

BY-LAW NO. 1
being the General By-law of
REAL ESTATE COUNCIL OF ONTARIO
[AMENDED March 28, 2024]

1.0 GENERAL

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

- a) "Act" means the *Not-for-Profit Corporations Act, 2010*, S.O. 2010, c.15, 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 Minister 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 TRESA, being the Corporation;
- d) "Articles" means the original Letters Patent of Continuation, Articles of Amendment, Restated Articles and Articles of Dissolution;
- e) "Board" means the board of directors of the Corporation;
- f) "Brokerage" has the meaning ascribed that term in TRESA;
- g) "By-laws" means any by-law of the Corporation from time to time in force and effect;
- h) "Chair" means the Chair of the Board of Directors of the Corporation;
- i) "Corporation" means Real Estate Council of Ontario;
- j) "Minister" means the Minister of Public and Business Service Delivery for the Province of Ontario, and any successor thereto or the Minister responsible for the administration of TRESA or SCSAA, as the case may be;
- k) "Ministerial Director" means any one of the directors of the Corporation appointed by the Minister in accordance with SCSAA;
- l) "Non-Sector Director" means those directors of the Corporation elected by the members and who are not drawn from among any of the following classes of persons:
 - i. Registered brokers or salespersons.
 - ii. Individuals who are directors, officers, employees, members or agents of registered brokerages.
 - iii. Individuals who are directors, officers, employees, members or agents of an industry association representing the interests of

registrants.

- iv. Individuals who within the one-year period before becoming a director of the Board met the description of any of clauses i. through iii;
 - m) "person" has the meaning ascribed to it in the Act;
 - n) "Registrant" means a brokerage that is registered under TRESA or a broker or salesperson who is registered under TRESA;
 - o) "Registration" means registration under TRESA, or any other registration, licence, permit, certificate or other authorization required under TRESA in order to carry out an activity governed by TRESA, and "Registered" means having a Registration;
 - p) "SCSAA" means the *Safety and Consumer Statutes Administration Act, 1996*, S.O. 1996 c. 19 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 provisions of SCSAA shall be read as references to the substituted provisions therefor in the new statute and regulation;
 - q) "Sector Director" means those directors of the Corporation elected by the members and who are registered brokers or salespersons.
 - r) "TRESA" means the *Trust in Real Estate Services Act, 2002*, S.O. 2002, c. 30, Sched. 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 TRESA shall be read as references to the substituted provisions therefor in the new statute or regulations.
- 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 Registered Office. Until changed in accordance with the Act, the registered 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 and in SCSAA, no action or proceeding, either at law or in equity, shall be brought by any member or former 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, TRESA 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 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 conduct 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 purposes 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.

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 registered office of the Corporation, and any member may, on request, obtain a copy free of charge at the registered 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 purposes 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 purposes of the Corporation.
- 1.17 Registrar. The Registrar and Deputy Registrars, if any, appointed under TRESA shall be employees of the Corporation and shall not be a member of the Board, a Director or

Deputy Director under TRESA, an employee of a trade association, or a registrant under TRESA. The position and functions of the Registrar under TRESA cannot be exercised by the Board or any member or members of the Board. The Registrar appointed under TRESA, if any, shall be appointed by the Board as the chief registration or licensing officer under TRESA and any one or more Deputy Registrars appointed under TRESA shall have the powers of the Deputy Registrar for the purposes of TRESA. 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 TRESA 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 TRESA. The Director or the Deputy Directors, if any, under TRESA 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 TRESA. The Director or Deputy Directors, if any, under TRESA shall not be the Registrar or a Deputy Registrar under TRESA or hold a position in the Corporation subordinate to the Registrar or a Deputy Registrar under TRESA or be an employee of a trade association or be a registrant under TRESA.
- 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

- a) **Orders of the Minister** - This By-law is subject to any orders of the Minister made under SCSAA. The Corporation shall amend this By-law as necessary to comply with any orders of the Minister.
- 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. Effective June 1, 2024, the Board shall consist of nine (9) directors as follows.
- a) Subject to section 2.3 (Qualifications) and any applicable law, effective June 1, 2024, no more than 34% of members of the Board shall be drawn from among any of the following classes of persons:
- i. Registered brokers or salespersons.
 - ii. Individuals who are directors, officers, employees, members or agents of registered brokerages.
 - iii. Individuals who are directors, officers, employees, members or agents of an industry association representing the interests of

registrants.

