

BY-LAW NO. 1
being the General By-law of
REAL ESTATE COUNCIL OF ONTARIO

1.0 GENERAL

1.1 Definitions.

In this By-law, unless the context otherwise specifies or requires:

- a) "Act" means the *Corporations Act* (Ontario), R.S.O. 1990, c. C.38 and the regulations thereunder, as from time to time amended, and every statute and regulation thereunder that may be substituted therefor and, in the case of such substitution, any references in the By-laws of the Corporation to provisions of the Act shall be read as references to the substituted provisions therefor in the new statute or regulations;
- b) "Administrative Agreement" means the administrative agreement made pursuant to SCSAA between the Queen in Right of Ontario as represented by the Minister of Consumer Services and the Corporation, as from time to time amended, and every such agreement that may be substituted therefor and, in the case of such substitution, any references in the By-laws of the Corporation to provisions of the Administrative Agreement shall be read as references to the substituted provisions therefor in the new Administrative Agreement;
- c) "Administrative Authority" means the administrative authority designated under SCSAA to administer REBBA, being the Corporation;
- d) "Articles" means the original letters patent or supplementary letters patent, application for authorization to transfer to another jurisdiction, letters patent of amalgamation, application to surrender charter, and application for revival;
- e) "Board" means the board of directors of the Corporation;
- f) "Brokerage" has the meaning ascribed that term in REBBA;
- g) "By-laws" means any by-law of the Corporation from time to time in force and effect;
- h) "Corporation" means Real Estate Council of Ontario;
- i) "Entity Members" has the meaning ascribed to that term in Section 6.2;
- j) "Individual Members" has the meaning ascribed to that term in Section 6.2;
- k) "Industry Directors" means those directors of the Corporation elected by the Individual Members in accordance with Section 2.5;
- l) "Industry Members" means Individual Members and Entity Members;
- m) "Minister" means the Minister of Government and Consumer Services for the Province of Ontario, and any successor thereto or the Minister responsible for the administration of REBBA or SCSAA, as the case may be;
- n) "Ministerial Director" means any one of the directors of the Corporation elected by the Non-Industry Members;
- o) "Non-Industry Member" has the meaning ascribed to that term in Section 6.2;
- p) "person" has the meaning ascribed to it in the Act;

- q) "REBBA" means the *Real Estate and Business Brokers Act, 2002*, S.O. 2002, Chapter 30, Schedule C and the regulations thereunder as from time to time amended and every statute and regulation that may be substituted therefor and, in the case of such substitution, any references in the By-laws to the provisions of REBBA shall be read as references to the substituted provisions therefor in the new statute or regulations;
- r) "Region" means either Region 1, Region 2 or Region 3, as the context requires;
- s) "Region 1" means the geographic area known as Central Ontario, as marked on the Ontario Real Estate Association's jurisdictional map or as the Board may from time to time establish;
- t) "Region 2" means the geographic area known as Western Ontario and Southern Ontario, as marked on the Ontario Real Estate Association's jurisdictional map or as the Board may from time to time establish;
- u) "Region 3" means the geographic area known as Eastern Ontario, Northeastern Ontario and Northern Ontario, as marked on the Ontario Real Estate Association's jurisdictional map or as the Board may from time to time establish;
- v) "Registration" means registration under REBBA, or any other registration, licence, permit, certificate or other authorization required under REBBA in order to carry out an activity governed by REBBA, and "Registered" means having a Registration; and
- w) "SCSAA" means the *Safety and Consumer Statutes Administration Act, 1996*, S.O. 1996 c. 19 and the regulations thereunder as and from time to time amended and every statute and regulation that may be substituted therefor and, in the case of such substitution, any references in the By-laws to provisions of SCSAA shall be read as references to the substituted provisions therefor in the new statute and regulation.

1.2 Interpretation.

This By-law shall be, unless this By-law stipulates otherwise or the context otherwise requires, construed and interpreted in accordance with the following:

- a) all terms contained herein and which are defined in the Act shall have the meanings given to such terms in the Act;
- b) words importing the singular number only shall include the plural and vice versa; and the headings used in the By-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

1.3 Head office.

Until changed in accordance with the Act, the head office of the Corporation shall be in the City of Toronto, in the Province of Ontario.

1.4 Seal.

The seal if its impression is stamped in the margin hereof, shall be the seal of the Corporation.

1.5 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 as the Board may designate, appoint or authorize from time to time by resolution. The banking business or any part of it shall be transacted by such officer of the Corporation and/or other person as the Board may by resolution from time to time designate, direct or authorize.

1.6 No action or Proceeding, at Law or in Equity.

Save as provided in the Act, no action or proceeding, either at law or in equity, shall be brought by any Industry Member or former Industry Member of the Corporation against the Corporation, the Board or committees or task forces, or any officer, director, appointee, employee, task force member, panel member, committee member, or agent of the Corporation for any act done in good faith in the performance or intended performance of a duty or in the exercise or the intended exercise of a power under the By-laws, SCSAA, REBBA or for any neglect or default in the performance or exercise in good faith of the duty or power. This Section may in any such action or proceeding be pleaded as, and shall constitute, an absolute defence and any and all claims for or by reason of any such act, matter or thing shall be conclusively deemed to have been waived by all Industry Members of the Corporation.

1.7 Execution of Instruments.

Contracts, documents or any instruments in writing requiring the signature of the Corporation may be signed by

- a) any two directors; or
- b) the Chief Executive Officer,

and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The Board shall have power from time to time by resolution to appoint any officer or officers or any person or persons on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing. The term "contracts, documents or instruments in writing" as used in this By-law shall include but not be limited to deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures or other securities and all paper writings. The seal of the Corporation may be affixed to any instruments in writing signed as aforesaid or by any officer or officers appointed by resolution of the Board.

