

**SPECIAL RESOLUTION OF THE SHAREHOLDERS  
OF COMMUNITY FUTURES HIGHWOOD (the "Company")  
EFFECTIVE THE 29 DAY OF JANUARY, 2015**

The undersigned, being all the Shareholders of Community Futures Highwood hereby consent and agree to the following Special Resolution.

**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. The Company amend its Memorandum of Association and Articles of Association by the deletion of both the Memorandum of Association and Articles of Association and the replacement of the same with the Articles of Association attached hereto as Schedule "A" to this Special Resolution and with the Memorandum of Association attached hereto as Schedule "B" to this Special Resolution .
2. A copy of this Resolution be attached to each copy of the Memorandum of Association and Articles of Association issued by the Company following the date of this Special Resolution.

**THIS RESOLUTION WAS SIGNED AS A SPECIAL RESOLUTION AND CONSENTED TO BY ALL OF THE SHAREHOLDERS OF THE COMPANY.**

**TOWN OF HIGH RIVER**

Per:  \_\_\_\_\_

**TOWN OF OKOTOKS**

Per:  \_\_\_\_\_

**TOWN OF TURNER VALLEY**

Per:  \_\_\_\_\_

**TOWN OF BLACK DIAMOND**

Per:  \_\_\_\_\_

**TOWN OF VULCAN**

Per:  \_\_\_\_\_

**TOWN OF NANTON**

Per:  \_\_\_\_\_

**COUNTY OF VULCAN NO. 2**

Per:  \_\_\_\_\_

**MUNICIPAL DISTRICT OF FOOTHILLS NO. 31**

Per:  \_\_\_\_\_

**KANANASKIS IMPROVEMENT DISTRICT**

Per:  \_\_\_\_\_

**MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26**

Per:  \_\_\_\_\_

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**MEMORANDUM OF ASSOCIATION**

**OF**

**COMMUNITY FUTURES HIGHWOOD**

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1. The name of the company is **COMMUNITY FUTURES HIGHWOOD**.
2. The objects for which the Company is established are:
  - a. to operate under the mandate of Community Futures Highwood as a non-profit company;
  - b. to develop and operate from a Strategic or Operational plan;
  - c. to provide Regional Community Economic and Business Development Services; to promote and assist the economic development and growth of its shareholder communities in the Highwood region of Alberta;
  - d. to provide small business lending, counselling, business training and advisory services; to manage and conduct activities within its investment fund; and to engage in other business relationships for the purpose of creating entrepreneurial growth and job creation;
  - e. to associate with other government agencies for the purpose of promoting, encouraging and participating in initiatives that assist in creating employment and/or economic diversification;
  - f. to establish, assist or participate in the establishment of or otherwise encouraging new businesses or industries to locate in the Highwood region of Alberta;
  - g. to receive and maintain a fund or funds and apply from time to time all or part thereof and/or the income there from for the purpose of promoting economic initiatives and assisting in creating employment and encouraging economic diversification in the Highwood region of Alberta;
  - h. to purchase, acquire, lease, hire, hold, maintain, manage, administer, develop, transfer, exchange, improve and otherwise deal with or dispose of any real or personal property, or any part thereof, or interest or right therein, of every kind or description no matter where such property may be situate;
  - i. to lend money on the security of, lien notes, chattel mortgages, trade papers, bills of lading, warehouse receipts, bills of exchange and choses-in-action; and to receive and accept from the makers, vendors or transferors thereof, guarantees or other security for the performance and payment thereof and to enforce such guarantees and to realize on such security;

