

**A BY-LAW RELATING GENERALLY
TO THE TRANSACTION OF THE
BUSINESS AND AFFAIRS OF

MENNOHOMES INC.
(hereinafter called ‘the Corporation’)**

CONTENTS

- Section 1: General
- Section 2: Directors
- Section 3: Board Meetings
- Section 4: Financial
- Section 5: Officers
- Section 6: Protection of Directors and Officers
- Section 7: Conflict of Interest
- Section 8: Members
- Section 9: Members’ Meetings
- Section 10: Notices
- Section 11: Adoption and Amendment of By-Laws

Section 1: General

1.01 Definitions

- a) “Act” means the *Corporations Act* (Ontario) and any act substituted for it from time to time;
- b) “Corporation” means the corporation that has passed this by-law under the *Act*;
- c) “Letters Patent” means the letters patent incorporating the Corporation as from time to time amended and supplemented by supplementary letters patent;
- d) “Board” means the board of directors of the Corporation;
- e) “Director” means an individual occupying the position of director of the Corporation by whatever name he or she is called;
- f) “Officer” means an officer of the Corporation;
- g) “Member” means a member of the Corporation; and
- h) “Members” means the collective membership of the Corporation.

1.02 Interpretation

Other than specified in Section 1.01, all terms contained in the by-law that are defined in the *Act* shall have the meanings given to such terms in the *Act*. Words importing the singular include the plural and vice versa, and words importing one gender include all genders.

1.03 Severability and Precedence

The invalidity or unenforceability of any provision of the by-law shall not affect the validity or enforceability of the remaining provisions of the by-law. If any of the provisions contained in the by-law are inconsistent with those contained in the Letters Patent or the *Act*, the provisions contained in the Letters Patent or the *Act*, as the case may be, shall prevail.

1.04 Head Office

Until changed in accordance with the Act, the head office of the Corporation shall be in the city of Kitchener, in the Regional Municipality of Waterloo, in the Province of Ontario.

1.05 Seal

The seal of the Corporation, if any, shall be in the form determined by the board of directors.

1.06 Execution of Contracts and Other Instruments

Deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring execution by the Corporation may be signed by any two officers or directors. In addition, the board may from time to time direct the manner in which and the person by whom a particular document or type of document shall be executed. Any person authorized to sign any document may affix the corporate seal, if any, to the document. Any director or officer may certify a copy of any instrument, resolution, by-law or other document of the Corporation to be a true copy.

1.07 Book and Records

The directors shall see that all necessary books and records of the Corporation required by the by-law of the Corporation or by any applicable statute or law are properly kept.

Section 2: Directors

2.01 Number of Directors

The affairs of the Corporation shall be managed by its board of directors. Until changed in accordance with the *Act*, the number of directors shall be from five (5) to nine (9). No person shall be qualified as a director unless that person is eighteen (18) or more years of age.

2.02 Election and Term

The directors shall be elected by the members. The term of office of the directors shall be three (3) years, unless the board resolves to prior to each election that the term for any position shall be for one (1) or two (2) years and provided that no director shall serve for more than twelve (12) years.

2.03 Quorum

A majority of directors present at the beginning of the board meeting constitutes a quorum.

2.04 Vacancies

The office of a director shall be vacated immediately:

- a. if the director resigns office by written notice to any current director, which shall be effective upon acceptance of such resignation by the board;
- b. if the director dies or becomes bankrupt;
- c. if the director is found to be incapable of managing property by a court order or under Ontario law; or
- d. if, at a meeting of the members, a resolution is passed by two-thirds (2/3) of the votes cast by the members removing the director before the expiration of the director's term of office.

2.05 Filling Vacancies

A vacancy on the board shall be filled as follows:

- a. a quorum of directors may fill a vacancy from among the qualified members of the Corporation;
- b. if there isn't a quorum of directors or if there has been a failure to elect the minimum number of directors as set out in the by-law, the directors in office shall, without delay, call a special meeting of members to fill the vacancy and, if they fail to call such a meeting, the meeting may be called by any member;
- c. if the vacancy occurs as a result of the members removing a director, the members may fill the vacancy by a majority vote and any director elected to fill the vacancy shall hold office for the remainder of the removed director's term of office; and
- d. the board may fill any other vacancy by a majority vote, and the appointee shall hold office for the remainder of the unexpired portion of the term of the vacating director. After that the appointee shall be eligible to be elected as a director.

2.06 Committees

Subject to the limitations on delegation set out in the *Act*, the board may establish any committee it determines necessary for the execution of the board's responsibilities. The board shall determine the composition and terms of reference for any such committee. The board may dissolve any committee by resolution at any time.