1.8 Cheques, Drafts, Notes, Etc.

All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers or person or persons, whether or not officers of the Corporation and in such manner as the Board may from time to time designate by resolution.

1.9 Rules and Regulations.

The Board may by resolution make or prescribe such rules, regulations, codes of ethics or policies not inconsistent with the Articles, By-laws or applicable law relating to the management and operation of the Corporation, the admission to, suspension of and expulsion from membership, the rights and obligations of members, the business and

operating standards of members and their partners, directors, officers, employees and other persons and such other matters as in any way relate to the Corporation, its objects or the conduct of its affairs.

1.10 By-laws.

Subject to the Act, applicable law and the Administrative Agreement, the Board may from time to time enact By-laws relating in any way to the Corporation or the conduct of its affairs, including, but not limited to, By-laws providing for applications for supplementary Articles, and may from time to time by by-law amend, repeal or re-enact the By-laws but no By-law shall be effective until sanctioned by at least fifty-one percent (51%) of the votes cast at a meeting of the members duly called for the purpose of considering same.

1.11 Auditors.

The members shall at each annual meeting appoint an auditor to audit the accounts of the Corporation who shall hold office until the next following annual meeting; provided, however, that the directors may fill any casual vacancy in the office of the auditor. The appointed auditor shall provide a report to the members on the audited accounts of the Corporation at the next annual meeting following the auditor's appointment. The remuneration of the auditor shall be fixed by the Board.

1.12 Financial Year.

The financial year of the Corporation shall terminate on the 31st day of December in each year or on such other date as the directors may from time to time by resolution determine.

1.13 Financial Statements.

The Corporation, may instead of sending copies of the annual financial statements and other documents required to be placed before the members at every annual meeting pursuant to the Act, publish a notice to its members stating that such annual financial statements and other documents are available at the head office of the Corporation, and any member may, on request, obtain a copy free of charge at the head office or by prepaid mail.

1.14 Expenditures.

The Board shall have power to authorize expenditures on behalf of the Corporation from time to time. The Board shall have the power to enter into a trust arrangement with a trust company for the purpose of creating a trust fund in which the capital and interest may be made available for the benefit of furthering the objects of the Corporation in accordance with such terms as the Board may prescribe.

1.15 Borrowing Power.

The Board may from time to time, without authorization of the members:

- a) borrow money on the credit of the Corporation;
- b) issue, reissue, sell, pledge or hypothecate debt obligations (including bonds, debentures, debenture stock, notes or other like liabilities whether secured or unsecured) of the Corporation;
- c) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person;

- d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation; and
- e) by resolution delegate the powers conferred on the directors under this paragraph to a director, a committee of directors or such officer or officers of the Corporation and to such extent and in such manner as the directors shall determine.

The powers hereby conferred shall be deemed to be in supplement of and not in substitution for any powers to borrow money for the purposes of the Corporation possessed by its directors or officers independently of this By-law.

1.16 Fund Raising.

The Board may take such steps as they may deem requisite to enable the Corporation to acquire, accept, solicit or receive legacies, gifts, grants, settlements, bequests, endowments and donations of any kind whatsoever for the purpose of furthering the objects of the Corporation.

1.17 Registrar.

The Registrar and Deputy Registrars, if any, appointed under REBBA shall be employees of the Corporation and shall not be a member of the Board, a Director or Deputy Director under REBBA, an employee of a trade association, a registrant under REBBA, or a member of the Corporation. The position and functions of the Registrar under REBBA cannot be exercised by the Board or any member or members of the Board. The Registrar appointed under REBBA, if any, shall be appointed by the Board as the chief registration or licensing officer under REBBA and any one or more Deputy Registrars appointed under REBBA shall have the powers of the Deputy Registrar for the purposes of REBBA. No member of the Corporation or any director of the Corporation shall interfere with the independent exercise of the statutory duties and functions of the Registrar or the Deputy Registrar(s), if any, under REBBA which require independent decision-making, so as to ensure that the provisions of SCSAA and the Administrative Agreement are complied with fully.

1.18 Director under REBBA.

The Director or the Deputy Directors, if any, under REBBA shall not be a member of the Board unless the Board has approved guidelines providing for the independent exercise of the Director's or Deputy Directors' duties under REBBA. The Director or Deputy Directors, if any, under REBBA shall not be the Registrar or a Deputy Registrar under REBBA or hold a position in the Corporation subordinate to the Registrar or a Deputy Registrar under REBBA or be an employee of a trade association or be a registrant under REBBA or an Industry Member of the Corporation.

1.19 Disposition of Assets upon Dissolution.

Subject to the Act, upon the winding up or termination or voluntary dissolution of the Corporation and after payment of all debts and liabilities, the Corporation's remaining property shall be distributed in accordance with the provisions of its Articles.

2.0 DIRECTORS

2.1 Duties of the Directors.

The Board shall manage or supervise the management of the activities and affairs of the Corporation. The directors of the Corporation shall be responsible for the control and direction of all activities of the Corporation, its committees, the disbursement of its funds and the determination of its policies. The Board shall ensure the performance by the Corporation of its obligations pursuant to the Administrative Agreement. Every director of the Corporation, in exercising his or her powers and discharging his or her duties, shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that reasonably prudent person would exercise in comparable circumstances. Notwithstanding that a director may be a representative of another body, group or organization, such director shall not act as a delegate thereof and shall act in accordance with the director's own best judgment.