- j. to render consulting or other services to and to advise with respect to the business or operations of and to take part in the organization or formation of the business or operations of any company, corporation, firm, partnership, enterprise, business or undertaking whatsoever, and to receive payment therefor;
- k. to take over, manage and carry on any businesses, undertakings, properties, contracts, franchises, powers, rights and privileges;
- l. to employ any individual, firm or corporation to manage, in whole or in part, the affairs of the Company and to employ experts to investigate and examine the conditions, prospects, value, character and circumstances of any businesses or undertakings and generally of any assets, property or rights;
- m. to pay all or any of the expenses incurred in connection with the formation, promotion, or organization and incorporation of the Company;
- n. to do any and all acts tending to increase the value of any property or assets at any time held or controlled by the Company;
- o. to borrow or raise or secure payment of money in such manner as the Company thinks fit;
- p. to guarantee the contracts, debts, securities, debentures, promissory notes and other obligations of any firm or corporation whatsoever;
- q. to exercise any of the powers set out in paragraph 20(i) of the *Companies Act*, as amended, to the extent required to carry out any of the above objects, and;
- r. to carry on any trade or business whatsoever which can, in the opinion of the Board of Directors, be advantageously carried on by the Company in connection with, or ancillary to, any of the above objects.

AND IT IS HEREBY DECLARED THAT the objects specified in each of the paragraphs of this clause shall be regarded as independent objects and, accordingly, shall in no way be limited or restricted (except where otherwise expressed in such paragraphs) by reference to or inference from the terms of any other paragraphs or the name of the Company, but may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said paragraphs defined the objects of a separate and distinct company.

- 3. All profits, if any or any other income of the Company shall be applied in promoting, or in payment of the operational and capital costs of, the Company.
- 4. The liability of the members is limited.
- 5. The Company is authorized to issue twenty-five (25) common shares without nominal or par value having attached thereto the rights and restrictions set forth herein and in the Articles of Association of the Company.
- 6. Membership in the Company is at the discretion of the Company's Board of Directors.

7. Upon dissolution of the Company, any assets remaining after payment of its debts and liabilities, including any debts or liabilities owing to the Government of Canada or its funding agencies, are to be transferred to another Community Futures approved by the Minister, or to some other organization with similar objectives as outlined in the Company's contract with the Government of Canada.

We, the several persons whose names and addresses are subscribed hereunder, are desirous of being formed into a Company pursuant to this Memorandum of Association and we respectively agree to take the number of shares in the Company set opposite our respective names.

FULL NAMES, ADDRESSES AND OCCUPATIONS OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

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**ARTICLES OF ASSOCIATION  
OF  
COMMUNITY FUTURES HIGHWOOD**

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**TABLE "A"**

1. The regulations contained in Table A of the First Schedule of the *Companies Act* shall not apply to the Company.

**INTERPRETATION**

2. In these Articles, including this clause, unless the context otherwise requires, expressions defined in the *Companies Act* or any statutory modification thereof shall have the meaning so defined, and:
  - a. "Articles" means these Articles of Association as amended from time to time;
  - b. "Company" means Community Futures Highwood;
  - c. "Member" means a shareholder and vice versa;
  - d. "Month" means a calendar month;
  - e. "Office" means the registered office of the Company;
  - f. "Seal" means the common seal of the Company;
  - g. "Shareholder" means incorporated municipal government or improvement district located in the Highwood region of Alberta holding at least one share in the Company;
  - h. "Year" means calendar year;
3. Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa, words importing the masculine shall include the feminine and vice versa and words importing persons shall include corporations.

**OFFICE**

4. The office of the Company shall be at such place as the directors may from time to time determine.

## SHARES

5. The shares of the Company shall be under the control of the directors who may allot or otherwise dispose of the same on such terms and conditions and at such time as the directors may think fit, subject to the provisions of the *Companies Act*, the Company's Memorandum of Association and these Articles.
6. No Shareholder shall be recognized by the Company as holding any share upon trust, and the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share, or any other right except as herein provided in respect of any share, except an absolute right to the entirety thereof in the registered owner.

## SHARE CERTIFICATES

7. Every Shareholder shall, without payment, be entitled to a certificate signed by the Secretary and at least one other officer of the Company indicating the statements required by the *Companies Act* form or forms as the Board from time to time approve. The Company shall not offer any shares in joint names and the Company shall not be bound to issue more than one certificate to any one shareholder.
8. If a certificate is worn out, lost or destroyed, it may be renewed upon such terms and conditions as the Board may from time to time prescribe.

## TRANSFER OF SHARES

9. The Company shall maintain a book which shall be called the Register of Shareholders, which shall be kept and maintained by the Secretary or on motion of the board, by the General Manager, or such other person as the board may determine, under the control of the directors, and in which shall be entered the particulars of every transmission of shares. The register of Shareholders may be closed at any time for a period not exceeding two weeks in any year.