- iv. Individuals who within the one-year period before becoming a director of the Board met the description of any of clauses i. through iii.
- b) For clarity, the 34% in paragraph a) is calculated with reference to the full nine (9) member Board even if some positions are vacant.
- c) The nine (9) member Board will include Ministerial Directors, elected Sector Directors and elected Non-Sector Directors as follows:
 - i. Ministerial Directors, being individuals appointed by the Minister under SCSAA; and
 - ii. No more than three (3) Sector Directors elected by the members;
 - iii. Subject to i. and ii. of paragraph c), the balance of the directors shall be Non-Sector Directors elected by the members.

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. Each director must consent in writing to hold office as a director within 10 days after the election or appointment except for a director who is re-elected or re-appointed and there is no break in such director's term of office. The following are additional qualifications for elected Sector and elected Non-Sector Directors:

- a) The individual must possess a positive orientation for proactive consumer protection initiatives;
- b) The individual must not be an employee, director or officer of any real estate trade association;
- c) The individual must not have been found by the Discipline Committee of the Corporation to have contravened TRESA, the regulations under TRESA, including the Code of Ethics regulation, or had a similar finding by any other regulatory body or professional association in the last five (5) years;
- d) The individual must not have had a professional licence or registration refused, suspended, revoked or subject to conditions to which they did not consent in the last five (5) years; and
- e) The individual must not have been found guilty of a provincial or criminal offence that is relevant to their suitability to serve on the Board, for which a pardon or record suspension has not been granted.

2.4 Compensation. In order to compensate them for their time and cost of service to the Corporation and to reimburse them for reasonable expenses incurred in the performance of their duties, the Sector and Non-Sector Directors shall receive such amounts as may be set out in the remuneration policies 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 Sector and Non-Sector Directors. The Board may fix the remuneration of any officers, committee members, Advisory Council members, and other persons who have been engaged by the

Board or the Corporation in accordance with the remuneration policies approved by the Board.

2.5 Election of Directors. Effective MARCH 28, 2024 and subject to the Articles, the members shall by ordinary resolution elect the directors at each 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 (Term of Directors). Effective MARCH 28, 2024, individuals may be nominated for election to the Board of Directors as a Sector Director or Non-Sector Director as follows:

- a) The Nominations Committee shall oversee searches and identify qualified individuals for membership on the Board. This includes establishing criteria, qualifications, and competencies that applicants for a Board position must meet, soliciting applications for positions to be filled, establishing a process for vetting candidates against the criteria identified, and nominating candidates for each elected director office which will be vacant and for which an election will be held at the annual meeting of members, all in accordance with policies approved by the Board.
- b) Eligibility criteria for nomination to the Board shall not include a requirement that a nominee must be a member of an industry association representing the interests of registrant. For greater certainty, this does not preclude nominees from being a member of these industry associations.
- c) In advance of the annual meeting at which an election is required, the Nominations Committee shall solicit applications for each director office which will be vacant and review the applications against the established criteria, qualifications and competencies, in accordance with policies approved by the Board. The Nominations Committee will nominate candidates as follows and in accordance with policies approved by the Board:
 - i. Where a Sector Director position will be vacant, the Nominations Committee will compile a list of candidates who best meet the needs of the Board based on the established criteria, qualifications, and competencies.
 - ii. Where a Non-Sector Director position will be vacant, the Nominations Committee will recommend one specific candidate for the position who best meets the needs of the Board based on the established criteria, qualifications, and competencies.
 - iii. The candidates nominated by the Nominations Committee must be ratified by the Board in advance of the annual meeting.
 - iv. Following ratification by the Board, the names of the candidates nominated by the Nominations Committee must be circulated to the members at least 30 days before the annual meeting at which an election is required.
 - v. At the annual meeting, each member is entitled to cast one vote for each position for which an election is being held.
 - vi. If the Nominations Committee nominates more than one candidate for the position to be filled, the election will be held by ballot in accordance with procedures established by the Nominations Committee and approved by the Board of Directors.

2.6 Term of Directors.

- a) Effective starting at the annual meeting held in 2024, and subject to 2.6(a)(i) and (ii), each elected Sector Director and Non-Sector Director 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. A Sector Director or Non-Sector Director, if otherwise qualified, is eligible for re-election to the Board of Directors of the Corporation upon the expiration of such director's term, provided that an elected director shall not be reappointed or re-elected if the director has served an aggregate of ten (10) or more years in office. Nothing in this section affects the terms of existing Board members holding office prior to the annual meeting held in 2024.
 - i. The Non-Sector Directors elected at the annual meeting in 2024 shall be elected for initial terms of two (2) years, three (3) years, and four (4) years respectively. After 2024, Non-Sector Directors shall be elected for three (3) year terms.
 - ii. The first three Sector Directors who are elected after June 1, 2024, shall be elected for an initial term of two (2) years, three (3) years, or four (4) years as required and as determined by the Board so that it results in one Sector Director retiring at each subsequent annual meeting. After the first three Sector Directors are elected after June 1, 2024, Sector Directors shall be elected for three (3) year terms.
- b) Each Ministerial Director appointed shall hold office for a term not to exceed the term set out in the Minister's appointment.

