

**NOVA SCOTIA BUSINESS INCORPORATED  
GENERAL BY-LAW (BY-LAW NO. 1)**

**1. Definitions and Interpretation**

**1.01 Act Prevails** - This by-law is subject to the Act, and in the event of any conflict, inconsistency or ambiguity between this by-law and the Act, the Act prevails.

**1.02 Definitions -**

In this by-law, terms have the meaning given to them in the Act and terms have the following meanings unless there is something in the subject-matter or context inconsistent therewith,

- (a) "Act" means the Nova Scotia Business Incorporated Act (Nova Scotia) and includes the regulations made pursuant thereto;
- (b) "auditor" means the person appointed by the Board as auditor;
- (c) "by-law" means a by-law of the Corporation;
- (d) "Chair of the Board", "President and Chief Executive Officer", "Chief Financial Officer", "Chief Operating Officer", "Vice-President", "Secretary", "Assistant Secretary" or any other officer means such officer of the Corporation;
- (e) "committee" means a committee appointed pursuant to Article 4 of this by-law;
- (f) "director" means a director of the Corporation;
- (g) "employee" means an employee of the Corporation;
- (h) "officer" means an officer of the Corporation;
- (i) "person" includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his capacity as trustee, executor, administrator or other legal representative; and
- (j) "Province" means the Province of Nova Scotia.

**1.03 Interpretation** - In each by-law and resolution, unless there is something in the subject-matter or context inconsistent therewith, the singular shall include the plural and the plural shall include the singular and the masculine shall include the feminine. Wherever reference is made in this or any other by-law or in any special resolution to any statute or section thereof, such reference shall be deemed to extend and refer to any amendment to or re-enactment of such statute or section, as the case may be.

**1.04 Headings and Table of Contents** - The headings and table of contents in this by-law are inserted for convenience of reference only and shall not affect the construction or interpretation of the provisions of this by-law.

**2. General**

**2.01 Registered Office** - The registered office of the Corporation shall be at such location in the Province as may be determined from time to time by resolution of the directors.

**2.02 Corporate Seal** - The Corporation shall have a corporate seal which shall be adopted and may be changed by resolution of the directors.

**2.03 Fiscal Year** - The fiscal year end of the Corporation shall be the same as the fiscal year end of the Province.

**2.04 Execution of Instruments –**

- (a) Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by two persons, one of whom holds the office of: (i) Chair of the Board, (ii) President and Chief Executive Officer, (iii) Chief Financial Officer, (iv) Chief Operating Officer, (v) Vice-President, or (vi) director, and the other of whom holds one of the offices listed in (i) to (vi) above, or (x) the office of Secretary, (y) Assistant Secretary, or (z) any other office created by by-law or by the Board.
- (b) In addition, the Board or two persons outlined in subclauses (i) to (vi) of clause (a) may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instrument may or shall be signed. Any signing officer may affix the corporate seal to any instrument requiring the same.

**2.05 Banking Arrangements** - The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the Board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the Board may from time to time prescribe.

**2.06 Voting Rights in Other Bodies Corporate** - The signing officers of the Corporation under Section 2.04 may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments shall be in favour of such persons as may be determined by the officers executing or arranging for same. In addition, the Board or the persons outlined in Section 2.04 may from time to time direct the manner in which and the person or persons by whom any particular voting rights or class of voting rights may or shall be exercised.

### **2.07 Resolutions in Writing**

- (1) A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or a committee of directors, is as valid as if it had been passed at a meeting of directors or at a meeting of a committee of directors.
- (2) A resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders.
- (3) Where the Corporation has only one shareholder, or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting.
- (4) Where the holder of the Principal Share also holds all other shares in the capital of the Corporation, any consent or other instrument in writing signed by the holder of the Principal Share shall be deemed to be a resolution in writing of the only shareholder.

## **3. Directors**

### **3.01 Qualification**

- (1) The following persons are disqualified from being a director:
  - (a) a person who is less than nineteen years of age;
  - (b) a person who is of unsound mind and has been so found by a court in Canada or elsewhere;
  - (c) a person who is not an individual; and
  - (d) a person who has the status of bankrupt.
- (2) A director is not required to hold shares issued by the Corporation.