2.06 Remuneration of Directors

No director shall be entitled to any remuneration for service as a director or for providing services to the Corporation in any other capacity. However, directors may be reimbursed for reasonable expenses that they incur in carrying out their duties as directors.

Section 3: Board Meetings

3.01 Calling of Meetings

Meetings of the directors may be called by the chair, vice-chair, secretary, or any two directors. at any time and any place on notice as required by this by-law.

3.02 Regular Meetings

The board may fix the place and time of regular board meetings and send a copy of the resolution fixing the place and time of such meetings to each director, and no other notice shall be required for any such meetings.

3.03 Notice

Notice of the time and place for the holding of a meeting of the board of the Corporation not less than forty-eight (48) hours, excluding Saturdays, Sundays and bank holidays, before the time when the meeting is to be held. Notice of a meeting is not necessary if all of the directors are present and none objects to the holding of the meeting or if those absent have waived notice or have otherwise signified their consent to the holding of such a meeting. If a quorum of directors is present, each newly elected or appointed board may, without notice, hold its first meeting immediately following the annual meeting of the Corporation.

3.04 Chair

The chair shall preside at board meetings. In the absence of the chair, the vice-chair shall preside. If the chair and vice-chair are both absent, the directors present shall choose one of their number to act as chair.

3.05 Voting

All meetings of the board will follow a procedure for consensus. When consensus cannot be reached, the matter may be submitted to a vote. Each director has one vote, with the matter under vote to be decided by a majority of votes. In the case of equality of votes, the chair of the meeting, in addition to the original vote, shall be entitled to a second or casting vote. A declaration by the chair of the meeting that a resolution has been carried shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour or against the motion.

3.06 Participation by Telephone or Other Communications Facilities

If all of the directors of the Corporation consent, a director may participate in a meeting of the board or of a committee of directors by telephone or electronic means that permits all participants to communicate adequately with each other during the meeting. A director participating by such means is deemed to be present at that meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all board or committee meetings.

Section 4: Financial

4.01 Banking

The board shall by resolution from time to time designate the bank, credit union, trust company or any other financial institution to provide financial services for the Corporation and in which the money, bonds or other securities of the Corporation may be placed for safekeeping.

4.02 Financial Year

Until changed by the board, the financial year of the Corporation shall end on the 31st day of August in each year.

4.03 Borrowing

The directors may from time to time

- a. borrow money on the credit of the Corporation;
- b. issue, re-issue, sell or pledge securities of the Corporation, including bonds, debentures, notes or other similar obligations of the Corporation;
- c. give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- d. charge, mortgage, hypothecate, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired, real or personal, moveable or immovable, property of the Corporation, including without limitation, book debts, rights, powers, franchises and undertakings, to secure any present or future indebtedness, liabilities or other obligations of the Corporation.

The directors may, from time to time, by resolution delegate any or all of the foregoing powers to any one or more of the directors or officers of the Corporation.

Section 5: Officers

5.01 Officers

The board shall appoint a president, chair, vice-chair, secretary and treasurer from among the directors at its first meeting following the annual meeting of the Corporation. The same person may hold more than one office. The board may appoint other officers and agents as it deems necessary. Officers shall have such authority and shall perform such duties as the board may prescribe from time to time. The board may also appoint an executive director, with the terms of the appointment set out in writing.

5.02 Office Held at Board's Discretion

Any officer shall cease to hold office upon resolution of the board.

5.03 Duties of Officers

5.03.1 President

The president shall be the chair of the Corporation.

5.03.2 Chair

The chair presides over all meetings of the board and of the members. The chair provides leadership to the board, ensures the integrity of the board's process and represents the board

to outside parties. The chair coordinates board activities in fulfilling its governance responsibilities and facilitates cooperative relationships among directors and between the board and the executive director, if any, of the Corporation. The chair ensures the board discusses all matters relating to the board's mandate.

5.03.3 Vice-Chair

The vice-chair shall chair meetings of the board of directors and of members in the absence of the chair.

5.03.4 Secretary

The secretary shall record the minutes of the meetings of the board and members, shall ensure that an accurate record of the proceedings of the Corporation are maintained, and that all official documents of the Corporation are preserved. The board may, as appropriate, delegate some of these duties to staff.

5.03.5 Treasurer

The treasurer shall ensure that full and accurate accounts of all receipts and disbursements of the Corporation are maintained and that all monies and other assets of the Corporation are deposited in the account of the Corporation at such bank or financial institution as may from time to time be designated by the board. The board may, as appropriate, delegate some of these duties to staff.

