

SCHEDULE “B”

SOCIETY ACT

VANCOUVER ROTARY CLUB FOUNDATION

BY-LAWS

Here set out, in numbered clauses, the bylaws providing for the matters referred to in Section 6(1) of the *Society Act* and any other bylaws.

PART I **INTERPRETATION**

- 1.1 “Society” shall mean “VANCOUVER ROTARY CLUB FOUNDATION”.
- 1.2 “Investment Manager” shall mean such person(s) appointed pursuant to Part V hereof who is registered under applicable securities legislation as a portfolio manager.
- 1.3 “Member” shall mean a member of the Society duly appointed under these Bylaws.
- 1.4 “Club” shall mean “Rotary Club of Vancouver”.
- 1.5 “Ordinary Resolution” means a resolution:
- (a) passed by a simple majority of the votes cast by such Members entitled to vote as are present in person or by proxy at a General Meeting of Members; or
 - (b) consented to in writing by 75% of the Members who would have been entitled to vote on it in person at a General Meeting of the Foundation.
- 1.6 “Special Resolution” means a resolution:
- (a) passed by a majority of not less than 75% of the votes cast by such Members entitled to vote as are present in person or by proxy at a General Meeting of Members, of which notice specifying the intention to propose the resolution as a Special Resolution has been given; or

- (b) consented to in writing by every Member who would have been entitled to vote on it in person or by proxy.

1.7 “Total Annual Return” shall mean, for each fiscal year of the Society:

- (a) the total interest, dividends, realized and unrealized capital gains and other income earned by the Society, and including without limiting the generality of the foregoing all donations except those donations which are subject to a direction, instruction or trust requiring that they be held for at least ten years or which are by resolution of the board or otherwise added to the endowed capital of the Society, minus
- (b) the total realized and unrealized capital losses and expenses of the Society.

PART II MEMBERSHIP

2.1 There shall be nine Members of the Society, who have consented to act as such.

2.2 The first Member shall be the President of the Club, and he or she shall be the President of the Society.

2.3 The second Member shall be the President-Elect of the Club and he or she shall be the Vice-President of the Society.

2.4 The third Member shall be the Vice-President of the Club and he or she shall be the Secretary of the Society.

2.5 The fourth Member shall be the Treasurer of the Club and he or she shall be the Treasurer of the Society.

2.6 The fifth Member shall be the Immediate Past President of the Club.

2.7 The sixth, seventh, eighth and ninth Members shall be members of the Club, who have consented to act, elected by the Members of the Society and shall hold office for a term of one year commencing the next following July 1.

2.8 Each Member shall be a Director of the Society.

2.9 Subject to Section 3.1, appointments to fill any vacancies in the Society whether as a Member and Director due to death, resignation, disqualification, removal from office or inability to act, shall be made by a majority of the remaining Members of the Society, and such appointment so made shall be only to complete the unexpired term of the Member and Director being replaced.

2.10 A person shall cease to be in good standing and shall cease to be a Member of the Society if he or she ceases to be a Member of the Club or if he or she is a Member of the Society by reason of being a person described in or holding one of the offices of the Club listed in Sections 2.2 through 2.6 and he or she ceases to hold such office and is not reappointed or re-elected to continue to serve pursuant to any of Sections 2.2 through 2.7.

2.11 A Member may be expelled from the Society by Special Resolution.

2.12 A person shall cease to be a Director and Officer of the Society if he or she ceases to hold an office in the Club or occupy the position in relation to the Club qualifying him or her to be such Director and Officer as provided in Sections 2.2 through 2.6 or ceases to be a Member of the Club.

2.13 A Director or Officer may be removed from office at any time by Special Resolution.

2.14 The Directors and Officers of the Society shall not receive any remuneration but may be reimbursed for any reasonable out-of-pocket expenses incurred by them in the conduct of their duties.

PART III MEETINGS OF MEMBERS

3.1 The Annual General Meeting of the Society shall be held within six months of the end of the fiscal year of the Society, at which meeting:

- (a) the annual financial statements of the Society for the immediately preceding fiscal year, together with the report of the auditors, if any, thereon shall be submitted;

- (b) the report of the Directors shall be submitted;
- (c) the Members, Directors and Officers shall be designated, appointed or elected to hold office for one year commencing the next following July 1; and
- (d) if the Members decide to have an auditor, the auditors may be appointed.

3.2 A majority of the Members may at any time convene a Special General Meeting of the Members by giving fourteen days notice in writing to all Members.

3.3 Notices of meetings of the Society shall designate the time, date, place and purpose of the meeting. Fourteen days notice of the meeting of the Members shall be given to all the Members of the Society, either personally or in writing, at the last know address of such Member.

3.4 A quorum for any General Meeting of the Members of the Society shall be three Members present personally or by proxy. No business other than the election of the chairperson and the adjournment or termination of the meeting shall be conducted at any General Meeting at any time when a quorum is not present.