2.2 Number of Directors.

Until changed by special resolution in accordance with the Act, the Board shall consist of a fixed number of 12 directors. The applicants for incorporation shall become the first directors of the Corporation whose term of office on the Board shall continue until their successors are elected. At the first meeting of members, the Board then elected shall replace the provisional directors named in the Letters Patent of the Corporation.

2.3 Qualifications.

Each director must be an individual who is at least 18 years of age and has not been found incapable under the *Substitute Decisions Act, 1992* (or its successor) or under the *Mental Health Act* (or its successor) of managing property, and has not been found to be incapable by any court in Canada or elsewhere, and has not been found to have the status of a bankrupt. Any employee of any real estate trade association shall be ineligible to serve as a director of the Corporation. Each director of the Corporation, other than any Ministerial Director, must: (a) be a member of the Corporation or become a member of the Corporation within 10 days after his or her election or appointment as a director; and (b) hold a Registration that is in good standing; and (c) not be suspended or in default under REBBA or any of the By-laws.

2.4 Compensation.

In order to compensate them for their time and cost of service to the Corporation, the Industry Directors shall receive such amounts as may be approved by the members at a general meeting. Subject to the Administrative Agreement, the Board shall set the reasonable remuneration and expenses of the Ministerial Directors which shall not be less than the reasonable remuneration and expenses approved by the members at a general meeting for the Industry Directors. No director shall directly or indirectly receive any other profit from occupying the position of director; provided that a director may be reimbursed for reasonable expenses incurred by the director in the performance of the director's duties. Executive committee members shall receive no compensation for serving as such, but are entitled to reasonable expenses incurred in the exercise of their duty. A reasonable remuneration of all officers, agents, employees, committee or task force members (other than committee or task force members who are also directors of the Corporation) may be fixed by the Board by resolution, provided that the directors may delegate by resolution to an officer or officers of the Corporation the right to employ or pay salaries to employees (including without limitation, the appointment of the Registrar or one or more Deputy Registrars under REBBA) or to engage and pay agents, and such remuneration and terms of employment and engagement shall, subject to the other provisions of the By-laws, be fixed by such officer(s). All officers shall be

entitled to be reimbursed for reasonable expenses incurred in the performance of the officer's duties.

2.5 Election of Directors.

Subject to the Articles, the members shall by ordinary resolution elect the directors at the first meeting of members and at each succeeding annual meeting at which an election of directors is required, and the directors shall be elected to hold office for the term set out in Section 2.6. Directors shall be nominated in the manner provided in the By-laws. The number of directors elected by the members shall be as follows:

- a) the Non-Industry Members, voting separately as a class, shall elect three (3), Ministerial Directors; and
- b) the Individual Members shall elect three (3) Industry Directors from each of Region 1, Region 2 and Region 3.

2.6 Term of Directors.

- a) Each Industry Director elected shall hold office for a term of three (3) years or until his/her successor has been duly elected and installed at the annual meeting of members. An Industry Director is eligible for re-election, if otherwise qualified, for a maximum of three (3) consecutive terms excluding any full three (3) year term served while appointed or any partial term served while elected.
- b) Each Ministerial Director elected shall hold office for a term not to exceed the maximum term prescribed under the Act or until his/her successor has been duly elected and installed at the annual meeting of members or until he or she is removed by ordinary resolution of the Non-Industry Members.

2.7 Disqualification, Withdrawal and Removal.

A director ceases to hold office if he or she fails to be qualified in accordance with the requirements of Section 2.3 of this By-law or:

- a) if the director by notice in writing to the Corporation resigns from the Board which resignation shall be effective at the time it is received by the Chief Executive Officer of the Corporation or at the time specified in the notice, whichever is later;
- b) if the director dies;
- c) if at a special meeting of members, an ordinary resolution is passed by the Individual Members to remove any Industry Director or Directors from office;
- d) an ordinary resolution is passed by the Non-Industry Members to remove any Ministerial Director(s) from office; or
- e) if in the reasonable opinion of the Board, expressed by resolution of a majority of the directors in office, an Industry Director consistently fails to perform the duties reasonably required of a director.

2.8 Filling Vacancies (Industry Directors).

A vacancy occurring on the Board in the office of an Industry Director shall be filled as follows:

- a) if the vacancy occurs as a result of the removal of any Industry Director by the members by ordinary resolution passed by the Individual Members at a special meeting of members, it may be filled upon the vote of a majority of the members at that special meeting of members, and the member who is so elected, shall fill

the removed director's place and shall hold office for the remainder of the removed director's term;

- b) any other vacancy may be filled for the remainder of the term until the following annual meeting of members by the directors then in office, if they shall see fit to do so, but the total number of directors so appointed may not exceed one-third of the number of directors elected at the previous annual meeting of members. If there is not a quorum of directors then in office, the remaining directors or, if there are no directors then in office, then any member, shall forthwith call a meeting of the members to fill the vacancy; otherwise such vacancy shall be filled at the next election at which the directors for the ensuing year are elected unless otherwise required by the Act.

2.9 Filling Vacancies (Ministerial Directors).

A vacancy occurring on the Board in the office of a Ministerial Director may be filled by the remaining Ministerial Director(s) for the remainder of the term with a nominee of the Non-Industry Members. If there are no remaining Ministerial Directors, a special meeting of the Non-Industry Members shall be called as soon as practicable after the Minister appoints individuals to become Non-Industry Members, at which time the Non-Industry Members shall elect the Ministerial Directors. Otherwise, such vacancy shall be filled at the next election at which the Ministerial Director or Directors for the ensuing year are elected unless otherwise required by the Act.

