

MPRIME NETWORK INC.

BY-LAW NO. 1

ARTICLE 1 - INTERPRETATION

1.1 **Definitions.** In this By-law and all other By-laws of the Corporation, unless the context otherwise requires, and unless otherwise defined in this By-law:

- (a) "Act" means the *Canada Corporations Act*, as from time to time amended, and every statute that may be substituted for it, 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 in the new statute or statutes. Reference to any statute amending or replacing the Act shall include, for the avoidance of doubt, the *Canada Not-for-profit Corporations Act*;
- (b) "Award Letter" means a letter from the Corporation to a Member containing the terms and conditions such Member must comply with in order to receive funding from the Corporation;
- (c) "Board" means the board of Directors of the Corporation;
- (d) "By-laws" means this By-law No. 1 and all other by-laws of the Corporation from time to time in force and effect, and "By-law" means any one of them;
- (e) "Chair of Board" means the chairperson of the Board from time to time;
- (f) "Corporation" means Mprime Network Inc.;
- (g) "Director" means any director of the Corporation;
- (h) "Funding Agreement" means the funding agreement among the Simon Fraser University, The Natural Sciences and Engineering Council, The Canadian Institute of Health Research, and The Mathematics of Information Technology and Complex Systems, Inc. effective February 25, 1999, as amended or replaced from time to time;
- (i) "Host Institution" means an organization where the Head Office of the Corporation is housed;
- (j) "Letters Patent" means the Letters Patent for the Corporation as may be amended or supplemented from time to time;
- (k) "Meetings of Members" include annual and special meetings of Members;

- (l) "Member" means any member of the Corporation, regardless of the class of membership;
 - (m) "Minister" means the Minister of Industry pursuant to the Act;
 - (n) "Person" includes bodies corporate, corporations, companies, partnerships, syndicates, and any aggregate of Persons; and
 - (o) "Secretary" means the secretary of the Corporation appointed pursuant to this By-law.
- 1.2 **Undefined Terms.** All terms contained in this By-law which are not defined herein and which are defined in the Act shall have the meaning given to such terms in the Act.
- 1.3 **Interpretation.** In this By-law and in all other By-laws of the Corporation hereafter passed unless the context otherwise requires, words importing the singular number or the masculine gender shall include the plural number or the feminine gender, as the case may be, and vice versa.
- 1.4 **Headings.** The headings used throughout this By-law are inserted for reference purposes only and are not to be considered in construing the terms and provisions of this By-law or to be deemed in any way to clarify, modify or explain the effect of such terms or provisions.
- 1.5 **Conflict with By-Law.** To the extent of any conflict between the provisions of this By-law and the provisions of either the Act or the Letters Patent of the Corporation, the provisions of the Act, or the Letters Patent shall govern.
- 1.6 **Invalid Provisions.** 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.

ARTICLE 2- MEMBERSHIP

- 2.1 **Entitlement.** The Members of the Corporation shall consist of the Members on the date hereof, together with such other Persons whose applications for membership have received the approval of the Board; such other Persons may become Members of the Corporation on such terms and conditions as the Board may decide from time to time.
- 2.2 **Classes of Membership.** The membership of the Corporation shall consist of four classes:
- (a) Academic Members: The Academic Members shall be those academic institutions participating in the research programs undertaken by the Corporation from time to time. Each Academic Member shall nominate in its discretion, subject to the Act and this By-law, an individual to act as the representative for the relevant

Academic Member and communicate such appointment in writing to the Corporation. Such appointment may be revoked and replaced by the Academic Member at any time upon written notice to the Secretary of the Corporation. The Academic Members shall be entitled to receive notice of and attend meetings of the Members, and have the right to vote.

The Board may establish separate sub-categories of Academic Members, including but not limited to Full Academic Members, Associate Academic Members, Affiliate Academic Members and Contributing Academic Members. Different membership fees, if any, may apply to each such sub-category of Academic Member as determined by the Board on an annual basis pursuant to this By-law. For the avoidance of doubt, the status of each Academic Member within a specific sub-category of Academic Membership may change from time to time.

