

BC SPORT AGENCY SOCIETY

BYLAWS

Bylaws relating generally to the conduct of the affairs of the BC Sport Agency Society.

PART 1 - INTERPRETATION

1.1 Definitions

In these Bylaws of the Society, unless the context otherwise requires:

- a. “**Act**” means the British Columbia *Society Act* and any regulations made under the *Society Act*, as amended from time to time;
- b. “**Board**” means the Board of Directors of the Society as that Board may be established under Part 7 of the Bylaws;
- c. “**Bylaw**” or “**Bylaws**” means any Bylaw or Bylaws of the Society from time to time in force;
- d. “**Chair**” means the Chair of the Board elected by the Board members in accordance with Part 7 of the Bylaws;
- e. “**Education Sector**” means non-government education management and delivery of early learning, BC K – 12, and advanced education professionals, school districts, post-secondary institutes and sector agencies and organizations.
- f. “**Founding Directors**” has the meaning set out in Bylaw 7.1;
- g. “**General Directors**” has the meaning set out in Bylaw 7.2;
- h. “**Government Directors**” has the meaning set out in Bylaw 7.2;
- i. “**Health Sector**” means non-government health management and delivery services and professionals, including health authorities and the sector agencies, boards and commissions,
- j. “**Member**” means a person who is a member of the Society as provided for herein, and “**Members**” means some or all of the Members as the context requires;
- k. “**Minister**” means the British Columbia Minister of Community, Sport and Cultural Development, or the Minister of the British Columbia ministry responsible for sport;
- l. “**Society**” means the BC Sport Agency Society; and
- m. “**Sport Sector**” means non-government volunteer and professional persons and provincial and community organizations and groups responsible for the development and delivery of organized and casual sport programs in British Columbia, including but not limited to Sport BC, Canadian Sport Centre Pacific, and the BC Games

Society.

1.2 Society Act Definitions

All words, which are used in the Bylaws that are defined in the Act, shall have the meanings given to them in the Act unless the context of the Bylaws requires otherwise.

1.3 Other Definitions

Any words defined elsewhere in the Bylaws will have the meanings ascribed to them herein.

1.4 Reporting Society

The Society shall be a Reporting Society.

PART 2 - MEMBERSHIP AND RIGHTS

2.1 Entitlement

The Members from time to time of the Society shall be:

- a. those individuals who are the first directors or are elected or appointed to the Board of Directors from time to time (other than Government Directors), to be effective from the time of their election or appointment until the conclusion of their term of office in accordance with Part 7 of these Bylaws; and
- b. those additional persons who may be admitted to membership under Bylaw 3.1 hereof.

2.2 Voting Rights

Each Member in good standing is entitled to one vote at any meeting of Members.

2.3 Good Standing

A Member is always in good standing.

PART 3 - ADMISSION TO MEMBERSHIP

3.1 Membership Application

Any applicant may apply to the Chair for membership in the Society. Any such applicant will become a Member of the Society upon acceptance of the applicant as a Member by the Board.

3.2 Non-Transferable

The interest of a Member in the Society is non-transferable.

3.3 Termination of Membership

Any Member will cease to be a Member:

- a. **Resignation** - by delivering a written resignation signed by the Member to the registered address of the Society.
- b. **Director** - in the case of a Member described in Bylaw 2.1.a. hereof, upon ceasing to be a director for any reason;
- c. **Death** - upon his or her death;
- d. **Expulsion** - upon being expelled in accordance with these Bylaws.

3.4 Expulsion

The Members of the Society may expel any Member by a special resolution passed at a meeting of Members of which notice specifying the intention to pass such resolution has been given, provided that the Member who is the subject of the proposed resolution is given a reasonable opportunity to be heard at the meeting before the resolution is put to a vote.

3.5 Member to be Informed

The Board shall promptly inform a Member of the termination of the Member's membership by expulsion and the reason for the termination.

PART 4 - MEETINGS OF MEMBERS

4.1 Annual Meeting

Subject to the provisions of the Act, the first annual meeting of the Members shall be held no later than 15 months after the incorporation of the Society. Each subsequent annual meeting shall be held:

- a. once in every calendar year and not more than 15 months after the holding of the last preceding annual meeting; and
- b. on such day in each year and at such time and place, within the Province of British Columbia, as the Board may determine.

4.2 Extraordinary General Meeting

Every general meeting, other than an annual general meeting, shall be an extraordinary general meeting.