**3.02 Ceasing to Hold Office** - A director ceases to hold office when

- (a) he or she dies or resigns;
- (b) he or she is removed from office by the holder of the Principal Share pursuant to the Act; or
- (c) he or she becomes disqualified from being a director under the Act or by-laws.

**3.03 Resignation of a Director** - Subject to the Act, a director may resign his or her office as a director by giving to the Corporation a written resignation, which resignation shall become effective at the later of:

- (a) the time at which such resignation is received by the Corporation, or
- (b) the time specified in the resignation.

## **4. Committees**

### **4.01 Audit Committee**

- (1) The Board shall appoint an audit committee composed of not fewer than three directors. The audit committee shall review the financial statements of the Corporation before such financial statements are approved by the Board and shall have such other powers and duties as may from time to time delegated or assigned to it by the Board.
- (2) A director or an officer shall forthwith notify the audit committee and the auditor of any error or misstatement of which he or she become aware in a financial statement that the auditor or a former auditor has reported on.

**4.02 Additional Committees** - The directors may appoint from their number one or more additional committees and may by resolution delegate to any such committee any of the powers of the directors.

**4.03 Provisions Applicable** - The following provisions shall apply to the audit committee and any other committee appointed by the directors:

- (a) unless otherwise provided by resolution of the directors, each member of a committee shall continue to be a member thereof until the expiration of his term of office as a director;
- (b) the directors may from time to time by resolution specify which member of a committee shall be the Chair thereof and, subject to the provisions of Section 4.01, may by resolution modify, dissolve or reconstitute a committee, and make such regulations with respect to and impose such restrictions upon the exercise of the powers of a committee as the directors think expedient;
- (c) the meetings and proceedings of a committee shall be governed by the provisions of the by-laws of the Corporation for regulating the meetings and proceedings of the Board so far as the same are applicable thereto and are not superseded by any regulations or restrictions made or imposed by the directors pursuant to the foregoing provisions hereof;
- (d) no business shall be transacted at any meeting of a committee unless a majority of the members of such committee are present;
- (e) the members of a committee as such shall be entitled to the same remuneration for attending a meeting of a committee as they are entitled to for attendance at a meeting of the Board;
- (f) unless otherwise provided by resolution of the Board, the Secretary of the Corporation shall be the secretary of any committee;
- (g) the directors shall fill vacancies in a committee by appointment from among their number; and
- (h) meetings of a committee may be convened by the direction of any member thereof and in the case of the audit committee may be convened by the auditor.

## **5. Meetings of Directors**

**5.01 Place of Meetings** - Meetings of the Board and of any committee may be held at any place inside the Province as may be determined by the Board or by the applicable committee.

**5.02 Calling of Meetings** - A meeting of the Board may be called at any time by the Chair of the Board or any two of the directors and the Secretary shall cause notice of a meeting of directors to be given when so directed by any such person or persons.

### **5.03 Notice of Meetings**

- (1) Notice of any meeting of the Board specifying the time and, except where the meeting is to be held as provided for in Section 5.04 of this by-law, the place for the holding of such meeting shall be given in accordance with the terms of Article 15 to every director not less than forty-eight hours before the time of the meeting.
- (2) Notice of an adjourned meeting of the Board is not required to be given if the time and place of the adjourned meeting is announced at the original meeting.
- (3) Meetings of the Board may be held at any time without formal notice if all the directors are present or if all the directors who are not present, in writing or by any form of transmitted or recorded communication, waive notice or signify their consent to the meeting being held without formal notice. Notice of any meeting or any irregularity in any meeting or in the notice thereof may be waived by any director either before or after such meeting. Attendance of a director at a meeting of the Board is 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.

**5.04 Participation by Telephone or Other Communication Facilities** - A meeting of the Board or of a committee 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 a meeting by such means is deemed to be present in person at that meeting for the purposes of the Act and this by-law.

**5.05 Chair of the Board** - The Chair of the Board shall chair all of the Board's meetings provided that if at any time there is no Chair of the Board or if at any meeting of directors he or she is not present within five minutes after the time appointed for holding the meeting, the Vice-Chair, if present at such time, shall chair the meeting. If neither the Chair nor the Vice-Chair is present at such time, the directors present shall choose one of their number to be Chair of the meeting.

**5.06 Voting** - All questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes, the Chair of the meeting shall have, in addition to his or her original vote, a second or casting vote.