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 (Qualifications) 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 members to remove any Sector Director or Non-Sector Director from office;
- d) if in the reasonable opinion of the Board, expressed by resolution of a majority of the directors in office, a Sector Director or Non-Sector Director consistently fails to perform the duties reasonably required of a director, including but not limited to failing to comply with any code of conduct or any other policies applicable to the directors, or
- e) if the Minister appoints a Ministerial Director from among the following classes of person:
 - i. Registered brokers or salespersons.
 - ii. Individuals who are directors, officers, employees, members or agents of registered brokerages.
 - iii. Individuals who are directors, officers, employees, members or agents of an industry association representing the interests of registrants.
 - iv. Individuals who within the one-year period before becoming a

director of the Board met the description of any of clauses i. through iii.

and such appointment results in there being a greater percentage of Directors drawn from those classes of persons than is permitted by section 2.2 (Number of Directors), or if there is a greater percentage of directors drawn from those classes for any other reason, the elected Sector Director most recently elected shall immediately cease as a Director, unless that Director is the Chair, in which case the elected Sector Director next most recently elected shall immediately cease as a Director. If it is not possible to identify which Sector Director was elected most recently based on the date the Director was elected, the elected Sector Director from among the two or more most recently elected Sector Directors who received the lowest percentage of votes of members when they were elected shall immediately cease as a Director.

- f) If the Minister appoints a Ministerial Director and such appointment results in there being a greater number of directors than there are positions on the Board, other than in a situation described in paragraph e), the elected Non-Sector Director most recently elected shall immediately cease as a Director, unless that Director is the Chair, in which case the elected Non-Sector Director next most recently elected shall immediately cease as a Director. If it is not possible to identify which Non-Sector Director was elected most recently based on the date the Non-Sector Director was elected, the elected Non-Sector Director from among the two or more most recently elected Non-Sector Directors whose term is expiring first shall immediately cease as a Director.

2.8 Filling Vacancies (Sector and Non-Sector Directors). A vacancy occurring on the Board in the office of a Sector Director or Non-Sector shall be filled as follows:

- a) if the vacancy occurs as a result of the removal of any Sector Director or Non-Sector Director by the members by ordinary resolution passed by the 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) if there is a quorum of directors, 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 the directors 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 Nominations Committee and Other Committees. There shall be a Nominations Committee composed of the Chair of the Board and three (3) other directors, including at least one (1) director appointed by the Minister under subsection 8(1) of the SCSAA. The Board may by resolution from time to time establish and appoint any other 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 and applicable law. Any such committee or task force may formulate its own rules of procedure, subject to the Act and applicable law 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.

2.10 Advisory Council. On or before June 1, 2024, the Board shall establish an Advisory Council comprised of members representing the interests of registrants. The Advisory Council shall include members who are directors, officers, employees, members or agents of industry associations representing the interests of registrants, as well as one member from the Board that has been drawn from the real estate services sector. In addition, the Advisory Council may include members from any of the following classes of persons:

- a) Brokers.
- b) Salespersons.
- c) Individuals who are directors, officers, employees or agents of registered brokerages.

The Advisory Council's role is strictly advisory and any decision made by the Advisory Council shall not bind the Corporation. The Advisory Council may formulate its own rules of procedure, subject to such directions as the Board of Directors may from time to time make. Any Advisory Council member may be removed by resolution of the Board.

2.11 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 (Notice), 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.

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.

- 3.2 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.
- 3.3 Adjournment. Any meeting of directors may be adjourned from time to time by the chair 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.
- 3.4 Voting. Each director, including the Chair 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 Chair of the Board shall not have a second or casting vote to break the tie. If the Chair appointed by the Board is not present at a meeting of the Board, then the director who is acting as chair 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 chair shall not have a second or casting vote to break the tie.
- 3.5 Resolution in Lieu of Meeting. 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 as may be required, and the Minister may, pursuant to its authority under the SCSAA, appoint from among the directors, a Chair of the Board. The Board shall annually, or as may be required, appoint from among the directors a Vice-Chair of the Board. The Chair and the Vice-Chair may each hold office for a term of two consecutive years, provided that their term in office cannot extend beyond their term on the Board, and the Chair and Vice-Chair may be reappointed for one or more terms. If deemed advisable by the Board, the Board may appoint a Secretary, and any other officer the Board deems appropriate from time to time. The Board may appoint a Chief Executive Officer from time to time. 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 Chair of the Board and the Vice-Chair of the Board, who shall be directors of the Corporation. Two or more of the aforesaid offices may be held by the same person.
- 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. Subject to the Minister's power to appoint and revoke the appointment of the Chair pursuant to section 8(5.2) of SCSAA, 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) Chair of the Board. The Chair of the Board shall, when present, preside at all meetings of the Board, committees of directors, if any, and the members.
 - b) Vice-Chair of the Board. If the Chair of the Board is absent or is unable or refuses to act, the Vice-Chair 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) 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 of 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 that the Corporation shall not indemnify an individual under 5.2 unless:

- i. the individual acted honestly and in good faith with a view to the best interests of the corporation or other entity, as the case may be; and
- ii. if the matter is a criminal or administrative proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that his or her conduct was lawful.

5.3 Insurance. Subject to the Act and the Administrative Agreement, the Corporation may purchase and maintain insurance for the benefit of its directors and officers, or any of them, and other persons..

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. 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

a) **This section becomes effective only after the articles are amended by special resolution of the members. The effective date for this section shall be the effective date shown on the Director's certificate of amendment issued in accordance with the Act.**

6.1 Composition of Membership. Subject to the Articles, membership in the Corporation shall be limited to persons interested in furthering its purposes, and shall consist of one class of individual members.

6.2 Conditions of Membership.

- a) General. The following conditions of membership shall apply to all members:
- i) Under the authority of section 8(6) of SCSAA, each natural person who is Registered as a broker or salesperson under TRESA shall become, and is hereby admitted (subject only to compliance with the requirements of this By-law) as, a member of the Corporation, and such membership shall continue for so long as any such person is so registered.
 - ii) Each natural person who is Registered on the date that this By-law comes into force as a broker or salesperson under TRESA, shall be deemed to have met the conditions of membership and been accepted as a member of the Corporation.
- b) Members: Each 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 a 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 TRESA, or orders for compensation or restitution in relation to an offence under TRESA;
 - 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 TRESA.
- c) **Deleted.**
- d) **Deleted.**

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 members at a members' meeting.

6.4 Termination of Membership. A 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 a Member's membership in the Corporation:

- a) the member dies;
- 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 Deleted.

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.

7.4 Special Meetings. Other meetings of the members may be convened by order of the Chair of the Board or the Vice-Chair 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:

- a) sent to each member of the Corporation entitled to receive notice of such meeting, each director, and the auditor of the Corporation during a period of not less than 10 and not more than 50 days before the day on which the meeting is to be held. Notice to members shall be given by electronic mail to the last known email address provided by the member for the purposes of registration; and
- b) published on the website of the Corporation not less than 10 and not more than 50 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 members to form a reasoned judgment on the decision to be taken. Notice of each meeting of members must remind the 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) shall be twenty-five (25) members present. If a quorum is present at the opening of a meeting of the members, the members present may proceed with the business of the meeting, even if a quorum is not present throughout the meeting.

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 chair 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 chair may be otherwise entitled.

b) At any meeting of members, unless a poll is demanded, a declaration by the chair 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 chair 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 chair shall determine whether the vote shall be taken and, if so, by ballot in such manner as the chair may decide and either at once, later in the meeting or after adjournment, as the chair 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 Chair of the Meeting. In the event that the Chair of the Board and the Vice-Chair of the Board are absent, the persons who are present and entitled to vote shall choose another director as chair 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 chair.

7.11 Adjournment. Subject to the Act, the chair 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 less than 30 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 Meetings. Subject to the Act, any meeting of members or any vote at a meeting of members may be held entirely by electronic means or by any combination of in-person attendance and by electronic means provided that all persons entitled to attend the meeting are able to reasonably participate. A person participating in such a meeting by the use of such electronic means is deemed to be present at the meeting. The chair 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. 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.

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 INVALIDITY OF ANY PROVISION OF THIS BY-LAW

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

11.0 EFFECTIVE DATE

11.1 The amendments to section 2 (Directors) of By-Law No. 1 that are necessary to implement a Minister's Order made under the SCSAA take effect on the date they are amended by resolution of the Board. The amendments to section 6 (Conditions of Membership and Acceptance into Membership) take effect on the date shown on the Director's certificate of amendment issued in accordance with the Act. The remaining amendments take effect on the date they are approved by the members.

PASSED by the directors of the Corporation by resolution dated March 28, 2024 and confirmed without variation by resolution of the members dated May 30, 2024.

Date of Director's Certificate of Amendment: _____

Chair

Secretary