Extraordinary general meetings may be called by the Board or upon the requisition of twenty-five (25%) percent or more of the Members in good standing in accordance with the Society Act.

4.3 Notice of Meetings

Notice of a general meeting shall specify the time and place of the meeting, and may be mailed, postage prepaid, addressed to each Member at his or her registered address or may be given to each Member either personally, by facsimile, by leaving it at his or her usual business or residential address, or transmitted electronically. Notices shall be given at least fourteen days before the time appointed for holding the meeting provided

always that a Member may in any manner and at any time waive notice of a meeting of Members, and attendance of a Member at a meeting of Members shall constitute a waiver of notice of the meeting except where a Member 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.

4.4 Waiver of Notice

The Members may waive notice of a meeting of Members by unanimous consent in writing, including by email.

4.5 Omission of Notice

The accidental omission to give notice of any meeting of Members, any irregularity in the notice of any meeting of Members or the non-receipt of any notice by any Member or Members or by the auditor of the Society (if any) shall not invalidate any resolution passed or any proceedings taken at any meeting of Members.

4.6 Telephone Members Meetings

Any meeting of the Members may also be held by conference call or similar communication equipment or device so long as all the participants can hear and respond to one another. All Members participating by telephone shall be deemed to be present in person at the stated location of such meeting and shall be entitled to vote by a voice vote recorded by the Recording Secretary of such meeting.

4.7 Written Member Resolution

Subject to the Act, a resolution signed by all Members shall be valid and effectual as if it had been passed at a meeting of the Members duly called and constituted. Consent resolutions may be validly passed by execution by Members, delivered in counterparts and by facsimile or electronic transmission.

PART 5 - PROCEEDINGS AT MEMBERS' MEETINGS

5.1 Chair

The Chair of the Society shall be the Chair elected by the Directors at the first Board meeting after an annual general meeting, and shall be the Chair at all meetings of the Members. In the Chair's absence, the Board shall elect another General Director to act as interim chair at a member's meeting.

5.2 Adjournment

The Chair may, with the consent of a majority of the Members present at the meeting of Members and entitled to vote, adjourn the meeting from time to time to a fixed time and place and no notice of such adjournment need be given to the Members. Any business may be brought before or dealt with at any adjourned meeting of Members that might have been brought before or dealt with at the original meeting of Members in accordance with the notice calling the meeting.

5.3 Quorum

A quorum at any meeting of Members shall be a majority of the Members in good standing and entitled to vote. Meeting attendance to achieve the quorum may be in person, via teleconference or through online meetings. No business shall be transacted at any meeting of Members unless the requisite quorum is present at the time of the transaction of such business. If a quorum is not present at the time appointed for a meeting of Members (or within 30 minutes after the time appointed for the meeting) then the Members present and entitled to vote may adjourn the meeting to a fixed time and place but may not transact any other business and the provisions of Bylaws 5.4 and 9.3 with regard to notice shall apply to notices of meetings of Members or any adjournment thereof.

5.4 Minutes

Minutes of all meetings of Members shall be kept at the Society's head office and signed by the Chair. The minutes may be inspected during office hours by any Member of the Society at the head office of the Society upon giving reasonable notice.

5.5 Annual General Meeting Business

The business of the annual general meeting shall include, but is not limited to:

- a. approval of the minutes from the previous annual general meeting and any special general meetings held since the previous annual general meeting;
- b. report of the Chair;
- c. presentation of the annual financial statements of the Society and the auditor's report for the previous fiscal year;
- d. reports from all Committees, if any;
- e. election of General Directors;
- f. appointment of the auditor.

All other business at an annual general meeting, and all business at any other general meeting, shall be considered special business, notice of which must be given in the notice of meeting.

5.6 Rules of Order

The Members may, at any time, adopt such rules of order to govern the meetings of Members. Any such rules of order will be available for inspection during normal business hours at the head office of the Society.

PART 6 - VOTING AT MEMBERS' MEETINGS

6.1 Voting

Unless provided otherwise in the Act or these Bylaws:

- a. every question submitted at a meeting of Members shall be decided in the first

- instance by a show of hands or by voice vote; and
- b. The Chair shall have a vote as a Member; and
 - c. in the case of an equality of votes, the Chair shall not have a casting vote in addition to the vote that he or she has as a Member.

6.2 Entitlement to Vote

No person shall be entitled to vote at any meeting of Members unless he or she is a Member entitled to vote pursuant to the provisions of Bylaw 2.2

6.3 Simple Majority

At all meetings of Members every resolution put to the vote at a meeting of Members, unless required to be a Special Resolution by these Bylaws or the Act, shall be decided by a simple majority of the votes duly cast on the resolution.