5.03.6 Executive Director

The executive director shall exercise such powers as may be delegated to the executive director by the board of directors in respect to the managing and directing of the affairs of the Corporation and employing and discharging agents or employees of the Corporation. The executive director shall be subject to the authority of the board of directors.

5.03.7 Other Officers

The duties of other officers of the Corporation shall be determined by resolution of the board.

Section 6: Protection of Directors and Officers

6.01 Limitation of Liability

No director or officer of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director, officer, committee member or employee of the Corporation, or for joining in any receipt or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by resolution of the board or for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the money of or belonging to the Corporation shall be placed out or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or Corporation with whom or which any moneys, securities or effects shall be lodged or deposited or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his or her respective office or trust provided that they have:

- a. complied with the *Act* and Corporation's letters patent and the by-law; and
- b. exercised their powers and discharged their duties in accordance with the *Act*.

6.02 Indemnity

Every director and officer of the Corporation and their heirs, executors, administrators and estate, 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 whatsoever that such director or officer sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against them for or in respect of any act, deed, matter or thing whatsoever made, done or permitted by them in or about the execution of the duties of their office; and
- b. other costs, charges and expenses that they sustain or incur in, about, or in relation to, the affairs of the Corporation;

except such costs, charges or expenses as are occasioned by their own willful neglect or default.

6.03 Insurance for Directors and Officers

The board may purchase and maintain insurance for the benefit of a director or officer of the Corporation against liabilities, costs, charges and expenses sustained or incurred by such director or officer in respect of the execution of their duties of in respect of the affairs of the Corporation.

Section 7: Conflict of Interest

7.01 Declaration of Interest

Where a director has in any way, directly or indirectly, an interest in a proposed or existing contract or transaction with the Corporation, the director shall declare his or her interest at a meeting of the board before the board considers the matter, and the director shall withdraw from that part of the meeting during which the matter is considered and shall refrain from voting or influencing or attempting to influence in any way the voting on the matter. Where the interest of a director has not been declared by reason of his or her absence from the meeting, the director shall declare his or her interest at the next board meeting which he or she attends.

Section 8: Members

8.01 Members

The membership in the Corporation shall consist of such persons, corporations, partnerships and other legal entities as acknowledge and agree with, and are committed to, the goals and objectives of the Corporation, and as are admitted to membership in the Corporation by resolution of the board. Each member shall be promptly informed of their admission as a member of the Corporation. Directors of the Corporation are members of the Corporation.

8.02 Term of Membership

A membership in the Corporation is not transferrable and automatically terminates upon

- a. death;
- b. a member resigning; or
- c. otherwise ceasing to be a member in accordance with the by-law of the Corporation.

8.03 Resignation

A member may resign by a resignation in writing, or by verbally notifying any current director of such resignation, which shall be effective upon acceptance of the resignation by the board.

8.04 Termination of Membership for Cause

The board may pass a resolution authorizing the removal of a member for cause from the register of members of the Corporation. No such resolution shall be put before the board until after the member in question has been notified in writing of the cause and afforded an opportunity for a hearing before the board. The board shall notify any such member of the act which, in their opinion, is improper or detrimental to the Corporation and of the time and place of the meeting of the board at which the member in question will be heard. Such notice shall be given at least one week prior to such meeting.

8.05 Dues

There shall be no dues payable by members except such, as shall from time to time be fixed by unanimous vote of the board, which vote shall become effective only when confirmed by a vote of the members at an annual or other general meeting. The secretary or designate shall notify the members of the dues or fees at any time payable by them and, if any are not paid within 30 days of the date of such notice, the members in default shall then automatically cease to be members of the Corporation, but any such members may on payment of all unpaid dues or fees be reinstated by unanimous vote of the board of directors.

Section 9: Members' Meetings

9.01 Annual Meeting

The annual general meeting of members shall be held on a day and at a place within Ontario fixed by the board. Any member, upon request, shall be provided, not less than 21 days or other number of days prescribed in regulations before the annual meeting, with a copy of the approved financial statements, auditor's report and other financial information required by the by-laws or letters patent.

The business transacted at the annual meeting shall include:

- a. receipt of the agenda;
- b. receipt of the minutes of the previous annual and subsequent special meetings;
- c. consideration of the financial statements and report of the auditor;
- d. reappointment or new appointment of the auditor for the coming year;
- e. election of directors; and
- f. such other or special business as may be set out in the notice of meeting.

No other item of business shall be included on the agenda for the annual meeting unless a member's proposal has been given to the secretary prior to the giving of notice of the annual meeting in accordance with the *Act*, so that such item of new business can be included in the notice of the annual meeting.