- (b) Research Members: The Research Members shall be Canadian non-governmental organizations whose primary purpose is to facilitate research amongst industry, universities, and government. Each Research Member shall nominate in its discretion, subject to the Act and this By-law, an individual to act as the representative for the relevant Research Member. Such appointment may be revoked and replaced by the Research Member at any time upon written notice to the Secretary of the Corporation. The Research Members shall be entitled to receive notice of and attend meetings of the Members but shall not have the right to vote.
 - (c) Sustaining Members: The Sustaining Members shall be those institutions or incorporated or duly constituted entities which comply with any requirements fixed by the Board and are admitted as such by the Board. Each Sustaining Member shall nominate in its discretion, subject to the Act and this By-law, an individual to act as the representative for the relevant Sustaining Member and communicate such appointment in writing to the Corporation. Such appointment may be revoked and replaced by the Sustaining Member at any time upon written notice to the Secretary of the Corporation. The Sustaining Members shall be entitled to receive notice of and attend meetings of the members, and have the right to vote.
 - (d) Honorary Members: The Board may establish the qualifications of Honorary Membership of the Corporation. Honorary Members may receive notice of and attend meetings of the members and, if so invited, they may speak but do not have the right to vote.
- 2.3 **Membership Transferable With Consent.** Any membership of the Corporation may only be transferred with prior written approval of the Board.
- 2.4 **Fees.** The Board shall determine the annual membership fees at least 90 days before the date such fees are due. The Board shall have the discretion to set different fees for each class of Members and, further, the Board may determine that the fees vary for various

sub-categories of Members (if any) within a specific class of Members, provided that Honorary Members shall not be required to pay any membership fees at any time. Members shall be notified in writing of the membership fees at any time payable by them and, if any fees are not paid within one calendar month of the membership renewal date, any Members in default shall not be Members in good standing as set out in Section 2.5 below.

- 2.5 **Members in Good Standing.** Each Member that complies with the provisions of the By-laws of the Corporation, the terms and conditions set out in any Award Letter with respect to the relevant Member, as well as any such conditions of membership, including membership fees, as may be determined by the Board from time to time (collectively, the “**Membership Obligations**”), is a member in good standing, provided that no such condition regarding membership will be effective until approved by the Board. Where a Member is not in good standing, the rights and privileges of such Member shall automatically be suspended until such time as the Member complies with the Membership Obligations applicable to that Member, which time shall not exceed 90 days from receipt of a written notice from the Board or the Secretary that the Member is in default in performing its Membership Obligations. Unless the Member remedies the default within such 90 day period, the Member’s membership in the Corporation may be terminated in accordance with Section 2.8.
- 2.6 **Excusable Delay.** Where a Member is delayed in performing or observing a covenant or obligation under the By-Laws or any Award Letter or any other agreement, which covenant or obligation is to be performed or observed by a specific date or within a particular time, and such delay is the caused by reason of Excusable Delay, the date or period of time by or within which such Member is to perform or observe such covenant or obligation will be extended by a period of time equal to the duration of the delay, subject to a maximum excusable delay of 90 days. “Excusable Delay” means any delay in the performance or observation by any Member of any Membership Obligation that occurs as a consequence of, or is attributable to, any circumstance which is beyond the reasonable control of such Member and that is not caused by any default, or act or omission of such Member and is not avoidable by the exercise of reasonable effort or foresight by such Member. Where a Member is delayed in performing any Membership Obligations by reason of Excusable Delay, Sections 2.5 and 2.8 shall not apply.
- 2.7 **Resignation.** Any Member may resign from membership in the Corporation by giving at least 60 days written notice to the Chair of the Board or the Secretary of the Corporation.
- 2.8 **Termination of Membership.** Membership in the Corporation shall be terminated in the following circumstances:
- (a) if the Member is not in good standing after the expiry of the 90 day period set out in Section 2.5 and, at a Meeting of the Board, a resolution is passed by not less than two thirds of the votes cast on the question of the termination of the Member; or

- (b) forthwith, upon the Member's bankruptcy, insolvency, assignment for the benefit of creditors, appointment of a receiver or a receiver manager or other act of insolvency as defined by law.