6.4 Evidence that Resolution Carried

At any meeting of Members, a declaration by the Chair following a show of hands or by voice vote that a resolution has been carried unanimously, carried by a particular majority or not carried by a particular majority shall be conclusive evidence of that fact.

6.5 Proxy Voting

A Member is not entitled to appoint a proxy holder to attend, act and vote for him or her at any meeting of the Members or any adjournment of that meeting.

PART 7 - BOARD OF DIRECTORS

7.1 Inaugural Directors

(1) The first Directors of the Society are the individual applicants for incorporation. The term of office of such persons shall expire upon the first election by the Members of the continuing Founding Directors referred to in Bylaw 7.1 (2).

(2) The Members may at any time elect as the continuing inaugural Directors of the Society between four (4) to six (6) individuals by designating those persons in such election as the "Founding Directors" of the Society. Upon such election, each Founding Director shall also become a Member of the Society pursuant to Bylaw 2.1(a). The term of office of the Founding Directors shall expire upon the first election by the Members of the General Directors referred to in Bylaw 7.5. After the cessation of the terms of the Founding Directors, the Society shall have two classes of continuing Directors as set out in Bylaw 7.2: General Directors, and Government Directors.

7.2 Composition of the Board of Directors

Subject to Bylaw 7.1, the affairs of the Society shall be managed by the Board consisting of a minimum of six (6) Directors and a maximum of twelve (12) Directors, as follows:

- a. General Directors
 - i. a minimum of four (4) and a maximum of seven (7) Directors representing the Sport Sector in British Columbia; and
 - ii. two (2) Directors, one (1) representing the Health Sector and one (1) representing the Education Sector in British Columbia;
- b. Government Directors
 - i. a minimum of two (2) and a maximum of three (3) but no more than 25% of the Directors will be appointed by the Minister as representatives of the Province of British Columbia; and

7.3 Nomination, Election and Appointment of Directors

- a. The Members, by resolution, shall elect General Directors from the Sport, Health and Education sectors as they consider necessary for the proper operation of the Society, in accordance with Bylaw 7.2, 7.4 and subject to Bylaw 7.6. The Minister may make the appointments of the Government Directors from the government. The General and Government Directors together shall comprise the Board of Directors.
- b. When one or more General Directors are required to be elected under this Bylaw, or appointed under Bylaw 7.8, the Society shall invite nominations for election or appointment from representatives of the Education, Health and/or Sport Sectors as may be required for compliance with Bylaw 7.2.a.
- c. Subject to Bylaw 7.2(b), the Government Directors shall be individuals selected in the discretion of the Minister, with the intention that such persons shall be the following persons or their designate:
 - i. the Deputy Minister of the Ministry of Community, Sport and Cultural Development, (or ministry responsible for sport), and
 - ii. the Deputy Minister of the Ministry of Health Services, (or ministry responsible for health) and
 - iii. the Deputy Minister of the Ministry of Education (or ministry responsible for education).

7.4 Disqualified General Directors

The following individuals are disqualified for election or appointment as a General Director:

- a. any individual who provides goods or services to, or is employed by the Society;
- b. any associate or family member of an individual listed in clause (a) above;
- c. any individual who is a board member , owner, operator or employee of any organization(s) that:
 - i. is a party to a contract with Society during the term of office;

- ii. is applying for a grant from the Society during the term of office
 - iii. has responded to a request for proposal issued by the Society in the previous fiscal year; or
 - iv. intends to submit a proposal to the Society during the term of office; or
- d. any associate of an individual listed in clause (c) above.

7.5 Election of Chair

At the first meeting of the Board following each annual general meeting, the Board shall elect a Chair from amongst the General Director members. The Chair shall be the Chair at all meetings of the Board. In the Chair's absence, the Board shall elect another General Director Member to act as interim chair.

7.6 Powers and Duties of Board

The Board shall be responsible for conducting the affairs of the Society and may exercise all such powers and perform such acts as may be exercised or done by the Society that are not by these Bylaws or the Act expressly directed or required to be done by others, or in some other manner, and may from time to time, by majority vote, pass resolutions relating in any way to the Society or to the conduct of its affairs. The Board shall report all work done by it or by any committees of the Board to the Members at the annual meeting of Members. No act or proceeding of the Board is invalid by reason only of there being vacancies among the Directors so long as there are a minimum of eight (8) directors as required by Bylaw 7.2, and subject to Bylaw 8.5.

