

BY-LAW NO. 1

**CANADIAN COUNCIL OF INDEPENDENT LABORATORIES/
CONSEIL CANADIEN DES LABORATORIES INDEPENDENTS**

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BY - LAW NO. 1

A by-law relating generally to the conduct
of the affairs of

Canadian Council of Independent Laboratories / Conseil canadien des laboratoires indépendents
(the "Corporation")

BE IT ENACTED as a by-law of the Corporation as follows:

SECTION 1 - GENERAL

1.01 Definition

In this by-law and all other by-laws of the Corporation, unless the context otherwise requires:

"**Act**" means the *Canada Not-For-Profit Corporations Act* S.C. 2009, c.23 including the Regulations made pursuant to the Act, and any statute or regulations that may be substituted, as amended from time to time;

"**articles**" means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation;

"**board**" means the board of directors of the Corporation and "director" means a member of the board;

"**by-law**" means this by-law and any other by-law of the Corporation as amended and which are, from time to time, in force and effect;

"**meeting of members**" includes an annual meeting of members or a special meeting of members;

"special meeting of members" includes a meeting of any class or classes of members and a special meeting of all members entitled to vote at an annual meeting of members;

"**ordinary resolution**" means a resolution passed by a majority of not less than 50% plus 1 of the votes cast on that resolution;

"**proposal**" means a proposal submitted by a member of the Corporation that meets the requirements of section 163 (Shareholder Proposals) of the Act;

"**Regulations**" means the regulations made under the Act, as amended, restated or in effect from time to time; and

"**special resolution**" means a resolution passed by a majority of not less than two-thirds (2/3) of the votes cast on that resolution.

"**division**" means a Corporate member discipline group as defined by the board.

1.02 Interpretation

In the interpretation of this by-law, words in the singular include the plural and vice-versa, words in one gender include all genders, and "person" includes an individual, body corporate, partnership, trust and unincorporated organization.

Other than as specified above, words and expressions defined in the Act have the same meanings when used in these by-laws.

1.03 Corporate Seal

The Corporation may have a corporate seal in the form approved from time to time by the board. If a corporate seal is approved by the board, the Secretary of the Corporation shall be the custodian of the corporate seal.

1.04 Execution of Documents

- (a) Deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring execution by the Corporation may be signed and/or certified by the President, and any one other of the Vice-President, Secretary, Treasurer or Secretary-Treasurer, where these functions are combined. In addition, the board may from time to time direct the manner in which and the person or persons 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.
- (b) Signing authority for financial disbursements of the Corporation shall be as determined by the board.

1.05 Financial Year

The financial year end of the Corporation shall be the 31st day of December in each year.

1.06 Banking Arrangements

The banking business of the Corporation shall be transacted at such bank, trust company or other firm or corporation carrying on a banking business in Canada or elsewhere as the board may designate, appoint or authorize from time to time by resolution. The banking business or any part of it shall be transacted by an officer or officers of the Corporation and/or other persons as the board may by resolution from time to time designate, direct or authorize.

1.07 Borrowing Powers

The directors of the Corporation may, without authorization of the members,

- (a) borrow money on the credit of the Corporation;

- (b) issue, reissue, sell, pledge or hypothecate debt obligations of the Corporation;
- (c) give a guarantee on behalf of the Corporation; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any debt obligation of the Corporation.

1.08 Annual Financial Statements

The Corporation shall send to the Corporate members a copy of the annual financial statements and other documents referred to in subsection 172(1) (Annual Financial Statements) of the Act or a copy of a publication of the Corporation reproducing the information contained in the documents. Instead of sending the documents, the Corporation may send a summary to each Corporate member along with a notice informing the member of the procedure for obtaining a copy of the documents themselves free of charge. The Corporation is not required to send the documents or a summary to a Corporate member who, in writing, declines to receive such documents.

Appointment of a Public Accountant shall be approved by the Corporate members at the annual meeting of Corporate members. The Public Accountant shall conduct an audit engagement as directed, of the accounts of the Corporation for the fiscal year in which the appointment is made.

SECTION 2 – MEMBERSHIP – MATTERS REQUIRING SPECIAL RESOLUTION

2.01 Membership Conditions

Membership in the Corporation shall be limited to persons interested in furthering the objects of the Corporation and shall consist of anyone whose application for membership has received the approval of the board. The Corporation, through its conditions of membership, shall maintain high standards of admission and membership requirements on behalf of all members. Membership shall be granted by an ordinary resolution of the board. Subject to the articles, there shall be four classes of members of the Corporation:

- (a) **Corporate members** shall be limited to Corporations or Proprietorships which are principally engaged in testing, analysis, inspection, sampling, consultation, process control, and/or research for clients and which operate independently and without any conflict of interest as determined by the board. Each Corporate member shall have one (1) vote at meetings of members and shall appoint one or more nominees to exercise the vote.
- (b) **Associate Corporate members** shall not be entitled to hold office or vote at meetings of members. Participation by Associate Corporate members for part or all of any meeting shall be in the discretion of the chairperson of the meeting, however they shall otherwise be entitled to the privileges of membership afforded to Corporate members.

- (c) **Observer membership** may be granted to trade and standards associations with which a dialogue and association is considered by the board to be beneficial to the Corporation. Participation by Observer members for part or all of any meeting of members shall be in the discretion of the chairperson of the meeting. Observer members shall not vote at meetings of members and shall not pay membership dues.
- (d) **Honorary membership** may be granted by the board to individuals who have made a significant contribution to the Corporation through long and distinguished service at the executive level of the Corporation or individuals who provided significant assistance and support to the Corporation. Honorary members receive an appropriate citation, shall not pay membership dues and are not entitled to attend or vote at meetings of members, unless the Honorary member is a nominee of a Corporate member. Honorary membership is granted for the life of the Honorary member.