2.9 **Consequences of Resignation or Termination of Membership.** Where a Member ceases to be a Member either by reason of resignation or termination of such Member's membership in the Corporation in accordance with Section 2.8 above (in either case, the "**Departing Member**"), the following provisions shall apply:

- (a) upon the effective date of termination of the membership of a Departing Member, the Departing Member and any Persons for whom that Member is responsible shall return to the Corporation, with a full accounting thereof, all unused and uncommitted funds advanced by the Corporation; and
- (b) in the case of resignation, the Departing Member shall remain liable for payment of any outstanding membership fees levied or which became payable by the Member to the Corporation prior to the resignation of such Person.

ARTICLE 3– MEETINGS OF THE MEMBERS

- 3.1 **Meetings.** A Meeting of Members shall be either an annual meeting or a special meeting. Meetings of Members shall be held at the head office of the Corporation or at any place in Canada and on such date as the Board may determine. The Members may resolve that a particular Meeting of Members be held outside Canada
- 3.2 **Business at Annual Meeting.** At every annual general meeting, in addition to any other business that may be transacted, the report of the Board, the financial statements and the report of the auditors shall be presented and the Directors shall be elected, if necessary, and auditors appointed for the ensuing year. At the annual general meeting, the Members may consider and transact any business either special or general.
- 3.3 **Special Meetings.** The Board, the CEO of the Corporation, or a majority of Directors of the Corporation shall have the power to call, at any time, a special meeting of the Members. The Board shall call a special meeting of the Members on written requisition of not less than 20% of the Members entitled to vote and in good standing. Furthermore, a special meeting of the members may be called, without notice, and held at any time and at any place in Canada for any purpose, if all the Research Members, Academic Members and Sustaining Members entitled to vote and in good standing are present.
- 3.4 **Notice.** Notice of Meetings of Members shall be given as follows:
 - (a) 30 days' written notice shall be given by mail, facsimile or electronic mail to each Member of any Meeting of the Members. If the notice is given by mail, it will be sent to the last known address on the books of the Corporation for each Member.

- (b) Notice of any meeting where special business shall be transacted must contain sufficient information to permit the Members to form a reasoned judgement on the business scheduled to come before such meeting.
 - (c) Notice of any general meeting of the Members shall list the individuals nominated by the Board for election to the Board. Such notice of meeting shall also state that a Member may propose any other Person as a nominee for election to the Board and the form of nomination shall be attached to the notice. The name of such nominee shall be added to the list of individuals nominated by the Board, provided that such nomination is deliver to the Corporation no later than 14 days before the date of such meeting.
 - (d) Notice of each meeting of the Members must remind each Member that the Member (if applicable) has the right to vote by proxy, a form of which will be attached to such notice.
 - (e) Where the Notice of a meeting states that a Member may participate in a Meeting of the Members by means of telephone or teleconference, such Notice must remind each Member that the Member has the right to vote by proxy, and that a Member may either attend such meeting or participate in such meeting of the Members by means of such telephone or teleconference.
- 3.5 **Waiver of Notice.** A Member and any other Person entitled to attend a Meeting of the Members may in any manner, before or after the meeting, waive notice of a meeting of the Members and attendance of any such Person at a meeting of the 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 meetings is not lawfully called.
- 3.6 **Error or Omission in Giving Notice.** No error or omission in giving notice of any Meeting or any adjourned Meeting of the Members shall invalidate any resolution passed or any proceedings taken at any Meeting of the Members.
- 3.7 **Quorum.** 50% of the voting Members present in Person or by proxy at any Meeting of the Members shall constitute a quorum at any such meeting.
- 3.8 **Permanency of Quorum.** No business shall be transacted at any Meeting of Members unless the requisite quorum is present when transacting such business. If a quorum is not present at the time appointed for a Meeting of the Members or within such reasonable time thereafter as the Members present determine, or if a quorum is present at the commencement of a meeting but then ceases to be present, the Persons present and entitled to vote may adjourn the meeting to a fixed time and place but may not transact any other business. If quorum is not achieved at such adjourned meeting the Persons present and entitled to vote may transact the business for which the original meeting had been called.

