

BY-LAW NUMBER THREE

*Being a By-Law relating generally to
the conduct of the affairs of*

ELORA CENTRE FOR THE ARTS

Head Office

- 1. The Head Office of the Corporation shall be in the Township of Centre Wellington, in the County of Wellington and Province of Ontario.*

Seal

- 2. The Seal, an impression of which is stamped in the margin hereof, shall be the corporation seal of the Corporation.*

Board of Directors

- 3. Each Director must be at the time of his/her election or within ten days thereafter and throughout his/her term of office a Member of the Corporation. Each such director shall be elected to hold office until the second annual meeting after he/she shall have been elected or until his/her successor shall have been duly elected and qualified. No director may hold office for more than three consecutive terms of two years.*

The property and business of the Centre shall be managed by a Board of Directors consisting of a minimum of 8 (eight) Directors and a maximum of 14 (fourteen) Directors. The number of Directors shall be determined from time to time by a majority of the Directors at a meeting of the Board of Directors duly called for the purpose of determining the number of Directors to be elected to the Board of Directors. Directors must be individuals, eighteen years of age, with power under law to contract.

New Directors shall be approved by the Board of Directors. In approving such Directors, the Board of Directors shall consider, but not be bound by, the recommendations of the Governance and Nominations Committee.

The members of the Corporation may, by resolution passed by at least two-thirds of the votes cast at a general meeting of which notice specifying the intention to pass such resolution has been given, remove any such director before the expiration of his/her term of office, and may, by a majority of the votes cast at that meeting, elect any person in his/her stead for the remainder of his/her term.

Directors may be removed from office by an instrument in writing signed by two-thirds of the Board of Directors.

At the Annual General Meeting of the Corporation, the proposed slate of Directors for the ensuing year is presented to the Members for election to the Board of Directors by ratification. The members of the Corporation may, by resolution, pass by a simple majority of the votes cast at the Annual General Meeting, reject the proposed slate of Directors. If the proposed slate is rejected, a new Board of Directors must be prepared and presented at a general meeting of the members.

Vacancies, Board of Directors

4. *Vacancies on the board of directors, however caused, may, so long as a quorum of directors remain in office, be filled by the directors from among the qualified members of the Corporation, if they shall see fit to do so, otherwise such vacancy shall be filled at the next annual meeting of the members at which time the directors for the ensuing year are ratified, but if there is not a quorum of directors, the remaining directors shall forthwith call a meeting of the members to fill this vacancy.*

The office of Director shall be automatically vacated, and shall be vacant until a successor has been designated, appointed, or selected, as may be applicable as provided:

- a. *if a Director has resigned his or her office by delivering a written resignation to the Secretary of the Centre;*
- b. *if a Director is found by a court to be of unsound mind;*
- c. *if a Director becomes bankrupt or suspends payment or compounds with his or her creditors; or*
- d. *on death.*

Quorum and Meetings, Board of Directors

5. *50% plus one of those directors elected from time to time shall form a quorum for the transaction of business. Except as otherwise required by law, the board of directors may hold its meetings at such place or places as it may from time to time determine. NO formal notice of any such meeting shall be necessary if all the directors are present, or if those absent have signified their consent to the meeting being held in their absence. Directors' meetings may be formally called by the Chair or Vice-Chair or by the Secretary-Treasurer on the direction of the Chair or Vice-Chair or by the Secretary-Treasurer on direction in writing of two directors. Notice of such meetings shall be delivered, telephoned or telefaxed or emailed to each director not less than one day before the meeting is to take place or shall be mailed to each director not less than two days before the meeting is to take place. The statutory declaration of the Secretary-Treasurer or*

Chair that notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of the giving of such notice. The board may appoint a day or days in any month or months for regular meetings at an hour to be named, and of such regular meeting no notice need be sent. A directors' meeting may also be held without notice immediately following the annual meeting of the Corporation. The directors may consider or transact any business either special or general at any meeting of the board.