## CHANGES IN CAPITAL

10. Subject to the provisions of The Companies Act, the Company may by special or ordinary resolution or by resolution of the directors, as the directors may decide to:
  - a. increase the maximum price or consideration for which shares without nominal or par value may be issued, where such maximum price or consideration has been stated in the Memorandum or Articles;

- b. cancel paid up shares which are surrendered to the Company by way of gift and, if the resolution so provides, diminish the amount of its share capital by the amount of the shares, or in the case of shares without nominal or par value, by the number of shares cancelled.
11. Subject to the provisions of the *Companies Act*, the Company may by special resolution alter the conditions of its Memorandum as follows:
- a. increase its share capital by the creation of new shares of such amount or of such number of new shares without nominal or par value as it thinks expedient;
  - b. consolidate and divide all or any of its share capital having a par value into shares of larger amount than its existing shares;
  - c. convert all or any of its paid-up shares into stock and reconvert that stock into paid-up shares of any denomination or without nominal or par value;
  - d. subdivide its shares having a par value, or any of them, into shares of smaller amount than its existing shares, so, however, that in the subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.
12. The new shares shall be issued upon such terms and conditions, and with such rights and privileges annexed thereto (if any) as the general meeting which resolves upon the creation thereof shall direct, and if no direction be given, as the directors shall determine; except so far as otherwise provided by the conditions of issue, any capital raised by the creation of new shares shall be considered part of the original ordinary capital and shall be subject to the provisions herein contained.

## **SHAREHOLDERS MEETINGS**

13. The first annual general meeting of the Company shall be held at such time, within sixteen months from the date on which the Company is entitled to commence business and at such place, as the directors may determine. Subsequent annual general meetings shall be held at least once in every calendar year and not more than sixteen months after the holding of the last preceding general meeting, at such time and place as may be determined by the directors.
14. The general meetings referred to in the preceding clause shall be called annual general meetings and all other meetings of the Company shall be called special general meetings.
15. The directors, the chairman of the board of directors or any Shareholder may, whenever they think fit, proceed to convene a special general meeting of the Company provided that in the case of a special meeting called by a

Shareholder, such Shareholder shall bear all of the expenses of calling and holding the meeting.

16. The directors of the Company shall, on the requisition of members of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the issued capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company, forthwith proceed to convene a special general meeting of the Company.
17. The requisition must state the objects of the meeting, and be signed by the requisitionists and be deposited at the Office and may consist of several documents in like form, or to the like effect, each signed by one or more requisitionists.
18. If the directors do not proceed to cause a meeting to be held within 21 days from the date of the requisition being so deposited, the requisitionists, or any of them, representing more than one-half of the total voting rights of all of them, may themselves convene the meeting but any meeting so convened shall not be held after three months from the date of the deposit.
19. Any meeting convened under the provisions of Article 17 shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the directors.
20. Any reasonable expenses incurred by the requisitionists by reason of the failure of the directors to duly convene a meeting shall be repaid to the requisitionists by the Company.
21. A resolution in writing signed by all of the shareholders for the time being who have the right to vote (which resolution may be signed in counterparts) shall be effective as a resolution or a special resolution, as the case may be, as if it had been passed at a meeting duly called and held, and such resolution shall take effect on the date which it is expressed to be effective, notwithstanding that the effective date is before or after the date on which the resolution is signed by the shareholders or any of them.

## **NOTICE OF GENERAL MEETINGS**

22. Seven days' notice at least (inclusive of the day on which the notice is served or deemed to be served, and of the day for which the notice is given) specifying the place, the day and the hour of the meeting, and in the case of special business, the general nature of such business, shall be given in the manner hereinafter mentioned to such members as are under the provisions herein contained entitled thereto. The accidental omission to give such notice or non-receipt of notice by any member shall not invalidate any resolution passed or any of the proceedings at any such meeting.