- 3.9 **Adjournment.** The Chair of any Meeting of the Members may with the consent of the Members present at the meeting adjourn the same from time to time to a fixed time and place, and notice of such adjournment shall be given to the Members. 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.
- 3.10 **Participation by Telephone or other Electronic Means.** If at least 5% of the Members entitled to vote consent thereto in advance, generally or in respect of a particular meeting, and all Members have equal access, a Member may participate in a meeting of Members by means of such conference telephone or other communications facilities as permit all Persons participating in the meeting to communicate with one another, and a Member participating in such a meeting by such means is deemed to be present at the meeting. The Secretary shall ensure each particular meeting is handled in a secure fashion. Quorum shall be established by the Secretary at the beginning of each particular meeting by verbal roll call, where appropriate, or by such other reasonable measures as determined by the Secretary to accurately confirm attendance of the Members at the meeting. Each vote cast by a Member participating by telephone or other electronic means shall be recorded in the minutes by the Secretary.
- 3.11 **Voting.** Except as otherwise provided by the Act, or by the charter or by any other By-law, at any Meeting of the Members, each Academic Member and Sustaining Member registered on the books of the Corporation as such shall have one vote and shall be entitled, by means of a written proxy, to appoint a proxy holder, who must belong to the same class of Members as the Member appointing the proxy holder, to attend and act at a specific Meeting of Members, in the manner and to the extent authorized by the proxy. In the event that there are sub-categories of Academic Members as contemplated in this By-law, the Directors may determine the number of votes to be allocated to members of a specific sub-category of Academic Members.
- 3.12 **Chair of the Meeting.** The Chair of the Board shall preside at all Meetings of the Members. If there is no such Chair or if he or she is unable to act, the Vice Chair of the Board shall preside at the meetings of the Members. In his or her absence, a Member elected by the meeting shall preside at the meeting.
- 3.13 **Secretary of the Meeting.** The Secretary or a Person appointed by the Chair of the meeting shall act as secretary of a Meeting of Members.
- 3.14 **Scrutineers.** The Chair at any Meeting of the Members may appoint one or several Persons, who may but need not be officers or Members of the Corporation, to act as scrutineers at such meeting.
- 3.15 **Procedure at Meetings.** The Chair of the Meeting of the Members shall preside over the meeting and shall ensure that the meeting be held in an orderly manner. The Chair, acting reasonably and impartially, shall establish the procedure according to the usual rules governing such meetings.

- 3.16 **Decision of Questions.** Unless otherwise provided by the Act or by any other By-law, all questions coming before any Meeting of the members shall be decided by a majority of votes cast thereon. In case of an equality of votes, the Chair shall not be entitled to a second or casting vote.
- 3.17 **Show of Hands.** Except as otherwise provided by the Act or by any other By-law, at any Meeting of the members, unless a poll is demanded, any vote may be taken by a show of hands. The declaration of the Chair that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minutes of the meeting shall be sufficient evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.
- 3.18 **Poll.** At any Meeting of the Members, a poll may (before or immediately after the declaration of the result of the vote on a show of hands) be demanded by any Member entitled to vote.
- 3.19 **Written Resolution.** Unless otherwise required by the Act, a resolution in writing signed by all the Members entitled to vote on that resolution at a Meeting of the Members is as valid as if it had been passed at the Meeting of the Members. A copy of every such resolution shall be kept with the minutes of the Meetings of the Members.
- 3.20 **Voting by Mail.** Unless otherwise required by the Act, in lieu of physical attendance at a Meeting of the Members of the Corporation, a Member may vote on a resolution to be considered at that meeting by delivering a mail ballot (by mail, facsimile or electronic mail) to the Head Office of the Corporation indicating such Member's vote thereto, provided that the mail ballot is received at the Head Office two business days prior to the date of the meeting and that the motion to be voted upon at the meeting is identical to the motion in the mail ballot. Any vote so received shall result in the Member responsible therefore being counted toward the quorum of the meeting.

ARTICLE 4 – BOARD OF DIRECTORS

- 4.1 **Number and Qualification.** The property and business of the Corporation shall be managed by the Board, which shall be composed of not less than 10, and not more than 16 Directors, the exact number to be determined from time to time by the Board until changed by an amendment to this By-law. The number may be changed by the vote or written consent of a majority of the Members. Directors shall be individuals, at least 18 years of age, and have power under law to contract. A Director need not be a Member of the Corporation.
- 4.2 **Composition of Board and Appointment of Directors.** Any capitalized terms in Sections 4.2 and 4.3 that are not defined in this By-law will have the meaning given to them in the Funding Agreement. Except where such Director is the Scientific Director or a Representative of a Host Institution, a Director may be re-elected for a maximum of three consecutive terms.