2.10 Executive Committee.

Where the number of directors on the Board is more than six (6), the directors may establish an executive committee comprised of such directors as the Board may from time to time determine. The executive committee shall exercise such powers as are authorized by the Board subject to the Act. Subject to the Act, By-laws and any resolution of the Board, the executive committee may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit and may from time to time adopt, amend or repeal rules or procedures in that regard. Subject to the Act, the provisions of this By-law as they relate to the holding of meetings and the giving and waiving of notices of meetings shall apply with such necessary terminology changes to modify such provisions to the executive committee. Any executive committee member may be removed by a majority vote on a resolution of the Board. The Board shall by resolution establish the number of executive committee members required to constitute a quorum for the transaction of business by the executive committee, which number shall not be less than the number constituting a majority of the members of the executive committee.

2.11 Other Committees.

The Board may by resolution from time to time establish and appoint any committee or committees or any task force or task forces as it deems necessary or appropriate for such purposes and with such powers as the Board shall see fit subject to the Act. Any such committee or task force may formulate its own rules of procedure, subject to the Act and such regulations or directions as the Board may from time to time make by resolution. Any committee or task force member may be removed by a majority vote on a resolution of the Board. A minimum of one (1) officer or director of the Corporation may be appointed to any one (1) committee or task force.

2.12 Agents; Employees.

The Board may appoint such agents and engage such employees as it shall deem necessary from time to time and such agents and employees shall have the authority and shall perform such duties as shall be prescribed by the Board at the time of such appointment.

3.0 MEETINGS OF DIRECTORS

3.1 Place, Frequency and Mode.

- a) Meetings of the Board may be held at any time and place to be determined by the directors. There shall be at least one (1) meeting per year of the Board. The Board may appoint a day or days in any month or months for regular meetings of the Board at a place or hour to be named by the Board and a copy of any resolution of the Board fixing the place and time of regular meetings of the Board shall be sent in writing to each director forthwith after being passed. The notice delivered must comply with this By-law, including Section 3.2, in respect of the first such regular meeting to occur following the resolution of the Board, but no other notice shall be required for any such regular meetings, except if the Act requires the purpose thereof or the business to be transacted to specified in the notice.
- b) Subject to the Act, if any, and if all the directors of the Corporation consent thereto generally or in respect of a particular meeting, a director may participate in a meeting, including regular meetings or adjourned meetings, of the Board or of a committee or task force of the Board by means of an electronic or other communication facility that permits all participants to communicate simultaneously and instantaneously with each other during the meeting. A director so participating in a meeting is deemed for the purposes of the Act to be present at that meeting. The directors shall take such reasonable precautions as may be necessary to ensure that such communications facilities are secure from unauthorized interception, tampering, or monitoring.

3.2 Notice.

Notice of each meeting of the Board shall be in writing and sent to each director. If notice is given by mail, it shall be sent at least seven (7) days prior to the meeting, and if given by notice other than by mail, it shall be sent at least forty-eight (48) hours prior to the meeting. No error or omission in giving notice of any meeting of the Board or any adjourned meeting of the Board shall invalidate such meeting or make void any proceedings taken thereat and any director may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat.

3.3 Quorum.

A simple majority in the total number of directors shall form a quorum for the transaction of business and, notwithstanding any vacancy on the Board, a quorum of directors may exercise all the powers of the Board.

3.4 Adjournment.

Any meeting of directors may be adjourned from time to time by the Chairperson of the meeting, with the consent of the meeting, to a fixed time and place. Notice of any adjourned meeting of directors is not required to be given if the time and place of the

adjourned meeting is announced at the original meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The directors who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

3.5 Voting.

Each director, including the Chairperson appointed by the Board, is authorized to exercise one (1) vote. No director may vote by proxy. Questions arising at any meeting of directors shall be decided by a majority of votes. In case of an equality of votes the Chairperson of the Board shall not have a second or casting vote to break the tie. If the Chairperson appointed by the Board is not present at a meeting of the Board, then the director who is acting as chairperson of that meeting shall have the authority to exercise a vote except in case of an equality of votes at that meeting, in which case the acting chairperson shall not have a second or casting vote to break the tie.

3.6 Resolution in Lieu of Meeting.

If permitted by law, a resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or committee of directors, is as valid as if it had been passed at a meeting of directors or committee of directors.

4.0 OFFICERS

4.1 Appointment.

Subject to the Act, the Articles and this By-law, the Board may designate the offices of the Corporation, appoint as officers persons of full capacity, specify their duties and delegate to them powers to manage the activities and affairs of the Corporation. The Board shall annually, or more often as may be required, and the Minister may, pursuant to its authority under the SCSAA, appoint from among the directors, a Chairperson of the Board. The person so appointed as Chairperson shall also be appointed by the Board as the President. The Board shall annually, or more often as may be required, appoint a Secretary. If deemed advisable by the Board, the Board may annually, or as often as may be required, appoint a Vice-Chairperson of the Board, a Chief Executive Officer, one or more Vice-Presidents, a Treasurer, one or more Assistant Secretaries and/or one or more Assistant Treasurers. A director or member may be appointed to any office of the Corporation, except that the Chief Executive Officer shall not be a member of the Corporation. None of the said officers need be a director or member of the Corporation except that the President, the Chairperson of the Board and the Vice-Chairperson of the Board shall be directors of the Corporation. Two or more of the aforesaid offices may be held by the same person. In case and whenever the same person holds the offices of Secretary and Treasurer that person may, but need not, be known as the Secretary-Treasurer.