23. A meeting of the members may be convened upon shorter notice than seven days, provided that the consent of all the members of the Company for time being, is given in writing either before or after the holding of the meeting, and such consent shall be deemed to have been sufficiently given by all members of the Company if each signs the minutes of any meeting called on less than seven days' notice or held without notice.
24. A member shall be entitled to attend at meetings of members of the Company and to have notice of meetings of members of the Company only if he, at the time of the giving of notice of any meeting of members of the Company owns a share of the Company which has voting rights.

### **PROCEEDINGS AT GENERAL MEETINGS**

25. All business shall be deemed special that is transacted at any special meeting, and all that is transacted at any ordinary meeting shall also be deemed special, with the exception of the consideration of the financial statement of the Company, the reports of the directors and auditors, the appointment of the auditor, the election of directors and the fixing of the remuneration or extra remuneration of the directors.
26. Any person entitled to be present at a meeting may submit any resolution to the meeting, provided that at least three and not more than thirty clear days before the day appointed for the meeting he shall have served upon the Company a notice in writing signed by him containing the proposed resolution and stating his intention to submit the same.
27. Upon receipt of such notice as mentioned in the last preceding Article, the Secretary shall include the same in the notice of the meeting in any case where the notice of intention is received before the notice of meeting is issued, and shall in any other case issue as quickly as possible to the members notice that such resolution will be presented.
28. No business shall be transacted at any general meeting unless a quorum be present when the meeting proceeds to business, and a quorum shall be a majority of Shareholders personally present and entitled to vote. Should a quorum exist at the beginning of a meeting and should a member or members leave after the meeting starts, bringing the number below a quorum, the remaining members may, upon a motion, continue the meeting as if a quorum still existed.
29. If within half an hour from the time appointed for holding a general meeting, a quorum is not present, the meeting, if convened on the requisition of the members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place and if at such adjourned meeting a quorum is not present within fifteen minutes from the time

appointed for the holding of the meeting the members present shall be a quorum.

30. The Chairman, with the consent of any meeting at which a quorum is present may, and if directed by any such meeting shall, adjourn the meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given in the same manner as if it were an original meeting. In all other cases, the members shall not be entitled to any notice of adjournment or of the business to be transacted at any adjourned meeting but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.
31. The chairman or, in his absence, the vice-chairman, if any, or in his absence, the secretary, if any, of the Company shall preside as chairman at every general meeting of the Company.
32. If there is no chairman or vice-chairman or secretary, or if at any meeting the chairman or vice-chairman or secretary is not present within 15 minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the members present shall choose some one of their number to be chairman.
33. Every resolution submitted to a general meeting shall be decided in the first instance by a show of hands, but either before or on the declaration of the result of the show of hands a poll may be demanded by the Chairman or by any member present in person or by proxy and entitled to vote. Unless a poll is demanded, a declaration by the Chairman of the meeting that a resolution has been carried unanimously or by a particular majority, or lost, and an entry to that effect in the book of proceedings of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
34. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.
35. In case of an equality of votes either on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, as the case may be, shall not be entitled to a second or casting vote.
36. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

## VOTES OF MEMBERS

37. All votes shall be introduced by a motion, duly moved by one member and seconded by another member. On a show of hands, every member having a right to vote shall have one vote and one vote only. In case of a poll, every member a duly authorized representative of which is present shall have one vote.

## DIRECTORS

38. Each Shareholder shall be entitled to appoint two (2) directors to the board of directors, provided that one such director shall be an elected municipal official of the incorporated municipality or improvement district of the Shareholder and the other shall be a Canadian citizen residing in such municipal area and having a good working knowledge and understanding of the financial operations of a small- or medium- sized business. Each Shareholder shall appoint at least one director to the board of directors.
39. Directors' terms shall be as follows:
- a. Elected representatives for at least 1 year at a time;
  - b. Non-elected representatives for an initial term of 3 years, then for terms of 1, 2 or 3 years thereafter at the discretion of the Shareholder;
  - c. The maximum tenure a director may serve is 9 consecutive years; and
  - d. Each Shareholder is responsible for sourcing and appointing its directors through a motion in council.
40. Unless and until otherwise determined by the Company in a general meeting, the directors shall not be less than two (2) and not more than twenty-five (25). The first directors shall be the persons named in the Notice of Directors filed with the Memorandum and Articles of Association and they shall have power from time to time and at any time before the first general meeting of the Company to appoint any other person to be director, but so that the total number of directors shall not at any time exceed twenty-five (25), and no appointments by the directors under this clause shall have effect unless two-thirds of the directors concur therein.
41. Any vacancy occurring among the directors must be filled by the Shareholder who appointed the vacating director, but any person so appointed shall retain his office only so long as the vacating director would have retained the same as if no vacancy had occurred, unless subsequently re-appointed by the appointing Shareholder.
42. Directors shall not receive compensation for their services on the board of directors or any committee thereof. Directors shall be entitled to be reimbursed for travelling and other expenses properly incurred by them in