- (a) The Board shall, at all times, be composed of at least the following Directors:
 - (i) the Chair of the Board;
 - (ii) the Scientific Director; and
 - (iii) a Representative of a Host Institution.
 - (b) The remaining Directors shall be appointed in accordance with the Funding Agreement as follows:
 - (i) a majority of the Board shall be employees of organizations other than Participating Institutions, and a majority of those shall be from the industrial section and/or the Network's user community;
 - (ii) at least two Directors shall be representatives of Participating Institutions;
 - (iii) a Network Investigator shall be elected to the Board by the Network Investigators within three (3) months of the release of funds by the Network Host to Participating Institutions and annually thereafter;
 - (iv) the Network Manager shall be a non-voting member of the Board;
 - (v) the NCE Secretariat may designate a staff member to attend, as an observer, meetings of the Board, all committees of the Board and any Executive Committee of the Board; and
 - (vi) the NCE Steering Committee may designate a representative to be a Director.
- 4.3 **Non-Voting Board Meeting Attendees.** The Board may invite any such attendees to attend meetings of the Board as the Board deems appropriate in its sole discretion, provided that the Network Manager and such staff member as is designated by the NCE Secretariat may attend any meetings of the Board as non-voting attendees. Such attendees shall not be counted in the quorum.
- 4.4 **Appointment of Chair of Board and Vice Chair of Board.** Each of the Chair of the Board and the Vice Chair of the Board shall:
- (a) be principally employed by an entity in the private sector; and
 - (b) be elected annually as Chair or Vice Chair, as applicable, by majority vote of the Board.
- 4.5 **Vacancies.** The office of a Director shall be automatically vacated:

- (a) if the Director, by notice in writing to the Corporation, resigns office which resignation shall be effective at the time it is received by the Chair of the Board or at the time specified in the notice, whichever is later;
- (b) if the Director is found to be a mentally incompetent person or becomes of unsound mind;
- (c) if the Director becomes bankrupt or suspends payment of debts generally or compounds with creditors or makes an authorized assignment or is declared insolvent;
- (d) if at a meeting of the Members a resolution is passed by majority of the votes cast by the Members present at the meeting, or all Members entitled to vote resolve in writing, removing the Director before the expiration of the Director's term of office, provided that this provision shall not apply to any Director who is a representative of a Host Institution;
- (e) if the Director dies; or
- (f) in the case of a Director employed by a Member at the time of appointment as Director, if the employment of the Director by the Member is terminated.

4.6 **Filling Vacancies.** Subject to the provisions of this By-law, from time to time in the event of any vacancy however caused occurring on the Board, such vacancy may, as long as there is a quorum of Directors then in office, be filled by the Directors as and if they shall see fit to do so; and any Director appointed or elected to fill any such vacancy shall hold office until the next meeting of Members, at which meeting the Members may approve such appointment. Any time served by such Director prior to the approval of the appointment by the Members shall not count towards the number of terms such Director serves.

The Members may, by majority of the votes cast at a special meeting of Members where a Director is removed, elect any individual in his or her stead for the remainder of his or her term.

4.7 **Remuneration of Directors.** The Directors shall serve as such without remuneration, provided that a Director may be paid reasonable expenses incurred by him or her in the performance of his or her duties. Nothing herein contained shall be construed to preclude any Director from serving the Corporation as an officer or in any other capacity and receiving compensation therefore.