Errors in Notice, Board of Directors

6. *No error or omission in giving such notice for a meeting of directors shall invalidate such meeting or invalidate or make void any proceedings taken or had at such meeting and any director may at any time waive notice of any such meeting and may ratify and approve any or all proceedings taken or had thereat.*

Voting, Board of Directors

7. *Questions arising at any meeting of directors shall be decided by a majority of votes. In case of an equality of votes, the Chairman, in addition to his/her original vote, shall have a second or casting vote. All votes at any such meeting shall be taken by a ballot if so demanded by any director present, but if no demand be made, the vote shall be taken in the usual way of assent or dissent. A declaration by the Chairman that a resolution has been carried and an entry to that effect in the minutes shall be admissible in evidence as prima facie proof 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 Chair, his/her duties may be performed by the Vice-Chair or such other director as the board may from time to time appoint for the purpose.*

Powers

8. *The directors of the Corporation 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 charter or otherwise authorized to exercise and do. Without in any way derogating from the foregoing, the directors are expressly empowered, from time to time, to purchase, lease or otherwise acquire, alienate, sell, exchange or otherwise dispose of shares, stocks, rights, warrants, options and other securities, lands, buildings and other property, movable or immovable, real or personal, or any right or interest therein owned by the Corporation, for such consideration and upon such terms and conditions as they may deem advisable.*

Remuneration of Directors

9. *The elected directors shall receive no remuneration for acting as such.*
10. *There shall be a Chair, a Vice-Chair, a Secretary and a Treasurer, a Past Chair, and such other officers as the board of directors may determine by-law from time to time. One person may hold more than one office except the offices of Chair and Vice-Chair. The Chair, Vice-Chair, Secretary and the Treasurer shall be elected by the board of directors from among their number at the first meeting of the board after the annual election of such board of directors, provided that in default of such election the then incumbents, being members of the board, shall hold office until their successors are elected. The other officers of the Corporation need not be members of the board and in the absence of written agreement to the contrary, the employment of all officers shall be settled from time to time by the board.*

Duties of Chair and Vice-Chair

11. *The Chair shall, when present, preside at all meetings of the members of the Corporation and of the board of directors or may designate this responsibility. The Chair shall be charged with the general management and supervision of the affairs and operations of the Corporation. The Chair with the Secretary or Treasurer or other officers of the Corporation appointed by the board for the purpose shall sign all by-laws and membership certificates. During the absence or inability of the Chair, his/her duties and powers may be exercised by the Vice-Chair, and if the Vice-Chair, or such other director as the board may from time to time appoint for the purpose, exercises any such duty or power, the absence or inability of the Chair shall be presumed with reference thereto. Both the Chair and the Vice-Chair are members of the Executive.*

Duties of the Secretary

12. *The Secretary shall be ex-officio clerk of the board of directors. He/She shall attend all meetings of the board of directors and record all facts and minutes of all proceedings in the books kept for that purpose. He/She shall give all notices required to be given to members and to directors. He/She 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, which he/she shall deliver up only when authorized by a resolution of the board of directors to do so and to such person or persons as may be named in the resolution, and he/she shall perform such other duties as may from time to time be determined by the board of directors. The Secretary is a member of the executive.*

Duties of the Treasurer

13. *The Treasurer, or person performing the usual duties of a Treasurer, shall keep full and accurate accounts of all receipts and disbursements of the Corporation in proper books of account and shall deposit all moneys or other valuable effects in the name and to the credit of the Corporation in such bank or banks as may from time to time be designated by the board of directors. He/She shall disburse the funds of the Corporation under the direction of the board of directors, taking proper vouchers thereof and shall render to the board of directors at the regular meetings thereof or whenever required of, an account of all his/her transactions as Treasurer, and of the financial position of the Corporation. He/She shall also perform such other duties as may from time to time be determined by the board of directors. The Treasurer is a member of the Executive.*

Duties of the Past Chair

14. *The Past Chair shall, should he/she choose to accept the position, act on behalf of the Chair, or of the Vice-Chair, when neither can be present, including acting as the Chairman of meetings of the Board of Directors. The Past Chair shall serve until he/she resigns or until a new Chair is chosen, thereby creating a new Past Chair. Should the Past Chair not accept the position, or should he/she resign, the position shall remain vacant until the next election of a Chair. The Past Chair is a member of the Executive.*

Governance and Nominations Committee

In line with the Centre's interest in maintaining good governance, the Governance and Nominations Committee reviews its charter regularly and recommends to the Board any changes.

Role:

The Governance and Nominations Committee has as its primary functions:

- *to monitor and recommend changes in the governance of the Centre*
- *to make independent nominations for Director positions for approval by the Board of Directors.*

Membership:

The Governance and Nominations Committee is composed of persons appointed by the Board of Directors, which also elects the Chair of the committee. The Committee is composed of "independent" Directors which are not involved in the operations of the Centre.

Communications:

The Committee reports to the Board of directors and maintains close communication with the

Chair of the Board and the Executive Committee of the Board.