4.2 Vacancies.

Notwithstanding the foregoing, each incumbent officer shall continue in office until the earlier of:

- a) that officer's resignation, which resignation shall be effective at the time the written resignation is received by the Chief Executive Officer of the Corporation or at the time specified in the resignation, whichever is later;
- b) the appointment of a successor;
- c) that officer ceasing to be a director if such is a necessary qualification of appointment;
- d) the meeting at which the directors annually appoint the officer of the Corporation;
- e) that officer's removal; or
- f) that officer's death.

If the office of any officer of the Corporation shall be or become vacant, the directors may, by resolution, appoint a person to fill such vacancy.

4.3 Removal of Officers.

Officers may be removed by the Board by ordinary resolution at any time, with or without cause.

4.4 Duties of Officers May be Delegated.

In case of the absence or inability to act of any officer of the Corporation or for any other reason that the Board may deem sufficient, the Board may temporarily delegate all or any of the powers of any such officer to any other officer or to any director.

4.5 Powers and Duties.

Every officer of the Corporation, in exercising his or her powers and discharging his or her duties, shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Notwithstanding that an officer may be a representative of another body, group or organization, such officer shall not act as a delegate thereof and shall act in accordance with the officer's own best judgment. All officers shall sign such contracts, documents or instruments in writing as require their respective signatures and shall respectively have and perform all powers and duties incident to their respective offices and such other powers and duties respectively as may from time to time be assigned to them by the Board. The duties of the following officers shall include:

a) Chairperson of the Board.

The Chairperson of the Board, if any, shall, when present, preside at all meetings of the Board, committees of directors, if any, and the members.

b) Vice-Chairperson of the Board.

If the Chairperson of the Board is absent or is unable or refuses to act, the Vice-Chairperson of the Board, if any, shall, when present, preside at all meetings of the Board, committees of directors, if any, and the members.

c) Secretary.

The Secretary shall give or cause to be given notices for all meetings of the Board, if any, and members when directed to do so and have charge of the corporate seal of the Corporation, the minute books of the Corporation and of the documents, corporate records, and registers referred to in of the Act.

d) Treasurer.

The Treasurer shall keep or shall cause to be kept an accurate account of all receipts and disbursements of the Corporation in proper books of account, and shall deposit or shall cause to be deposited all monies or other valuable effects in the name and to the credit of the Corporation in such banks or banks as may be designated from time to time by the Board. The Treasurer shall disburse or cause to be disbursed the funds of the Corporation under the direction of the Board, receiving proper vouchers thereof and render to the Board at its regular meetings or whenever required, an account of all of his or her transactions as Treasurer, and of the financial position of the Corporation.

e) Assistant Secretary and Assistant Treasurer.

The Assistant Secretary or, if more than one, the Assistant Secretaries in order of seniority, and the Assistant Treasurer or, if more than one, the Assistant Treasurers in order of seniority, shall respectively perform all the duties of the Secretary and the Treasurer, respectively, in the absence or inability or refusal to act of the Secretary or the Treasurer, as the case may be.

f) Chief Executive Officer.

- i) The Board may from time to time appoint a Chief Executive Officer and may delegate to that person full power to employ and discharge agents and employees of the Corporation. The Chief Executive Officer shall supervise the day to day operations and administration of the Corporation. The Chief Executive Officer shall conform to all lawful orders given by the Board and shall at all reasonable times give to the directors or any of them all information they may reasonably require regarding the affairs of the Corporation to fulfil their duties as directors.
- ii) In addition to the authority conferred on the Board under the Act and subject to the Act and the Articles, but despite any other provisions in this By-Law, the Board may delegate in writing to the Chief Executive Officer the following powers and duties otherwise vested in the Board pursuant to this By-law:
 - (A) As provided in Section 1.5 of this By-law, the power to designate, direct or authorize officers or employees of the Corporation to transact the banking business or any part of the banking business of the Corporation;
 - (B) As provided in Section 1.7 of this By-law, the power to appoint any officer or officers or any person or persons on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing;
 - (C) As provided in Section 1.8 of this By-law, the power to designate such officer or officers, or such person or persons, to sign on behalf of the Corporation all cheques, drafts or orders for the payment of money, and all notes and acceptances and bills of exchange;

- (D) As provided in Section 1.14 of this By-law, the power to authorize expenditures on behalf of the Corporation from time to time; and
 - (E) As provided in Section 2.12 of this By-law, the power to appoint such agents and engage such employees as the Chief Executive Officer shall deem necessary from time to time, and the power to establish the authority of and to assign such duties to such agents and employees as the Chief Executive Officer shall prescribe.
- iii) In delegating any of the powers and duties referred to in sub-paragraph 4.5f)ii) of this By-law, the Board may, in writing:
- (A) Impose on the Chief Executive Officer any restrictions or limitations on the exercise of those delegated powers and duties as it shall deem appropriate in its discretion; and
 - (B) Provide that, subject to such restrictions or limitations as the Board may impose, the Chief Executive Officer may sub-delegate any of the powers and duties delegated to the Chief Executive Officer by the Board to such officers, employees or agents of the Corporation as the Chief Executive Officer may designate from time to time.

5.0 DIRECTORS AND OFFICERS

5.1 For the Protection of Directors and Officers.

Except as otherwise provided in the Act, no director or officer for the time being of the Corporation 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 the Corporation or 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 or corporation including any person or corporation with whom or which any moneys, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of the director's or officer's respective office or trust or in relation thereto unless the same shall happen by or through the director's or officer's own wilful neglect or default.