ARTICLE 5- POWERS OF THE BOARD

5.1 **Management.** The Board shall administer the affairs of the Corporation in all things, and make or cause to be made for the Corporation, in its name, any kind of contract

which the Corporation may lawfully enter into and, except as otherwise specifically provided herein, shall exercise all such other powers and do all such other acts and things as the Corporation is by its Letters Patent or otherwise authorized to exercise and do. Without prejudice to these general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers in addition to the other powers enumerated in this By-law:

- 5.2 **Finances.** The Board shall take such steps as the Directors may deem requisite to enable the Corporation to acquire, accept, solicit or receive legacies, gifts, grants, settlements, bequests, endowments, payments and donations of any kind whatsoever for the purpose of furthering the objects of the Corporation. 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 promoting the interest of the Corporation in accordance with such terms as the Board may determine.
- 5.3 **Employees.** The Board may appoint such agents and hire such employees as it shall deem necessary from time to time and such Persons shall have such authority and shall perform such duties as determined by the Board. The Board may delegate to the CEO or to any other officer or officers the right to hire and pay salaries to employees.
- 5.4 **Borrowing.** The Board may not borrow money against the assets held in the name of and beneficially for the Corporation, nor issue, sell or pledge debt obligations of the Corporation, other than with the prior approval of 100% of the Members.
- 5.5 **Rules and Regulations.** The Board may prescribe such rules and regulations not inconsistent with the By-Laws relating to the management and operation of the Corporation and other matters provided for in this By-Law as they may deem expedient.

ARTICLE 6- DISCLOSURE OF INTEREST

- 6.1 **Disclosure of Interest.** A Director must comply with the conflict of interest policy of the Corporation. A Director shall disclose in writing to the Corporation, or request to have entered in the minutes of meetings of Directors, the nature and extent of his or her interest, whether direct or indirect, in any Person having or intending to have dealings with the Corporation. A Director shall have the right to vote on any resolution to that effect insofar as permitted by the Act.

ARTICLE 7- MEETINGS OF THE BOARD

- 7.1 **Regular Meetings.** There shall be at least three meetings of the Board in each fiscal year, such meetings to take place in the location chosen by the Chair of the Board. Where notice is given by mail or facsimile, at least 30 days' prior written notice shall be given with respect to each meeting of the Board, and where notice of such meeting is given by electronic mail, at least 10 days' prior written notice shall be given. Such notice shall set

out in reasonable detail the business to be considered at such meeting. An inadequacy in the notice period shall not invalidate any meeting of the Board nor any action taken at such meeting provided that a quorum of the Board agrees to waive the notice requirement. A quorum of the Board shall consist of a majority of the number of Directors in office, provided that the quorum shall not be less than 2 Directors.

- 7.2 **Other Meetings.** Other meetings of the Board may be held at any time and at any place, either at the call of the Chair of the Board or of any 2 Directors, provided that due notice be given to each Director or without call or formal notice, if all the Directors are present or have waived in writing notice of the meeting.
- 7.3 **No Proxies.** No Director may send a representative to a meeting of the Board in such Director's place, and no voting by proxy is permissible regarding any meeting of Directors.
- 7.4 **Participation by Telephone or other Electronic Means.** If all Directors consent thereto in advance, generally or in respect of a particular meeting, and all Directors have equal access, a Director may participate in a meeting of the Board by means of such conference telephone or other communications facilities as permit all Persons participating in the meeting to communicate with one another, and a Director participating in such a meeting by such means is deemed to be present at the meeting. The Secretary shall ensure each particular meeting is handled in a secure fashion. Quorum shall be established by the Secretary at the beginning of each particular meeting by verbal roll call, where appropriate, or by such other reasonable measures as determined by the Secretary to accurately confirm attendance by the Directors at the meeting. Each vote cast by a Director participating by telephone or other electronic means shall be recorded in the minutes by the Secretary.
- 7.5 **Adjournment.** Whether or not a quorum is present, any meeting of the Board may be adjourned from time to time by a majority of the Directors present. Any such meeting may be held as adjourned to the day, place and time determined by the Directors without further notice if the quorum is present. If a quorum is not present, a notice of the reconvening of the adjourned meeting shall be given. The Directors comprising the quorum at the time of the adjournment are not required to form the quorum at the adjourned meeting. If a quorum is not present at the adjourned meeting, such meeting shall be deemed to have terminated immediately after the adjournment.
- 7.6 **Votes.** Questions arising at any meeting of the Board shall be decided by a majority of the votes. At any meeting of the Board, each Director shall be authorized to exercise one vote. In case of an equality of votes the Chair of the meeting shall not be entitled to a second or casting vote. A Director attending a meeting by telephone or teleconference will cast their vote by verbally identifying him- or herself and stating their vote.
- 7.7 **Chair of the Board.** The Chair of the Board shall preside at all meetings of the Board. If there is no Chair of the Board, or, if s/he is unable to act, the Vice Chair of the Board

shall preside, or if s/he is unable to act, a Director elected by the Board at the meeting shall preside.