3.5 The President of the Society shall preside over all meetings of the Members. In the absence of the President, the Vice-President of the Society shall preside as chairperson and failing either of the said officers, a majority of the Members present shall elect a chairperson.

3.6 A Member may appoint another Member as proxy to attend and vote at any meeting of Members on his or her behalf. Any instrument of proxy shall only be valid if it appoints a Member to vote at one particular meeting of Members designated therein or any adjournment of such meeting. An instrument appointing a proxy shall be in the following form:

The undersigned hereby appoints _____ of _____ as proxy for the undersigned to attend at and vote for and on behalf of the undersigned at the General Meeting of the Members of Vancouver Rotary Club Foundation to be held at _____ on the ___ day of _____, _____, at the hour of _____ and at any adjournment of that meeting.

Signed this ____ day of _____, _____.

Signature of Member

or such other form as may be approved by the chairperson of the meeting.

3.7 At any meeting of the Society a resolution put to the vote of the meeting shall be decided upon a show of hands unless any Member requests a secret ballot. A declaration by the chairperson that such resolution has been carried, or carried unanimously, and an entry to that effect in the Minute Book of the Society shall be conclusive evidence of the passing of the resolution. If a secret ballot is requested, it shall be taken in such manner as the chairperson may direct. On a secret ballot each Member present at a meeting shall have one vote for himself and one vote for each proxy held by him or her.

3.8 Unless an issue is required to be decided by a Special Resolution, any other resolution shall be passed by Ordinary Resolution.

PART IV MEETINGS OF DIRECTORS

4.1 The Directors may meet together at such places as they think fit for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit.

4.2 A Director may at any time, and the Secretary upon the written request of a Director shall, call a meeting of the Directors. Notices of meetings of Directors shall be given at least 48 hours before the time appointed for holding the meeting or such lesser time as may be reasonable under the circumstances.

4.3 A quorum for a meeting of Directors shall be three Directors.

4.4 A resolution consented to in writing by every Director shall be as valid as if it had been passed at a duly called and held meeting of the Directors. The resolution may be in

counterparts, each consented to in writing by one Director or more than one Director, which together shall be deemed to constitute one resolution.

4.5 Any meeting of the Society or the Board may also be held, or any Member or Director may participate in any meeting of the Society or the Board, by telephone conference or video conference call or similar communication equipment so long as all the Members, Directors and persons participating in the meeting can hear and respond to one another. All such Members, Directors and persons so participating in any such meeting shall be deemed to be present in person at the stated location of such meeting and, notwithstanding the foregoing bylaws, shall be entitled to vote by a voice vote recorded by the Secretary of such meeting. This method of voting will from time to time be used for passing resolutions.

PART V INVESTMENT COMMITTEE

5.1 Immediately upon the formation of the Society, either through incorporation or amalgamation, and thereafter following each Annual General Meeting of the Society, the Directors shall appoint an Investment Committee, to hold office for a term of one year commencing the next following July 1, comprised of the Treasurer and not less than two other Members selected by the Directors. The Treasurer shall be the chairperson of the Investment Committee. The President shall be an ex officio member of the Investment Committee.

5.2 The Investment Committee may meet together at such places as they think fit for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit.

5.3 A quorum shall be two members of the Investment Committee. The President of the Society shall not be counted in determining a quorum.

5.4 Any decision of the Investment Committee shall require a resolution passed by the unanimous vote of the members of the Committee present at the meeting at which the decision is taken.

5.5 The Directors shall establish an investment policy for the Society, which policy shall substantially meet the “prudent standards” test for investments set out in the *Financial Institutions Act* of British Columbia. The Directors shall also appoint, from time to time, investment counsel for the Society who shall be registered as required under applicable British

Columbia securities legislation (the “Investment Manager”) and may consult with the Investment Manager in establishing and amending the investment policy.

5.6 The Investment Committee shall follow the investment policy of the Society established by the Directors, and the Investment Committee shall be responsible for giving directions to the Investment Manager from time to time as to the investment of the Society’s funds. In the exercise of their powers, the members of the Investment Committee shall conform to any rules or standards that may from time to time be imposed on them by the Directors and shall report every act or thing done in the exercise of their powers to the earliest meeting of the Directors to be held next after it has been done.

5.7 A resolution consented to in writing by every member of the Investment Committee shall be as valid as if it had been passed at a duly called and held meeting of the Investment Committee. The resolution may be in counterparts, each consented to in writing by one or more than one member of the Investment Committee, which together shall be deemed to constitute one resolution.

PART VI BANKING AND FINANCES

6.1 All donations to the Society shall be deposited in an account maintained by the Society.

6.2 The Investment Manager shall act as the portfolio manager of the funds of the Society, but the distribution of the income and capital of the funds of the Society shall be by the direction of any one or more Director or Officers of the Society duly authorized by resolution of the Directors.

6.3 The Investment Manager shall, with the approval of the Investment Committee, have the authority to invest, call in as occasion requires and re-invest such moneys as may be in the account of the Society from time to time and to make such investments in such securities as at the time of making the same are by the laws of British Columbia permitted to be made by societies. The Investment Manager may rely upon any approval in writing by the Treasurer purporting to be given on behalf of the Investment Committee.