7.7 Terms of Office of Directors

In the initial election or appointment of the General Directors under Bylaw 7.3, half of the Directors shall be elected or appointed for a one year term, and half of the General Directors shall be elected or appointed for a two year term. Subsequent terms shall be as specified in Bylaw 7.7.a and 7.7.b.

- a. General Directors shall be elected or appointed for two-year terms. If no successor Director is elected or appointed by the Members, then the person previously appointed as a Director shall be considered automatically reappointed as a Director, unless that person resigns or is otherwise removed from office.
- b. General Directors shall be eligible for re-appointment up to a maximum of four consecutive terms.
- c. Government Directors are designated by virtue of their position in a specific Ministry of the Government of British Columbia, and have no term limits and no restriction on the total number of years served. Government Directors shall be appointed by written notice from the Minister, serve at the discretion of the Minister, and may be removed at any time by written notice from the Minister.

7.8 Vacancy

The Board may, by resolution, at any time and from time to time appoint a qualified person to act as a General Director to fill any vacancies caused by the resignation,

removal or termination of appointed General Directors, provided that the person appointed is appointed from the Sport, Education, or Health Sector as required to ensure the number of General Directors complies with Bylaw 7.2.a. A General Director so appointed will hold office only until the conclusion of the next annual meeting of the Society but is eligible for re-appointment by the Members at that next annual meeting.

Any vacancies caused by the resignation, transfer, removal or termination of appointed Government Directors will be filled by appointment by the Minister.

7.9 Power of Board if a Vacancy

Where there is a vacancy or vacancies on the Board, the remaining Directors may exercise all the powers of the Board so long as there are the minimum number of eight (8) Directors as required by Bylaw 7.2, and subject to Bylaw 8.5.

7.10 Termination of Office

The office of any Director shall automatically be terminated if any of the following events occur:

- a. the Director's term of office expires in accordance with Bylaw 7.7;
- b. the Director is removed from office in accordance with Bylaw 7.7 (c) or 7.11;
- c. the Director becomes bankrupt, suspends payment of his or her debts generally or compounds with his or her creditors;
- d. the Director is found to be a mentally incompetent person or becomes of unsound mind;
- e. the Director is convicted of an indictable offence: or
- f. the Director resigns from his or her office by notice in writing to the Society. Any such resignation shall be effective at the time it is received by the Society or at the time specified in the notice, whichever is later.

7.11 Removal of Directors

The Members may, by Special Resolution, remove any General Director before the expiration of his or her term of office. Upon the passage of such a resolution, the Members may then, by resolution, appoint any person to serve in place of the removed General Director to hold such office until the next annual meeting of the Members.

7.12 Remuneration

No Director shall be paid for serving as a Director but may be reimbursed for reasonable expenses incurred by him or her in the performance of his or her duties as a Director of the Society or may receive remuneration for serving as an officer of the Society.

7.13 Conflict of Interest

a. Conflicts – Notice

A Director, who, in any way:

- i. is directly or indirectly interested in an existing or proposed contract or transaction with the Society; or
- ii. who holds any office or possesses any property whereby, directly or indirectly, a duty or interest might be created that may be seen to conflict with his duty or interest as a Director; or
- iii. by virtue of a personal or family relationship may be seen to be in a position which may conflict with his duty or interest as a Director:

shall declare the nature and extent of his or her interest in such contract or transaction or of the conflict with his or her duty and interest as a Director; and such declaration shall be made at the first opportunity therefore, or at the first meeting after the relevant facts come to the Director's attention.

b. Conflicts – Voting

A Director shall not vote in respect of the approval of any contract or transaction in which he or she is directly or indirectly interested, or in respect of any matter whereby a conflict of duty or interest may arise by virtue of the Director's holding of any office or possession of any property, or by virtue of a personal or family relationship and if he or she does vote, that vote shall not be counted but he or she may be counted in the quorum present at any meeting of the Directors at which a vote is taken in respect thereto.

c. Conflicts – Duty to Account

Every Director shall account to the Society for any profit made as a consequence of the Board entering into or performing a proposed contract, transaction or arrangement, unless the Director discloses his or her interest as provided herein, abstains from voting on the approval of the proposed contract or transaction, and after disclosure, the proposed contract, transaction or arrangement is approved by the Directors.