Authority:

The Committee is the source of nominations for Directors. The Board of Directors proposes the slate of Directors to be presented to the members at the Annual General Meeting for election by ratification of the Slate. The Committee is authorized to review and recommend to the board practices and policies related to governance.

Responsibilities:

- 1. Monitor the organizational arrangements of the Board.*
- 2. Develop governance procedures and policies for approval by the Board.*
- 3. Develop desired composition (i.e. expertise, sector representation) of the Board of Directors.*
- 4. Identify, evaluate, and recommend to the Board nominations for Director positions.*
- 5. Ensure new Directors receive adequate orientation.*
- 6. Oversee evaluation of the Board, Committees, and individual Directors.*

Expectations:

- 1. Participate in Committee meetings*
- 2. Review agenda and materials prior to committee meetings.*
- 3. Promote principles of good governance.*
- 4. Recommend on an on-going basis potential nominees for Directors.*

Execution of Documents

- 15. Deeds, transfers, licenses, contracts and engagements on behalf of the Corporation shall be signed by the Chair and the Secretary, or by such other officers as may be authorized by the board and the Secretary shall affix the seal of the Corporation to such instruments as require the same.*

The Chair and the Secretary or any person or persons from time to time designated by the board of directors may transfer any and all shares, bonds or other securities from time to time standing in the name of the Corporation in its individual or any other capacity, or as trustee or otherwise, and may accept in the name and on behalf of the Corporation transfers of shares, bonds or other securities from time to time transferred to the Corporation, and may affix the seal to any such transfers or acceptances of transfers, and may make, execute and deliver under the corporate seal any and all instruments in writing necessary or proper for such purposes, including the appointment of an attorney or attorneys to make or accept transfers of shares, bonds or other securities on the books of any company or corporation.

Notwithstanding any provisions to the contrary contained in the by-laws of the

Corporation, the board of directors may at any time by resolution direct the manner in which, and the person or persons by whom, any particular instrument, contract or obligations of the Corporation may or shall be executed.

Books and Records

16. *The directors shall see that all necessary books and records of the Corporation required by the by-laws of the Corporation or by an applicable statute or law are regularly and properly kept.*

Membership

17. *The membership shall consist of the applicants for the incorporation of the Corporation and such other individuals and such corporations, partnerships and other legal entities as are admitted as members by the board of directors.
Members may resign by resignation in writing which shall be effective upon acceptance thereof by the board of directors.
In case of resignation, a member shall remain liable for payment of any assessment or other sum levied or which became payable by him/her to the Corporation prior to acceptance of his/her resignation.*

*Each member in good standing shall be entitled to one vote on each question arising at any special or general meeting of the members. Corporations, partnerships and other legal entities may vote through a duly authorized proxy.
Each member shall promptly be informed by the Secretary of his/her admission as a member.*

Dues

18. *There shall be no dues or fees payable by members except such, if any, as shall from time to time be fixed by majority vote of the board of directors, subject to confirmation by a vote of the members at an annual or other general meeting.
The Secretary or Treasurer shall notify the members of the dues or fees at any time payable by them and, if any are not paid within 30 days of the date of such notice, the members in default shall thereupon automatically cease to be members of the Corporation, but any such members may on payment of all unpaid dues or fees be reinstated at the discretion of the Executive Director.*

Annual and Other Meetings of Members

19. *The annual or any other general meeting of the members shall be held at the head office of the Corporation or elsewhere in Ontario as the board of directors may determine on such day as the said directors shall appoint. At every annual meeting, in addition to any*

other business that may be transacted, the report of the directors, the financial statement and the report of the auditors shall be presented, and a board of directors ratified and auditors appointed for the ensuing year, and the remuneration by the auditors shall be fixed. Members may propose questions for consideration at the Annual General Meeting by providing notice to the Corporation of the business issue in writing 10 days prior to the meeting. Such questions would be included in the Agenda prepared in advance of the meeting. The board of directors or the Chair or Vice-Chair shall have power to call at any time a general meeting of the members of the Corporation. Public notice or advertisement of members' meetings, annual or general, may be given by insertion in the local newspaper for the community of Elora or notice may be given to each member by sending the notice by prepaid mail or by hand delivery or by telefax, or by email, one day before the time fixed for the holding of such meeting, provided that any meetings of members may be held at any time and place without such notice if all members of the Corporation are present in person or are represented by proxy duly appointed, and at such meeting any business may be transacted which the Corporation at annual or general meetings may transact.