6.4 The Investment Manager may retain moneys and reimburse itself as the case may be for all outlays, costs and reasonable fees, professional or otherwise, as are fit and proper and

by direction of the Society may pay other proper expenses required for the maintenance of the Society.

6.5 The Investment Manager shall not less than annually prepare a statement of the funds and property managed by the Investment Manager.

6.6 The Investment Manager shall be liable only for such moneys and property as it actually receives on behalf of the Society and shall not be liable for any involuntary losses nor for any losses arising out of the actions of the members of the Society or matters relating to the operation of the accounts of the Society.

6.7 The Society shall not have the power to borrow money.

PART VII OSCAR A. OLSON FUND

7.1 The Society shall utilize not less than \$7,000 per annum of the Total Annual Return of the Society for gifts for charitable or educational purposes including those specified in subsections 2(a)(iv) to (viii) inclusive of the Constitution of the Society, in the name of Oscar A. Olson.

PART VIII SEAL

8.1 The Secretary of the Society shall provide for the safe custody of the common seal of the Society, which shall not be affixed to any instrument except in the presence of:

- (a) any two of the President, the Vice-President, the Secretary and the Treasurer;
- (b) such other director or directors who may be designated from time to time by resolution duly passed by the Directors.

PART IX AMENDMENTS TO BY-LAWS

9.1 These Bylaws may be amended by Special Resolution.

PART X BOOKS, RECORDS & STATEMENTS

10.1 The Secretary shall be responsible for the preparation and custody of the minutes of proceedings of the Members and Directors of the Society and other books and records of the

Society, provided that any such responsibilities may be delegated by the Secretary to the solicitors for the Society.

10.2 The books and records of the Society shall be kept at the Society's offices provided that the Minute Books and related records may be kept at the offices of the solicitor for the Society and such-books and records shall be open for inspection by any Member between 10:00 a.m. and 4:00 p.m. on all days except Saturdays, Sundays and legal holidays.

10.3 The Secretary shall keep a book in which the Members of the Society are registered and shall enter therein the names of the subscribers to the Constitution and Bylaws of the Society and the name of every other person who is admitted as a Member of the Society, together with the following particulars:

- (a) the full name and address of every such subscriber and person;
- (b) the date on which each person is admitted as a Member;
- (c) the date on which any person ceases to be a Member.

PART XI LIABILITY OF MEMBERS

11.1 No Member of the Society shall, in his or her individual capacity, be liable for any debt or liability of the Society.

11.2 No Member of the Society shall be liable for any fee with respect to his or her membership in the Society and any Member may apply to the Treasurer for reimbursement for his or her personal disbursements in carrying out the objects of the Society.

PART XII INDEMNIFICATION

12.1 Subject to the *Society Act*, each Director and each Officer of the Society will be indemnified by the Society against all costs, charges and expenses reasonably incurred in connection with any claim, action, suit or proceeding to which that person may be made a party by reason of being or having been a Director or Officer of the Society.

12.2 To the extent permitted by the *Society Act*, the Society will indemnify and hold harmless every person heretofore, now or hereafter serving as a Director or Officer of the Society and that person's heirs and personal representatives.

12.3 To the extent permitted by the *Society Act*, all costs, charges and expenses incurred by a Director or Officer with respect to any claim, action, suit or proceeding may be advanced by the Society prior to the final disposition thereof, in the discretion of the Directors, and upon receipt of an undertaking satisfactory in form and amount to the Directors by or on behalf of the recipient to repay such amount unless it is ultimately determined that the recipient is entitled to indemnification hereunder.

12.4 The Society will apply to the court for any approval of the court which may be required to make the indemnities herein effective and enforceable. Each Director and each Officer of the Society on being elected or appointed will be deemed to have contracted with the Society upon the terms of the foregoing indemnities.

12.5 The failure of a Director or Officer of the Society to comply with the provisions of the *Society Act*, or of the Constitution or these Bylaws will not invalidate any indemnity to which he or she is entitled under this Part.

12.6 The Society may purchase and maintain insurance for the benefit of any or all Directors, Officers, employees or agents against personal liability incurred by any such person as a Director, Officer, employee or agent.

PART XIII RESTRICTIONS ON DISTRIBUTIONS

13.1 Notwithstanding any other provisions of these By-Laws, the restrictions set forth in this Part XIII shall apply to distributions by the Society.

13.2 The distribution of the capital and income of the Society in any one fiscal year of the Society commencing after June 30, 2002 shall be limited to the greater of \$50,000, inclusive of any distribution made pursuant to Part VII, and the cumulative undisbursed Total Annual Return for the preceding fiscal years commencing after June 30, 2001.

13.3 The Society may make distributions, which would otherwise be prohibited by Section 13.2, if it is required to do so to comply with the disbursement quota rules in the *Income Tax Act* (Canada).