**5.07 Irregularity in Appointment** - All acts done at any meeting of the directors or of a committee of directors or by any person acting as a director shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of the directors or persons so acting, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

## **6. Standard of Care of Directors and Officers**

**6.01 Standard of Care** - Every director and officer, in exercising his or her powers and discharging his or her duties, shall,

- (a) act honestly and in good faith with a view to the best interests of the Corporation; and
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

**6.02 Liability for Acts of Others** - No director or officer and no former director or officer 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 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 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, firm or corporation with whom or which any moneys, securities or effects of the Corporation shall be lodged or deposited or for any loss occasioned by any error of judgment or oversight on his or her part, or for any other loss, damage or misfortune whatsoever which may happen in the execution of the duties of his or her respective office or trust or in relation thereto, unless the same are occasioned by his or her own wilful neglect or default; provided that nothing herein shall relieve any person from the duty to act in accordance with the Act, the regulations thereunder, and the by-laws of the Corporation or from liability for any breach thereof.

## **7. For the Protection of Directors and Officers**

### **7.01 Indemnification by Corporation**

- (1) The Corporation shall indemnify a director or officer, a former director or officer or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his or her heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal or administrative action or proceeding to which he or she is made a party by reason of being or having been a director or officer of the Corporation or such body corporate, if
  - (a) he or she acted honestly and in good faith with a view to the best interests of the Corporation; and
  - (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful.
- (2) Without limiting the generality of subsection 7.01(1), the Corporation may from time to time enter into agreements pursuant to which the Corporation agrees to indemnify one or more persons in accordance with the provisions of this Section.

**7.02 Performance of Services for Corporation** - Subject to Article 8 of this by-law, if any director or officer shall be employed by or shall perform services for the Corporation other than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a body

corporate which is employed by or performs services for the Corporation, the fact of his or her being a director or officer shall not disentitle such director or officer or such firm or company, as the case may be, from receiving proper remuneration for such services.

## **8. Interest of Directors and Officers in Contracts**

### **8.01 Disclosure of Interest -** A director or officer who,

- (a) is a party to a material contract or transaction or proposed material contract or transaction with the Corporation; or
  - (b) is a director or an officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation,
- shall disclose in writing to the Corporation or request to have entered in the minutes of meetings of directors the nature and extent of his or her interest.

### **8.02 Time of Disclosure by Director -** The disclosure required by Section 8.01 of this by-law shall be made, in the case of a director,

- (a) at the meeting at which a proposed contract or transaction is first considered;
- (b) if the director was not then interested in a proposed contract or transaction, at the first meeting after he or she becomes so interested;
- (c) if the director becomes interested after a contract is made or a transaction is entered into, at the first meeting after he or she becomes so interested; or
- (d) if a person who is interested in a contract or transaction later becomes a director, at the first meeting after he or she becomes a director.

### **8.03 Time of Disclosure by Officer -** The disclosure required by Section 8.01 of this by-law shall be made, in the case of an officer who is not a director,

- (a) forthwith after he or she becomes aware that the contract or transaction or proposed contract or transaction is to be considered or has been considered at a meeting of directors;
- (b) if the officer becomes interested after a contract is made or a transaction is entered into, forthwith after he or she becomes so interested; or
- (c) if a person who is interested in a contract or transaction later becomes an officer, forthwith after he or she becomes an officer.

### **8.04 Time of Disclosure in Extraordinary Cases -** Notwithstanding Sections 8.02 and 8.03 of this by-law, where Section 8.01 of this by-law applies to a director or officer in respect of a material contract or transaction or proposed material contract or transaction that, in the ordinary course of the Corporation's business, would not require approval by the directors, the director or officer shall disclose in writing to the Corporation or request to have entered in the minutes of meetings of directors the nature and extent of his or her interest forthwith after the director or officer becomes aware of the contract or transaction or proposed contract or transaction.

### **8.05 Voting by Interested Director -** A director referred to in Section 8.01 of this by-law shall not vote on any resolution to approve the contract or transaction and shall absent himself or herself from the room where any discussion on the contract or transaction is taking place, unless the contract or transaction is one for indemnity or insurance pursuant to the provisions of the by-laws.