5.2 Indemnification.

Subject to the Act, every (i) director or officer of the Corporation (ii) or other person who has undertaken, either before or after the coming into force of this By-law, or is about to undertake any liability on behalf of the Corporation, and (iii) his or her heirs, executors, administrators and estate and effects respectively, shall from time to time and at all times from and after the date of incorporation of the Corporation be indemnified and saved harmless out of the funds of the Corporation from and against:

- a) all costs, charges and expenses whatsoever which such director or officer sustains or incurs in or about any action, suit or proceeding which is brought, commenced or prosecuted against the director, member or officer for or in respect of any act, deed, matter, or thing whatsoever made, done or permitted by the member or officer in or about the execution of the duties of his or her office; and
- b) all other costs, charges and expenses which the director or officer sustains or incurs on or about or in relation to the affairs thereof,

except such costs, charges or expenses as are occasioned by the director's officer's, or such other person's own wilful neglect or wilful default.

5.3 Insurance.

The Corporation may purchase and maintain insurance for the benefit of its directors and officers, or any of them, and other persons except insurance against a liability, cost, charge or expense of a director, officer or other person incurred as a result of a contravention of the Act (including section 283(5)).

5.4 Conflict of Interest.

A director or officer, who is in any way directly or indirectly interested in a material contract or material transaction, whether made or proposed, with the Corporation shall make the disclosure required by the Act, including the nature and extent of any interest that the director or officer has in such material contract or material transaction, and except as provided by the Act, no such director shall vote on any resolution to approve any such contract. In supplement of and not by way of limitation upon any rights conferred upon directors under the Act and specifically subject to the Act, it is declared that no director shall be disqualified by any such office from, or vacate any such office by reason of, holding any office or place of profit under the Corporation or under any corporation in which the Corporation shall be a shareholder or by reason of being otherwise in any way directly or indirectly interested or contracting with the Corporation as vendor, purchaser or otherwise or being concerned in any contract or arrangement made or proposed to be entered into with the Corporation in which the director is in any way directly or indirectly interested as vendor, purchaser or otherwise. Subject to compliance with the Act, no contract or arrangement entered into by or on behalf of the Corporation in which any director shall be in any way directly or indirectly interested shall be avoided or voidable and no director shall be liable to account to the Corporation or any of its members or creditors for any profit realized by or from any such contract or arrangement by reason of any fiduciary relationship. Notwithstanding anything contained herein, it shall not be a conflict of interest for a director to vote on any contract that the Board may consider entering into with the Ontario Real Estate Association, a local real estate board or any other similar organization despite the fact that such director may be a member of such organization and by adopting this By-law, the members of the Corporation acknowledge this deeming provision and are deemed to ratify and confirm all such contracts. Subject to the Administrative Agreement, directors and officers of the Corporation shall be bound by any conflict of interest policies adopted by the Corporation from time to time.

5.5 Submission of Contracts or Transactions to Members for Approval.

The Board in its discretion (unless the Board is required by the Act) may submit any contract, act or transaction with the Corporation for approval or ratification at any annual meeting of the members or at any general meeting of the members called for the

purpose of considering the same and, subject to the provisions of the Act, any such contract, act or transaction that shall be approved or ratified or confirmed by a resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirements is imposed by the Act, the Articles or the By-laws) shall be as valid and as binding upon the Corporation and upon all the members as though it had been approved, ratified or confirmed by every member of the Corporation.

6.0 CONDITIONS OF MEMBERSHIP AND ACCEPTANCE INTO MEMBERSHIP

6.1 Composition of Membership.

Subject to the Articles, membership in the Corporation shall be limited to persons interested in furthering its objects, and shall consist of the following classes:

- a) the Individual Members;
- b) the Entity Members; and
- c) the Non-Industry Members.

6.2 Conditions of Membership.

a) General.

The following conditions of membership shall apply to all Industry Members:

- i) Under the authority of section 8(6) of SCSAA, each person who is Registered shall become, and is hereby admitted (subject only to compliance with the requirements of this By-law) as, an Industry Member of the Corporation, and such membership shall continue for so long as any such person is so registered.
- ii) Each person that is Registered on the date that this By-law comes into force, shall be deemed to have met the conditions of membership for Industry Members and been accepted as an Industry Member of the Corporation.

b) Individual Members:

Individual Members are natural persons that have been accepted into membership in the Corporation as Individual Members, as defined in this Section 6.2b). Each natural person who is Registered as a salesperson, broker, or sole proprietor Brokerage is an Individual Member. Each Individual Member shall be entitled to receive notice of and to attend all meetings of members, to move or second motions, and shall have one vote at any meeting of members, provided that an Individual Member shall not be entitled to vote at any meeting of members of the Corporation if, at the time of the commencement of such meeting:

- i) he or she is in default of payment of any fees, dues, costs, charges, annual contribution, annual fees, or other amounts, including without limitation, any insurance premiums or other insurance-related payments, fines, interest, or administrative penalty, owing to the Corporation, fines payable as a result of a conviction for an offence under REBBA, or orders for compensation or restitution in relation to an offence under REBBA;
- ii) his or her Registration is suspended;

iii) he or she is not in compliance with a condition of registration, order, direction, or other requirement under REBBA.

c) **Entity Members:**

No Brokerage, other than a sole proprietor, can be an Individual Member of the Corporation. All Brokerages (other than Brokerages registered as sole proprietors under REBBA) shall be Entity Members of the Corporation. Except as required under the Act, Entity Members shall not be entitled to receive notice of meetings of members (but they may attend any members' meeting which is open to the public), nor shall they be entitled to vote at any meeting of members, to move or second motions.

d) **Non-Industry Members:**

Non-Industry Members are any individual who has been appointed by the Minister under SCSAA. Non-Industry Members shall be entitled to receive notice of and to attend all meetings of members. Non-Industry Members have the exclusive right to elect one or more, but not more than three, Ministerial Directors, and to vote for or remove Ministerial Directors. Non-Industry Members cannot move or second motions and cannot otherwise vote at any meeting of members except as expressly set out herein.