attending meetings of the board of directors or any committee thereof. Nothing herein contained shall preclude any director from serving the Company in any other capacity and receiving remuneration therefor.

43. The office of a director shall be vacated if a director:
  - a. reaches that director's term limit;
  - b. dies;
  - c. resigns the director's office in writing under his hand delivered to the Office;
  - d. becomes insolvent;
  - e. is physically or mentally incapable of performing his duties as a director; as resolved unanimously by the other directors;
  - f. be persistently absent from the meetings of the directors without leave, and the other directors unanimously resolve that his office shall be vacated;
  - g. is removed by ordinary resolution of the Members; or
  - h. is removed by the Shareholder that appointed the director.
  
45. The continuing directors at any time may act notwithstanding any vacancies in their body, provided always that in the case that the directors shall at any time be reduced in number to less than the minimum number fixed by or in accordance with these presents, it shall be lawful for them to act as directors for the purpose of filling up vacancies in their body, but not for any other purpose.
  
46. No director or intending director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any director shall be in any way interested, be voided, nor shall any director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such director holding office or of the fiduciary relations thereby established, but the nature of his interest shall be disclosed by him at the meeting of the directors at which the contract or arrangement is considered, if his interest then exists, or in any other cases at the first meeting of the directors after the acquisition of his interest. Notwithstanding the foregoing, directors, their immediate family (which includes spouses and children), members of the staff of the Company and their immediate families (which includes spouses and children) shall not be eligible for loans, loan guarantees or other investments or financial assistance from the Company.
  
47. If there is no quorum of directors in office who are not interested in a contract or a proposed contract, a director who is interested in the contract or proposed contract may vote in respect of the contract or proposed contract and his vote shall be counted, and he shall not be accountable to the Company or any of its

shareholders or creditors by reason of his so voting for any profit realized by such contract.

48. The management of the business of the Company shall be vested in the directors who, in addition to the powers and authorities by these presents or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by statute expressly directed or required to be exercised or done by the shareholders in general meeting.
49. The directors may, from time to time, and at any time by power of attorney under seal, appoint any Company, firm or person whatsoever, or any fluctuating body of persons whether nominated directly or indirectly by the directors to be the attorney or attorneys of the Company for such purpose and with such powers, authorities and discretion (not exceeding those for the time being vested in or exercised by the directors under these presents) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of the persons dealing with such attorney as the directors may think fit, and may also authorize any such attorney to sub delegate all or any of the powers, authorities and discretion for the time being vested in him.
50. The directors may exercise all or any of the powers of the Company to borrow or raise money and to mortgage the undertaking and all or any of the real and personal property of the Company, both present and future, and all or any of the uncalled capital of the Company, and to create and issue at par or at a premium or at a discount debentures, mortgage debentures, debenture stock and other securities of any description whatever.
51. All cheques, promissory notes, drafts, bills of exchange and negotiable instruments and all receipts and other documents shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be, in such manner as the directors shall from time to time by resolution determine.
52. A resolution in writing signed by all the directors for the time being (which resolution may be signed in counterpart) shall be effective as if it had been passed at a meeting duly called and held, and such resolution shall take effect on the date which it is expressed to be effective, notwithstanding that the effective date is before or after the date on which the resolution is signed by the directors or any of them.