PART 8 - MEETINGS OF THE BOARD

8.1 Place of Meeting

Subject to these Bylaws, the Board may meet together in British Columbia at the times and places for the dispatch of business and adjourn and otherwise regulate their meetings and proceedings as they see fit.

8.2 Holding of Meetings

The Chair may at any time or at the request of any Director, convene a meeting of the Board.

8.3 Notice

Notice of each meeting of the Board, or of any committees of the Board, shall specify the time and place of the meeting, and may be mailed, postage prepaid, addressed to each of the Directors (or committee members) at his or her registered address or may be given to each Director (or committee member) either personally, by facsimile or by leaving it at his or her usual business or residential address or transmitted electronically.

Notices shall be given at least seven days before the time appointed for holding the meeting or communicated orally at least twenty-four hours before the time fixed for the special meeting; provided always that a Director (or committee member) may in any manner and at any time waive notice of a meeting of Directors (or a committee), and attendance of a Director (or committee member) at a meeting of Directors (or a committee) shall constitute a waiver of notice of the meeting except where a Director (or a committee member) 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. Accidental omission to give notice of a meeting of Directors to or the non-receipt of notice by any Director shall not invalidate the proceedings of that meeting.

8.4 Conducting Meetings

The Board (or a committee) may hold meetings whereby Directors appear at the place and time of the meeting in person, and/or Directors are connected to each other through a teleconference and/or Directors are connected to each other through an online meeting service, and/or any combination thereof, as long as all Directors (or committee members) participating in the meeting can hear each other and make themselves heard, and providing that all the Directors (or committee members) consent to the conducting of a meeting in such a manner. Such consent may be made generally or in respect of a particular meeting. A Director (or committee member) participating in a meeting in accordance with this Bylaw 8.4 shall be deemed to be present at the meeting and to have so agreed and shall be counted in the quorum for the meeting and shall be entitled to speak and vote at the meeting.

8.5 Quorum

A majority of the General Directors plus, if there are any Government Directors then in office, at least one Government Director shall form a quorum for the transaction of business at any meeting of the Board and, notwithstanding any vacancy among the Directors, a quorum of Directors, as so defined, may exercise all the powers of the Board.

8.6 Voting

Each Director shall have one vote. Questions arising at any meeting of Directors shall be decided by a majority of votes. In case of an equality of votes, the Chair shall not have a deciding or casting vote.

8.7 Written Resolutions

A resolution in writing signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of Directors duly convened and held. Such resolution may be in one or more counterparts, all of which together shall be deemed to constitute one instrument.

8.8 Acts Valid

All acts done at any meeting of Directors or by any persons acting as Directors shall, notwithstanding that it may afterwards be discovered that there was some defect in the election or appointment of any such Directors or persons acting as such, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to act as a Director. [I'm still unsure as to why this section is

considered useful. It appears to give unqualified directors the ability to undertake acts that would be considered valid and therefore bind the Society.]

8.9 Regulations

The Directors may by resolution make such rules and regulations for the conduct of their affairs and of the affairs of the Society as they deem necessary or desirable, provided that such rules and regulations are not inconsistent with these Bylaws or the Act.

PART 9 - OFFICERS AND COMMITTEES

9.1 Officers

The Board shall appoint a Chief Executive Officer and such other officers as the Board may determine and specify their duties.

9.2 Privacy Officer

Pursuant to the provisions of the Personal Information Protection Act (2003) Part 2, Section 4(3) the Board must appoint a Privacy Officer.

9.3 Removal of Officers

The Board may remove any officer of the Society.

9.4 Terms of Employment

The terms of employment or remuneration of the Chief Executive Officer shall be determined by the Board.

9.5 Committees of Directors

The Board may establish any committees of Directors that they consider in the best interests of the Society. Any committee so appointed may, subject to policies of the Board and these Bylaws, meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit.

9.6 Powers of Committees

Every committee constituted by the Board shall have the authorities, powers and discretion which may be delegated to it and shall act in accordance with any requirements, including reporting, which the Board may impose upon such committee.

9.7 Removal of Committee Members

The Board may, by resolution, at any time remove any person appointed to any committee by the Board.

PART 10 – DIRECTOR, OFFICER AND EMPLOYEE CONFIDENTIALITY

10.1 Confidentiality

Every Director, officer, and employee of the Society and every member of a committee

shall respect the confidentiality of matters brought before the Board or any such committee or coming to his or her attention in the course of his or her duties, keeping in mind that unauthorized statements may adversely affect the interests of the Society. The Chair is responsible for Board communications and may delegate authority to one or more Directors, officers or employees of the Society to make statements to the news media or public about matters that the Chair determines appropriate for disclosure. No statements respecting such matters shall be made to the public or the press by any Director, officer, or employee except as authorized by the Chair. Persons permitted to attend any meeting of the Board or any meeting of a Committee shall be advised that they are required to respect the confidentiality of all matters coming to their attention during any such meeting.