6.3 Annual Contribution or Dues.

Members shall not be required to pay any annual contribution or annual dues solely attributable to their being members of the Corporation, except such annual contribution or annual dues as shall from time to time be approved by Individual Members at a members' meeting.

6.4 Termination of Membership for Industry Members.

An Industry Member's membership in the Corporation terminates on the death of a member or when the member's membership ceases by virtue of a provision of this By-law. Breaches of the following shall result in the immediate termination of an Industry Member's membership in the Corporation:

- a) the member dies, or, in the case of a member that is a body corporate, the body corporate is liquidated or dissolved;
- b) the member fails to maintain any qualifications or conditions of membership, including the loss of a member's Registration for any reason, including cancellation, cessation, termination, revocation, expiry, and lapse;
- c) the failure to pay on or before their respective due dates annual contribution or annual dues solely attributable to their being members of the Corporation; or
- d) the Corporation is dissolved or liquidated and dissolved under the Act.

6.5 Termination of Membership for Non-Industry Members. A Non-Industry Member's membership in the Corporation terminates on the earliest of the date:

- a) When a Non-Industry Member dies or resigns;
- b) When the term of the membership ends as specified in the appointment made by the Minister under SCSAA, if such a date is specified;
- c) When the Minister rescinds the appointment of a Non-Industry Member, if the Minister chooses to do so;

- d) When a Non-Industry Member ceases to hold office of a Ministerial Director after having been elected or appointed to that office; or
- e) When the Corporation is dissolved or liquidated and dissolved under the Act.

6.6 Termination of Rights.

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.

6.7 Membership is not Transferable.

Membership in the Corporation is not transferable.

7.0 MEMBERS' MEETINGS

7.1 Annual Meeting.

Subject to the Act, the annual meeting of the members shall be held on such day in each year and at such time as the directors may determine at any place within Ontario. The annual meeting of the members shall be called by the Board no later than 15 months after holding the preceding annual meeting and no later than 6 months after the end of the Corporation's preceding financial year.

7.2 Open to Public.

Any annual, general or special meeting of the members shall be open to the public and reasonable notice shall be given to the members of the Corporation and to the public in accordance with the By-laws. At every annual meeting, in addition to any other business that may be transacted, the report of the directors, the financial statements and the report of the auditors shall be presented and auditors appointed for the ensuing year.

7.3 Notice to Public.

Subject to the Act, notice to the public of any meeting of the members shall be given by publication on the Corporation's website or by such other methods of service as the Board may by resolution direct, which may include the publication of a notice of meeting at least once a week for three consecutive weeks next preceding the meeting in a newspaper in general circulation or broadly distributed across Ontario or in two or more regional newspapers, the distribution coverage of which, together, extends across Ontario.

7.4 Special Meetings.

Other meetings of the members may be convened by order of the Chairperson of the Board or the Vice-Chairperson of the Board or by the Board at any date and time and at any place within Ontario. The Board shall call a special meeting of members on written requisition of members carrying not less than five percent (5%) of the voting rights of the Corporation.

7.5 Notice of Members' Meetings.

A written notice of any meeting of the members of the Corporation shall be either:

- a) sent to each member of the Corporation entitled to receive notice of such meeting by mail, courier or personal delivery during a period of 21 to 60 days before the day on which the meeting is to be held, or by electronic or other communication facility to each member during a period of 21 to 35 days before the day on which the meeting is to be held; or

- b) published: (i) at least once in each of the three weeks immediately before the day on which the meeting is to be held in one or more newspapers circulated in the municipalities in which the majority of the members of the Corporation reside as shown by their addresses for service in the register of members, or (ii) at least once in a publication of the corporation that is sent to all its members, during a period of 21 to 60 days before the day on which the meeting is to be held.

Notice of any meeting where special business will be transacted shall contain sufficient information to permit the Individual Members and the Non-Industry Members to form a reasoned judgment on the decision to be taken. Notice of each meeting of members must remind the Individual Member that such member has no right to vote by proxy.

7.6 Waiver of Notice.

A member may in any manner waive notice of that meeting of members, and attendance of any such person at that meeting of members shall constitute a waiver of notice of the meeting, except where such person attends a meeting for the express purposes of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

7.7 Error or Omission in Giving Notice.

No error or omission in giving notice of any annual or special meeting or any adjourned meeting of the members of the Corporation shall invalidate any resolution passed or any proceedings taken at any meeting of members.

7.8 Quorum.

A quorum at any meeting of the members (unless a greater number of members are required to be present by the Act or by the Articles or any other By-law and except for a special meeting of the Non-Industry Members for the purposes of electing, voting or removing Ministerial Director(s)) shall be persons present being twenty-five (25) in number and being twenty-five (25) Individual Members. No business shall be transacted at any meeting unless the requisite quorum is present at the time of the transaction of such business. If a quorum is not present at the time appointed for a meeting of members or within such reasonable time thereafter as the members present may determine, the persons present and entitled to vote may adjourn the meeting to a fixed time and place but may not transact any other business and the provisions of elsewhere in this By-law with regard to notice shall apply to such adjournment.