- 7.8 **Secretary of the Meeting.** At any meeting, the Secretary or an individual appointed by the Chair shall act as secretary of the meeting.
- 7.9 **Waiver of Notice.** Notice of the time and place of any meeting of the Directors may be waived in writing, before or after the meeting, by any Director. Attendance of a Director at any meeting shall be deemed to be a waiver of a notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.
- 7.10 **Validity of Acts of Directors.** Any act done by the Board or by any individual acting as a Director shall, notwithstanding that some defect in the election or appointment of any such Director or Person acting as aforesaid is subsequently discovered or that they or any of them were disqualified, be as valid as if every such Person had been duly elected or appointed and was qualified to be a Director.

ARTICLE 8-OFFICERS

- 8.1 **Appointment.** The Board may appoint, as officers of the Corporation, as may be required, a Chair of the Board, a Vice Chair of the Board, a CEO and a Secretary, and may from time to time appoint other officers as it shall deem necessary, who shall have such authority and shall perform such duties as may from time to time be prescribed by the Board.
- 8.2 **Term.** The officers of the Corporation shall hold office until their successors are appointed by the Board or they are removed by the Board. Officers may resign by delivering a written resignation to the Chair of the Board. If the office of any officer of the Corporation shall be or become vacant, the Board may appoint a Person to fill such a vacancy.
- 8.3 **Remuneration.** The remuneration, if any, of officers appointed by the Board shall be determined from time to time by the Board and no officer shall be prevented from receiving remuneration because the officer is also a Director of the Corporation. All officers shall be entitled to be reimbursed for reasonable expenses incurred in the performance of their duties.
- 8.4 **Powers and Duties of Chair of Board and Vice-Chair.** The Chair of the Board shall fulfill all duties normally fulfilled by the chair of a board of directors of a corporation, plus those additional duties described in this By-Law. The Vice Chair shall have the duties and powers of the Chair at any time or in any situation where the Chair is, according to this By-Law, required to be present or to act, but is not available or present.

- 8.5 **Powers and Duties of CEO.** The CEO shall have the general and active management of the affairs of the Corporation. The CEO shall see that all orders and resolutions of the Board of Directors are carried into effect.
- 8.6 **Powers and Duties of Secretary.** The Secretary, when in attendance, shall attend all meetings and act as clerk thereof and record all votes and minutes of all proceedings in the books to be kept for that purpose. The Secretary shall give or cause to be given notice of all meetings of the Members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the CEO, under whose supervision the Secretary shall be.
- 8.7 **Powers and Duties of Other Officers.** Except as otherwise provided by the Act or under the By-laws, each officer shall have the usual powers and shall perform all the usual duties incident to her/his office, and shall in addition, have such powers and perform such duties as the Board may from time to time delegate and assign to her/him.
- 8.8 **Seal.** The Corporation shall have a seal on which its name or designated number is engraved and the seal shall be under the custody of the Scientific Director. The adoption of the seal is done by a resolution of the Directors. It shall be authenticated by the signature of the Scientific Director.

ARTICLE 9- COMMITTEES

- 9.1 **Committees.** The Board may establish three committees on such terms and conditions as the Board deems appropriate, whose members will hold their offices at the discretion of the Board or as otherwise determined by the Board. The Directors shall determine the duties of such committees and may fix any remuneration to be paid to the members of such committees.

ARTICLE 10- INDEMNITY AND INSURANCE

- 10.1 **Indemnification.** Every Director and officer of the Corporation, and their heirs, executors and administrators, and estate and effects, respectively, shall, from time to time and at all times, be indemnified and saved harmless out of the funds of the Corporation, from and against:
- (a) all costs, charges and expenses whatever that such Director or officer sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against him or her, for or in respect of any act, deed, matter or thing whatever, made, done or permitted by such Director or officer, in or about the execution of the duties of his or her office; and
 - (b) all other costs, charges and expenses that such Director or Officer sustains, or incurs, in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his or her own wilful neglect or default.

