duties of his office; and
 - (b) all other costs, charges and expenses that he sustains or incurs in or about or in relation to the affairs of the Corporation except such costs, charges or expenses as are occasioned by his own wilful neglect or default.

3. **Validity of actions** No act or proceeding of any director or board of directors shall be deemed invalid or ineffective by reason of the subsequent ascertainment of any irregularity in regard to such act or proceeding or the qualification of such director or board of directors.

4. **Directors' reliance** Directors may rely upon the accuracy of any statement or report prepared by the Corporation's auditors and shall not be responsible or held liable for any loss or damage resulting from acting upon such statement or report.

5. The Corporation shall carry sufficient liability insurance to protect Board members of the Corporation from personal liability.

This by-law shall come into force when confirmed by the voting members in accordance with the Corporations Act.

PASSED by the directors and sealed with the corporate seal this _____ day of _____ 2009.

President

Secretary

CONFIRMED by the members this _____ day of _____, 2009