9.02 Special Meetings

The directors may call a special meeting of members. The board shall convene a special meeting on written requisition of not less than one-tenth of the members for any purpose connected with the affairs of the Corporation that does not fall within the exceptions listed in the *Act* or is otherwise inconsistent with the *Act*, within 21 days from the date of the deposit of the requisition.

9.03 Notice of Meetings

Subject to the *Act*, not less than 10 and not more than 50 days written notice of any annual or

special members' meeting shall be given in the manner specified in the *Act* to each member and to the auditor. Notice of any meeting where special business will be transacted must contain sufficient information to permit the members to form a reasoned judgement on the decision to be taken. Notice of each meeting must remind the member of the right to vote by proxy.

9.04 Quorum

A quorum for the transaction of business at any meeting of members shall be seven (7) or more members entitled to vote at the meeting, whether present in person or by proxy. If a quorum is present at the opening of a meeting of members, the members present may proceed with the business of the meeting, even if a quorum is not present throughout the meeting.

9.05 Chair, Secretary and Scrutineers

The chair shall be the chair of the members' meeting. In the chair's absence, the vice-chair shall be the chair. If the vice-chair is also absent, the members present at the meeting shall choose another director as chair and if no director is present or if all of the directors present decline to act as chair, the members present shall choose one of their number to chair the meeting.

If the secretary of the Corporation is absent, the chair shall appoint a person, who need not be a member, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be members, may be appointed by a resolution or by the chair or with the consent of the meeting.

9.06 Voting of Members

Business arising at any members' meeting shall be decided by a majority of votes unless otherwise required by the *Act* or the by-laws provided that:

- a. each member shall be entitled to one vote at any meeting;
- b. votes shall be taken by a show of hands among all members present, in person or by proxy, and the chair of the meeting, if a member, shall have one vote;
- c. an abstention shall not be considered a vote cast;
- d. before or after a show of hands has been taken on any question, the chair of the meeting may require, or any member may demand, a written ballot. A written ballot so required or demanded shall be taken in such a manner as the chair of the meeting shall direct;
- e. if there is a tie vote, the chair of the meeting shall require a written ballot and shall not have a second or casting vote. If there is a tie vote upon written ballot, the motion is lost; and
- f. whenever a vote by show of hands is taken on a question, a declaration by the chair of the meeting that a resolution has been carried shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour or against the motion.

9.07 Adjournments

The chair may, with the majority consent of any members' meeting, adjourn the same from time to time and no notice of such adjournment need be given to the members, unless the meeting is adjourned by one or more adjournments for an aggregate of 30 days or more. 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. Such adjournment may be made notwithstanding that no quorum is present.

9.08 Persons Entitled to be Present

The only persons entitled to attend a members' meeting are the members, the auditors of the

Corporation, the executive director and other staff employed by the Corporation, and others who are entitled or required under any provision of the *Act* to be present at the meeting. Any other person may be admitted only if invited by the board or with the consent of the meeting.

Section 10: Notices

10.01 Method of Giving Notice

Any notice required to be sent to any member or director or to the auditor shall be provided by telephone, delivered personally, or sent by prepaid mail, facsimile, email or other electronic means to any such member or director at their latest address as shown in the records of the Corporation and to the auditor at the auditor's business address, or if no address be given then to the last address of such member or director known to the Corporation; provided always that notice may be waived or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled to the notice.

10.02 Computation of Time

In computing the date when notice must be given under any provision of the by-laws requiring a specified number of days' notice of any meeting or other event, the date of giving the notice shall be excluded and the date of the meeting or other event shall be included.

10.03 Error or Omission in Giving Notice

No error or accidental omission in giving notice of any board meeting or any members' meeting shall invalidate the meeting or make void any proceedings taken at the meeting.

10.04 Waiver of Notice

Any member, director, officer or the auditor of the Corporation may waive any notice required to be given to them under any provision of the *Act* or the by-laws of the Corporation, and such waiver, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in giving such notice.

Section 11: Adoption and Amendment of By-Laws

11.01 Adoption and Amendment of By-Laws

The by-laws of the Corporation may be repealed or amended by resolution of the board if confirmed by two-thirds (2/3) majority of the members at a meeting duly called to consider the repeal or amendment.

11.02 Repeal of Previous General By-Laws

This by-law repeals and supersedes all previous general by-laws respecting the business and affairs of the Corporation.

Passed by the board of directors on January 15, 2019 and confirmed by the members at the annual general meeting on January 30, 2019.

President/Chair – Nancy Regehr

Secretary – Brian Unrau