- 10.2 **Directors' and Officers' Liability Insurance.** The Corporation shall, at all times, maintain in force such directors and officers liability insurance as the Board deems necessary or advisable.

ARTICLE 11– BOOKS AND RECORDS

- 11.1 **Books and Records.** The Board shall ensure that all necessary books and records of the Corporation required by the By-laws of the Corporation or by applicable law are regularly and properly kept.

ARTICLE 12 – FINANCIAL YEAR

- 12.1 **Financial Year.** Unless otherwise determined by the Board, the fiscal year end of the Corporation shall be March 31.

ARTICLE 13– AUDITORS

- 13.1 **Auditors.** The Members shall at each annual meeting appoint an auditor to audit the accounts of the Corporation for report to the Members at the next annual meeting. In no case may the auditor(s) be a Director, officer or employee of the Corporation unless the appointment of such auditor(s) has been approved by all Members. The auditor shall hold office until the next annual meeting provided that the Board may fill any vacancy in the office of auditor. The auditor shall audit financial statements for report to Members at annual meetings. The remuneration of the auditor shall be fixed by the Board.

ARTICLE 14 – NEGOTIABLE INSTRUMENTS

- 14.1 **Cheques, Bills of Exchange, etc.** All cheques, bills of exchange, promissory notes and other negotiable instruments shall be signed by the Director(s), officer(s) or Person(s) designated by the Board, and all endorsements of cheques, bills of exchange, promissory notes and other negotiable instruments shall be for collection and for deposit to the credit of the Corporation with any of its duly authorized financial institutions or depositories. These endorsements may be made by means of rubber stamp or other device.

ARTICLE 15 – CONTRACTS AND OTHER DOCUMENTS

- 15.1 **Execution of Contracts.** Contracts, documents or any other instrument in writing requiring the signature of the Corporation, shall be signed by any 2 Directors, 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 to appoint any individual who shall be empowered on behalf of the Corporation to sign specific contracts, documents and instruments in writing. The seal of the Corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid, or by any individual appointed by the Board.

- 15.2 **Presentation of Contracts or Transactions for the Approval of the Members.** The Board may in its discretion, present a contract, a deed or a transaction to a Meeting of Members duly called for such purpose in order to obtain the approval, the ratification or the confirmation of such contract, deed or transaction. A contract, deed or transaction which is approved, ratified or confirmed by a resolution adopted by a majority of the votes cast at such a meeting (unless the Act, the Letters Patent or the By-Laws impose different or supplementary requirements) has the same effect and shall bind the Corporation and its Members in the same manner as if the approval, the ratification or the confirmation was given by each of the members of the Corporation.

ARTICLE 16- JUDICIAL DECLARATIONS

- 16.1 **Judicial Declarations.** Any Director or officer of the Corporation is hereby authorized:
- (a) to make on behalf of the Corporation any declaration, writs of attachment, whether before or after judgment, or answer any orders upon articulated facts or other proceedings which may be necessary in any judicial proceedings involving the Corporation;
 - (b) to make petitions for winding-up, orders of dissolution, or petitions in bankruptcy in reference to any debtor of the Corporation, and to grant proxies in connection therewith; and
 - (c) to represent the Corporation at any meeting of creditors in which the Corporation has interests to protect and to vote thereat and to make any decision relevant to such meetings.

The Board may also appoint any other Person to represent the Corporation on any particular occasion in respect of any of the above matters.

ARTICLE 17- AMENDMENT OF BY-LAWS

- 17.1 **Amendment of By-laws.** The By-laws of the Corporation not embodied in the Letters Patent of the Corporation may be repealed or amended by by-law enacted by the Board and sanctioned by an affirmative vote of a majority of the Members in good standing and entitled to vote at a meeting duly called for the purpose of considering the said by-law, provided that the repeal or amendment of such By-laws shall not be enforced or acted upon until the approval of the Minister has been obtained.

Mprime Network Inc.

General By-Laws

By-Law No. 1

For further information, please contact:

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