7.9 Voting.

- a) At all meetings of the members, every question not otherwise determined by ballot shall be determined on a show of hands by a majority of votes unless otherwise specifically provided by the Act or by this By-law. In the case of an equality of votes the chairperson of the meeting shall both on a show of hands and at a poll have a second or casting vote in addition to the vote or votes to which the chairperson may be otherwise entitled.
- b) At any meeting of members, unless a poll is demanded, a declaration by the Chairperson of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

- c) A poll may be demanded either before or after any vote by show of hands by any person entitled to vote at the meeting. If at any meeting a poll is demanded on the election of a chairperson or on the question of adjournment it shall be taken forthwith without adjournment. If at any meeting a poll is demanded on any other question, the chairperson shall determine whether the vote shall be taken and, if so, by ballot in such manner as the chairperson may decide and either at once, later in the meeting or after adjournment, as the chairperson of the meeting directs. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A demand for a poll may be withdrawn.
- d) Votes at meetings of the members may not be given by proxy.

7.10 Chairperson of the Meeting.

In the event that the Chairperson of the Board and the Vice-Chairperson of the Board are absent, the persons who are present and entitled to vote shall choose another director as chairperson of the meeting of members and if no director is present or if all the directors present decline to take the chair then the persons who are present and entitled to vote shall choose one of their number to be chairperson.

7.11 Adjournment.

The chairperson of any meeting of members may with the consent of the meeting adjourn the same from time to time to a fixed time and place and no notice of such adjournment need be given to the members, provided the adjournment is for a period not exceeding 31 days. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

7.12 Electronic Voting.

Subject to the Act, any meeting of members or any vote at a meeting of members may be held entirely by means of an electronic or other communication facility, as permits all persons participating in the meeting to communicate with each other simultaneously and adequately, if the Corporation makes available such a communication facility. A person participating in such a meeting by the use of such facilities is deemed to be present at the meeting. The Chairperson of any such meeting shall be responsible for establishing procedures designed to ensure that security issues concerning the meeting are adequately addressed and shall ensure that the Secretary of the meeting establishes that a quorum is participating in accordance with the By-laws and records the votes taken.

7.13 Resolution in Lieu of Meeting.

If permitted by law, a resolution in writing, signed by all the members entitled to vote on that resolution at a meeting of members, is as valid as if it had been passed at a meeting of members.

8.0 CUSTODY AND VOTING SHARES AND SECURITIES

8.1 Voting Shares and Securities.

All of the shares or other securities carrying voting rights of any company or corporation held from time to time by the Corporation may be voted at any and all meetings of shareholder, bondholders, debenture holders or holders of other securities (as the case may be) of such company or corporation and in such manner and by such person or

persons as the Board shall from time to time determine. The duly authorized signing officers of the Corporation may also from time to time execute and deliver for and on behalf of the Corporation proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they determine without the necessity of a resolution or other action by the Board.

8.2 Custody of Securities.

All shares and securities owned by the Corporation shall be lodged (in the name of the Corporation) with a chartered bank or a trust company or in a safety deposit box or, if so authorized by resolution of the Board, with such other depositories or in such other manner as may be determined from time to time by the Board. All share certificates, bonds, debentures, notes or other obligations belonging to the Corporation may be issued or held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with the right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer to be completed and registration to be effected.

9.0 **NOTICES**

9.1 Service.

Unless provided otherwise in the By-laws, any notice or other document required by the Act, the Articles or the By-laws to be sent to any member or director or to the auditor shall be delivered personally or sent by prepaid mail or by electronic mail or facsimile to any such member or director at their address for service as shown in the records of the Corporation and to the auditor at its business address, or if no address be given therein then to the last address of such member or director known to the Corporation or by such other methods of service as the Board may by resolution direct; provided always that notice may be waived or, subject to the Act, the time for the notice may be waived or abridged at any time with the consent in writing of the person or corporation entitled thereto, which consent may be sent to the Corporation by electronic mail or facsimile.

9.2 Signature to Notices.

The signature of any director or officer of the Corporation to any notice or document to be given by the Corporation may be written or partly written, stamped, typewritten, printed, electronic signatures, e-signatures, digital signatures, or otherwise by electronic means.

9.3 Computation of Time.

Where a given number of days' notice or notice extending over a period is required to be given under the By-laws or Articles of the Corporation the day of service or posting of the notice shall not, unless it is otherwise provided, be counted in such number of days or other period.

9.4 Proof of Service.

With respect to every notice or other document sent by post it shall be sufficient to prove that the envelope or wrapper containing the notice or other document was properly addressed as provided elsewhere in this By-law and put into a Post Office or into a letter box, or collected by Canada Post. With respect to every notice or other document sent electronically or by electronic mail or facsimile or by such other methods of service as the Board may by resolution direct, it shall be sufficient to prove that such notice was sent from the Corporation. A certificate of an officer of the Corporation in

office at the time of the making of the certificate as to facts in relation to the sending or delivery of any notice or other document to any member, director, officer or auditor or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every member, director, officer or auditor of the Corporation as the case may be.

10.0 EFFECTIVE DATE

10.1 Effective Date.

This by-law shall only be effective upon the issuance of the Corporation's Letters Patent of Continuation under the Act by the Ministry of Government and Consumer Services.

11.0 INVALIDITY OF ANY PROVISION OF THIS BY-LAW

11.1 The invalidity or enforceability of any provision of this By-law shall not affect the validity or enforceability of the remaining provisions of this By-law.

By-Law No. 1 in effect on June 9, 2021, is hereby signed by the President and Secretary of the Corporation as of June 24, 2021.



President



Secretary