## **OFFICERS**

53. The officers of the Company shall consist of a chairman, a vice chairman and a secretary and such other officers as the directors may from time to time

determine. Any one person may fill more than one of the above offices. Such persons holding such powers as are usually incidental to such offices.

54. The chairman, vice chairman, and secretary shall be elected by the board from amongst their number. The directors may appoint a temporary substitute for any of the above officers, who shall for the purposes of these presents be deemed to be the officer the position of whom he occupies. Elections shall normally be held at the last meeting of each calendar year. Officers shall hold office for one year and they may be re-elected to hold office.

## **PROCEEDINGS OF DIRECTORS**

55. The directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. The quorum necessary for the transaction of the business of the directors shall be a majority of the board of directors. Questions arising at any meeting shall be determined by a majority of votes, with each director being entitled to one vote. The chairman of the board shall not vote, except in the case of a tie vote, in which case the chairman shall cast the tie-breaking vote.
56. The chairman may, at any time and on the request of a director, the vice chairman, or the secretary shall convene a meeting of the directors.
57. The chairman shall preside at all meetings of the board, but if at any meeting he is not present within fifteen minutes after the time appointed for the holding of the meeting, the vice chairman or the secretary shall chair the meeting or in their absence the directors shall choose some one of their number to act as chairman of such meeting and the director so chosen shall preside accordingly.
58. The directors may delegate any of their powers to a committee consisting of such members of their body as they may think fit. Any committee so formed shall, in the exercise of its powers so delegated, conform to any regulations which may be imposed upon it by the board. A committee may consist of one member.

## **CONFLICT OF INTEREST**

59. Board members and staff of the Company may not benefit, directly or indirectly, from their exposure to the confidential information of the Company. If, during the normal course of Company events, a staff or Board member comes into contact with an item which affects him/her in other business or personal dealings, or in which he/she has a previous vested interest, the member will declare a conflict of interest, be absent during related discussions, and abstain from voting on related matters.

60. Board members, Company staff or any of their immediate families may not obtain financial assistance through the Company.

## **SEAL**

61. The Company shall have a corporate seal which shall be of such form and device as may be adopted by the directors, and the directors may make such provisions as they see fit with respect to the affixing of the said seal and the appointment of a director or directors or other persons to attest by their signatures that such seal was duly affixed.

## **ACCOUNTS**

62. The directors shall cause true accounts to be kept of the sums of money received and expended by the Company and the matter in respect of which said receipts and expenditures take place, of all sales and purchases of goods by the Company and of the assets and liabilities of the Company.
63. The books of accounts shall be kept at the registered office of the Company or at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.
64. The directors shall from time to time determine whether and to what extent and at what time and place and under what conditions or regulations the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the directors or by the Company in general meeting.
65. At every annual general meeting the directors shall lay before the Company:
- a. A profit and loss account for the period, in the case of the first account, since the incorporation of the Company, and in any other case, since the preceding account, made up to a date not more than four months or, in the case of the Company carrying on business or having interests without the Province, six months, before such annual meeting;
  - b. a balance sheet signed on behalf of the board by two of the directors as at the date to which the profit and loss account is made up, and there shall be attached to such balance sheet a report by the directors with respect to the state of the Company's affairs, the amount, if any, which they recommend should be paid by way of a dividend, and the amount, if any, which they propose to carry to the reserve fund, general reserve or reserve account shown specifically on the balance sheet; and

- c. the report of the auditors of the Company, which shall be read before the meeting, and a reference to the report shall be inserted at the foot of the balance sheet.