Error or Omission in Notice

20. *No error or omission in giving notice of any annual or general meeting or any adjourned meeting, whether annual or general, of the members of the Corporation shall invalidate such meeting or make void any proceedings taken thereat and any member, may at any time waive notice of any such meeting and any ratify, approve and confirm any or all proceedings taken or had thereat. For the purpose of sending notice to any member, director or officer for any meeting or otherwise, the address of any member, director or officer shall be his/her last address recorded on the books of the Corporation.*

Adjournments

21. *Any meetings of the Corporation or of the directors may be adjourned to any time and from time to time and such business may be transacted at such adjourned meeting as might have been transacted at the original meeting from which such adjournment took place. No notice shall be required of any such adjournment. Such adjournment may be made notwithstanding that no quorum is present.*

Quorum of Members

22. *The members present at any properly announced meeting shall constitute a quorum*

Voting of Members

23. *Subject to the provisions, if any, contained in the Letters Patent of the Corporation, each member of the Corporation shall at all meetings of members be entitled to one vote and*

he/she may vote by proxy. Any Member in good standing may assign his or her proxy to a Director or any other Member to be exercised if required at the AGM.

The assignment of proxy must be given to the member in writing and the original copy of this assignment must be provided to the General Manager, the Secretary, or the chair, one day in advance of the AGM. Failure to comply with this requirement will render the proxy null and void.

No member shall be entitled either in person or by proxy to vote at meetings of the Corporation unless he/she has paid all dues or fees, if any, then payable by him/her.

At all meetings of members, every question shall be decided by a majority of the votes of the members present in person or represented by proxy unless otherwise required by the by-laws of the Corporation, or by law. Every question shall be decided in the first instance by a show of hands unless a poll be demanded by any member. Upon a show of hands, every member having voting rights shall have one vote, and unless a poll be demanded, a declaration by the Chairman that a resolution has been carried or not carried and an entry to that effect in the minutes of the fact without proof of the number or proportion of the votes accorded in favour of or against such resolution. The demand for a poll may be withdrawn, but if a poll be demanded and not withdrawn, the question shall be decided by a majority of votes given by the members present in person or by proxy, and such poll shall be taken in such manner as the Chairman shall direct and the result of such poll shall be deemed the decision of the Corporation, in general meeting, upon the matter in question. In case of a equality of votes at any general meeting, whether upon a show of hands or at a poll, the Chairman shall be entitled to a second casting vote.

Financial Year

24. *Unless otherwise ordered by the board of directors, the fiscal year of the Corporation shall terminate on the 31st day of August, each year.*

Cheques, Etc.

25. *All cheques, bills of exchange or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the board of directors and any such person or persons may alone endorse notes and drafts for collection on account of the Corporation through its bankers, and endorse notes and cheques for deposit with the Corporation's rubber stamp for the purpose. Any one of such officers or agents so appointed may arrange, settle, balance and certify all books and accounts between the Corporation and the Corporation's bankers and may receive all paid cheques and*

vouchers and sign all the bank's forms or settlement of balances and release or verification slips.

Deposit of Securities for Safekeeping

26. *The securities of the Corporation shall be deposited for safekeeping with one or more bankers, trust companies or other financial institutions to be selected by the board of directors. Any and all securities so deposited may be withdrawn from time to time only upon the written order of the Corporation signed by such officers, agent or agents of the Corporation, and in such manner, as shall from time to time be determined by resolution of the board of directors and such authority may be general or confined to specific instances.*

The institutions which may be so selected as custodians of the board of directors shall be fully protected in accordance with the directions of the board of directors and shall in no event be liable for the due application of the securities so withdrawn from deposit or the proceeds thereof.

Notice

27. *Whenever under the provisions of the by-laws of the Corporation, notice is required to be given, such notice may be given either personally or telefax, or email, or by depositing same in post office or public letter-box, in a prepaid, sealed wrapper addressed to the director, officer or member at his/her or their address as the same appears on the books of the Corporation. A notice or other document so sent by post shall be held to be sent at the time when the same was deposited in a post office or public letter-box as aforesaid. For the purpose of sending any notice the address of any member, director or officer shall be his/her last address as recorded on the books of the Corporation.*
28. *The provisions of by-law #1 are hereby repealed.*

PASSED by the members of the Corporation present and entitled to vote at the annual general meeting of members in accordance with the provisions of the Corporations Act (Ontario) on the 28th day of November, 2005.

Chair