### **8.06 Effect of Disclosure -** Where a material contract is made or a material transaction is entered into between the Corporation and a director or officer of the Corporation, or between the Corporation and another person of which a director or officer of the Corporation is a director or officer or in which he or she has a material interest,

- (a) the director or officer is not accountable to the Corporation or its shareholders for any profit or gain realized from the contract or transaction; and
- (b) the contract or transaction is neither void nor voidable, by reason only of that relationship or by reason only that the director is present at or is counted to determine the presence of a quorum at the meeting of directors or committee of directors that authorized the contract or transaction,

if the director or officer disclosed his interest in accordance with Sections 8.02, 8.03 or 8.04 of this by-law, as the case may be, and the contract or transaction was reasonable and fair to the Corporation at the time it was so approved.

**8.07 Confirmation by Shareholder** - Notwithstanding anything in this Article, a director or officer, acting honestly and in good faith, is not accountable to the Corporation or to any shareholder for any profit or gain realized from any contract or transaction by reason only of his or her holding the office of director or officer, and the contract or transaction, if it was reasonable and fair to the Corporation at the time it was approved, is not, by reason only of the director's or officer's interest therein, void or voidable, where,

- (a) the contract or transaction is confirmed or approved by the majority of votes cast at a meeting of the shareholders duly called for that purpose; and
- (b) the nature and extent of the director's or officer's interest in the contract or transaction are disclosed in reasonable detail in the notice calling the meeting.

## **9. Officers**

**9.01 Appointment of Officers** – Subject to the Act, the Board shall by resolution appoint a President and Chief Executive Officer and a Chair, which officers shall have such authority and perform such duties as may from time to time be determined by the Board.

**9.02 Appointment of Other Officers** - In addition to the officers referred to in Sections 9.01 of this by-law and subject to the Act, the Board may from time to time by resolution appoint a Secretary and such other officers as the Board determines to be necessary or advisable in the interests of the Corporation which officers shall have such authority and perform such duties as may from time to time be determined by the Board. None of the said officers other than the Chair and Vice-Chair, if any, shall be a member of the Board. Any person may hold two or more offices of the Corporation.

**9.03 Delegation of Board Powers** - The Board may from time to time by resolution delegate to any officer or officers power to manage the business and affairs of the Corporation.

**9.04 Vacancies** - If any office of the Corporation shall for any reason be or become vacant, the directors by resolution may appoint a person to fill such vacancy, subject to the Act and Section 9.01 of this by-law.

## **10. Shareholders**

**10.01 Meetings of Shareholders**- In the event that there are shareholders of the Corporation in addition to the holder of the Principal Share, the directors shall pass a further by-law dealing with meetings of shareholders, payment of dividends and such other matters as they may consider to be necessary or appropriate.

## **11. Corporate Records and Reports**

**11.01 Books and Records** - The Corporation shall prepare and maintain adequate accounting records and records containing minutes of meetings and resolutions of the directors and any committee. These records shall be kept at the registered office of the Corporation and shall be open to examination by any director during normal business hours.

## **12. Notices**

**12.01 Method of Notice** - A notice (including any communication or document) shall be sufficiently given, delivered or served by the Corporation upon a director, officer or auditor by personal delivery at such person's last known address or by prepaid mail, facsimile, e-mail or other electronic means of communication addressed to such person at such address.

**12.02 Deemed Delivery of Notice** - Any notice sent by mail shall be deemed to be given, delivered or served on the earlier of actual receipt and the second business day following that upon which it is mailed, and in proving such service it shall be sufficient to prove that the notice was properly addressed and mailed with the postage paid thereon. Any notice given by electronic means of communication shall be deemed to be given when entered into the appropriate transmitting device for transmission. A certificate in writing signed on behalf of the Corporation that the notice was so addressed and mailed or transmitted shall be conclusive evidence thereof.

**12.03 Accidental Failure to Provide Notice** - The accidental omission to give any notice to any director, officer, auditor or member of a committee of the Board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

**13. Approval of Governor in Council**

**13.01 Approval of the Governor in Council** - The foregoing by-law is passed by the directors of the Corporation and is subject to the approval by order of the Governor in Council of the Province. The directors may at any time amend the by-law but any such amendment shall take effect only upon the receipt of the approval to the amendment by further order of the Governor in Council.

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Chair

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Secretary