PART 11 - BORROWING POWERS. USE OF SEAL AND SIGNATORIES

11.1 Borrowing Powers

Subject to the Act, the Directors may, by resolution, cause the Society to borrow such sums of money on such terms and on such security as the Directors may determine and as specified in the resolution of the Directors, provided always that the Society shall not issue any debentures except in accordance with the Act.

11.2 Charge on Property

To raise or secure the payment of any sum of money borrowed by the Society in accordance with Bylaw 11.1, the Board may mortgage, pledge, hypothecate and charge all or any part of the property of the Society.

11.3 Common Seal

The Board may adopt a common seal that, if so adopted, shall be the seal of the Society and, when required, may destroy the seal and substitute a new seal in its place.

11.4 Custody

The seal of the Society shall be kept in the custody of the Secretary or at the head office of the Society.

11.5 Signatories of the Society

During the period when inaugural Directors are in office pursuant to Bylaw 7.1, the persons entitled to sign documents on behalf of the Society shall be those directors or employees authorized in the applicable resolution of the Board. If no persons are so authorized then documents may be signed by any two Directors of the Society. Subsequently, the persons entitled to sign documents on behalf of the Society shall be those General Directors and/or employees authorized in the applicable resolution of the Board. If no persons are authorized in a resolution of the Board, then documents may be executed on behalf of the Society by any two General Directors of the Society.

PART 12 - LIABILITY OF DIRECTORS AND INDEMNIFICATION

12.1 Director's Liability

Subject to the Act, no Director of the Society shall be liable for:

- a. the acts, omissions or defaults of any other Director;
- b. any loss or expense incurred by the Society by reason of the insufficiency or deficiency of title of any property acquired for or on behalf of the Society;
- c. the insufficiency or deficiency of any security in or upon which any of the money of the Society shall be invested;
- d. any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any of the money, securities or other property of the Society shall be deposited;
- e. any loss occasioned by any error of judgment or oversight on the Director's part; or
- f. any other loss, damage or misfortune, which occurs in the execution of the duties of the office of Director or in relation thereto unless such loss, damage or misfortune happened through the Director's own dishonesty or willful misconduct.

12.2 Indemnification

Subject to the requirements of the Act, the Society shall indemnify each Director or former Director of the Society and his or her heirs and personal representatives against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, actually and reasonably incurred by such Director in a civil, criminal or administrative action or proceeding to which he or she is made a party by reason of being or having been a Director of the Society, including an action brought by the Society, if:

- a. the Director acted honestly and in good faith with a view to the best interests of the Society; and
- b. in the case of a criminal or administrative action or proceeding, the Director had reasonable grounds for believing that his or her conduct was lawful.

12.3 Deemed Contract

Each Director upon being appointed or elected shall be deemed to have contracted with the Society on the terms of the foregoing indemnity.

12.4 Insurance

The Board shall cause to be purchased such insurance as it considers advisable and necessary to ensure that Directors, officers and committee members will be indemnified and saved harmless in accordance with these Bylaws. The premiums for such insurance coverage shall be paid from the funds of the Society.

PART 13 - AUDITORS AND ACCOUNTING RECORDS

13.1 Auditors

At the first and each subsequent annual meeting, the Members shall appoint an auditor to audit the accounts of the Society and the auditor so appointed shall hold office until the close of the next annual meeting. Subject to the Act, the Board may fill any casual

vacancy in the office of the auditors.

13.2 Remuneration of Auditors

Subject to the Act, the Board shall fix the remuneration of the Society's first auditor. At the first annual meeting of the Members and at each subsequent annual meeting, the Members (or the directors if authorized to do so by the Members) shall fix the remuneration of that auditor appointed by the Members.

13.3 Financial Year

The financial year of the Society shall terminate on a day in each year to be fixed by the Board and the financial statements of the Society's affairs for presentation to the Members at the annual meeting shall be made up to that date.

13.4 Accounting Records

The accounting records of the Society shall be kept at the head office of the Society.

13.5 Inspection of Books and Records

The books and records of the Society may be inspected by any Member at the offices of the Society upon giving reasonable notice.