## **AUDIT**

66. The Company may at any time appoint an auditor or auditors to hold office until the next ensuing ordinary meeting.
67. The Company shall be governed by the Government of Canada funding agreement in matters of audits. If the Funding contracts with the Government of Canada do not direct the Company otherwise and so long as the Company is not a subsidiary of a public company incorporated in Alberta or elsewhere in Canada, a director, officer or employee of the Company, upon the unanimous vote of the Shareholders, may be appointed as Auditor of the Company. If a director, officer or employee of the Company is appointed as an Auditor, he shall indicate in his report to the Shareholders on the annual financial statement of the Company that he is a director, officer or employee of the Company.
68. The first auditors for the Company may be appointed by the directors before the first annual general meeting, and if so appointed shall hold office until the first annual general meeting unless previously removed by a resolution of the Shareholders in general meeting, in which case the Shareholders at such general meeting may appoint auditors.
69. The directors may fill any casual vacancy in the office of auditor, but while any such vacancy continues the surviving or continuing auditor or auditors, if any, may act.
70. The remuneration of the auditors shall be fixed by the directors.
71. Every auditor shall have the right of access to the books and accounts and vouchers of the Company, and shall be entitled to require from the directors or officers of the Company such information and explanation as may be necessary for the performance of his duties, and the auditor shall sign a certificate at the foot of the balance sheet stating whether or not all his requirements as auditor have been complied with, and shall make a report to the Shareholders on the accounts examined by him on every balance sheet read before the Company in general meeting during his tenure of office and in every such report he shall state whether or not it is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as shown by the books of the Company.

## **NOTICES**

72. Any notice or document may be served by the Company on any Member either personally, by electronic mail, or by sending it through the post addressed to



such Member at the Member's registered address as appearing in the register of members. Any summons, notice, order or other document required to be sent to or served upon any officer of the Company may be sent or served by sending it by electronic mail or through the post in a prepaid letter addressed to such officer at the officer's last known address.

73. Any notice or other document if served by post shall be deemed to have been served seven days from the time the letter is put into the post, and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post office or post box.

## **INDEMNITY**

74. Except as otherwise hereinafter provided, every director, manager, and other officer or servant of the Company shall be indemnified by the Company against, and it shall be the duty of the directors out of the funds of the Company to pay, all losses and expenses which any such director, manager, officer or servant shall incur or become liable to by reason of any contract entered into or act or thing done by him as such director, manager, officer or servant, or in any way in discharge of his duties, including travelling expenses.
75. Any person made a part to any action, suit or proceedings by reason of the fact that he, his testator or intestate, is or was a director, manager, or officer, agent or servant of the Company, or of any Company which he served as such at the request of the Company, shall be indemnified by the Company against the reasonable expenses, including Solicitors' fees, actually and necessarily incurred by him in connection with the defence of such action, suit or proceeding, or in connection with any appeal therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceedings that such director, manager, or officer, agent or servant is liable for negligence or misconduct in the performance of his duties. Such right of indemnification shall not be deemed exclusive of any other rights to which such director, officer or employee may be entitled. None of the provisions hereof shall be construed as a limitation upon the right of the Company to exercise its general power to enter into a contract or undertaking of indemnity with or for the benefit of any director, manager, or officer, agent or servant in any proper case not provided for herein.
76. No director or officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other director or officer or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the directors for or on behalf of the Company or for the deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for the loss or damage arising from the bankruptcy or insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by an error of judgement

or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties his office or in relation thereto, unless the same happen through his own dishonesty, unless it is otherwise provided in a contract of service with such director or officer.

### **PRIVATE COMPANY**

77. The Company is to be a private, non-profit company and, accordingly, the right to transfer shares shall be restricted as hereinafter provided:
- (a) the number of members of the Company is limited to Fifty (50) or less (exclusive of persons who are in the employ of the Company and persons who, having been formerly in the employ of the Company were while in such employment and have continued after the termination of such employment to be members of the Company), provided that where two or more persons hold one or more shares in the Company jointly, they shall, for the purposes of this definition, be treated as a single member;
  - (b) any invitation to the public to subscribe for any shares or debentures of the Company is hereby prohibited;
  - (c) no sale or transfer of shares shall be registered unless and until the directors have by a resolution approved the transfer and the directors shall be under no obligation to give approval or to give any reason for withholding same.

### **VOTING RIGHTS**

78. At all meetings of Shareholders of the Company, each holder of shares shall be entitled to One (1) vote for each share so held.

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**FULL NAMES, ADDRESSES AND  
OCCUPATIONS OF SUBSCRIBERS**

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**NUMBER OF SHARES TAKEN  
BY EACH SUBSCRIBER**

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- 1.
  - 2.
  - 3.
  - 4.
  - 5.
  - 6.
  - 7.
  - 8.
  - 9.
  - 10.
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