2.02 Membership Transferability

A membership may only be transferred to the Corporation. Pursuant to Section 197(1) (Fundamental Change) of the Act, a special resolution of the members is required to make any amendment to add, change or delete this section of the by-laws.

2.03 Notice of Members Meeting

Notice of the time and place of a meeting of Corporate members shall be given to each Corporate member by the following means:

- (a) by mail, courier or personal delivery to each member entitled to vote at the meeting, during a period of 21 to 60 days before the day on which the meeting is to be held; or
- (b) by telephonic, electronic or other communication facility to each member entitled to vote at the meeting, during a period of 21 to 35 days before the day on which the meeting is to be held.

Pursuant to subsection 197(1) (Fundamental Change) of the Act, a special resolution of the members is required to make any amendment to the by-laws of the Corporation to change the manner of giving notice to members entitled to vote at a meeting of members.

Meetings of Corporate members may be called at any time by the President, or upon the request of at least three members of the board.

2.04 Members Calling a Members' Meeting

The board of directors shall call a special meeting of Corporate members in accordance with Section 167 of the Act, on written requisition of Corporate members carrying not less than 5% of the voting rights or 10 voting members whichever is the lesser. If the directors do not call a meeting within twenty-one (21) days of receiving the requisition, any Corporate member who signed the requisition may call the meeting.

2.05 Absentee voting at Members' Meetings

There shall be no absentee voting at meetings of Corporate members.

2.06 Fundamental Change

Pursuant to subsection 197(1) (Fundamental Change) of the Act, a special resolution of the Corporate members is required to make any amendments to this section of the by-laws if those amendments affect membership rights and/or conditions described in paragraphs 197(1)(e),(h), (l) or (m).

(197(1)(e) change a condition required for being a member.)

(197(1)(h) add, change or remove a provision respecting the transfer of a membership.)

(197(1)(l) change the manner of giving notice to members entitled to vote at a meeting of members.)

(197(1)(m) change the method of voting by members not in attendance at a meeting of members.)

SECTION 3 – MEMBERSHIP DUES, TERMINATION AND DISCIPLINE

3.01 Membership Dues

Members shall be notified in writing of the membership dues at any time payable by them and, if any are not paid within six (6) calendar months of the membership renewal date the members in default shall automatically cease to be members of the Corporation.

3.02 Termination of Membership

A membership in the Corporation is terminated when:

- (a) the member dies, or, in the case of a member that is a corporation, the corporation is dissolved;
- (b) a member fails to maintain any qualifications for membership described in the section on membership conditions of these by-laws;
- (c) the member resigns by delivering a written resignation to the Corporation in which case such resignation shall be effective on the date specified in the resignation;
- (d) the member is expelled in accordance with any discipline of members section or is otherwise terminated in accordance with the articles or by-laws;
- (e) the member's term of membership expires; or
- (f) the Corporation is liquidated or dissolved under the Act;
- (g) by resolution passed by at least three-quarters of the votes cast at any annual meeting of members or by Secret Letter Ballot of the Corporate members;

- (h) the board determines that there has been a serious breach of the principles & code of ethics of the Corporation.

3.03 Effect of Termination of Membership

Subject to the articles, upon any termination of membership, the rights of the member, including any rights in the property of the Corporation, automatically cease to exist.

3.04 Discipline of Members

The board shall have authority to suspend or expel any member from the Corporation for any one or more of the following grounds:

- (a) violating any provision of the articles, by-laws, or written policies of the Corporation;
- (b) carrying out any conduct which may be detrimental to the Corporation as determined by the board in its sole discretion;
- (c) for any other reason that the board in its sole and absolute discretion considers to be reasonable, having regard to the purpose of the Corporation.

In the event that the board determines that a member should be expelled or suspended from membership in the Corporation, the President, or such other officer as may be designated by the board, shall provide twenty (20) days' notice of suspension or expulsion to the member and shall provide reasons for the proposed suspension or expulsion. The member may make written submissions to the President, or such other officer as may be designated by the board, in response to the notice received within such twenty (20) day period. In the event that no written submissions are received by the President, the President, or such other officer as may be designated by the board, may proceed to notify the member that the member is suspended or expelled from membership in the Corporation. If written submissions are received in accordance with this section, the board will consider such submissions in arriving at a final decision and shall notify the member concerning such final decision within a further twenty (20) days from the date of receipt of the submissions. The board's decision shall be final and binding on the member, without any further right of appeal.

SECTION 4 – MEETINGS OF MEMBERS

4.01 Proposals Including Nominating Directors at Annual Members' Meetings

A member entitled to vote at an annual meeting of members may submit to the Corporation notice of any matter that the member proposes to raise at the meeting. A proposal containing nominations for the election of directors shall be signed by not less than 5% of members entitled to vote at the meeting at which the proposal is to be presented. Any proposal shall be delivered to the Corporation 90 days before the upcoming scheduled annual meeting of members.

4.02 Cost of Publishing Proposals for Annual Members' Meetings

The member who submitted the proposal shall pay the cost of including the proposal and any statement in the notice of meeting at which the proposal is to be presented.

4.03 Place of Members' Meeting

Subject to compliance with section 159 (Place of Members' Meetings) of the Act, meetings of the members may be held at any place within Canada determined by the board or, if all of the members entitled to vote at such meeting so agree, outside Canada.

4.04 Persons Entitled to be Present at Members' Meetings

All Corporate members shall be entitled to be present at a meeting of members together with the directors and the Public Accountant. Any other person may be admitted only on the resolution of the board.

4.05 Chair of Members' Meetings

The President shall be the chief Executive Officer of the Corporation and shall preside over all meetings of members. The Vice-President of the Corporation shall perform the duties of the President in his absence or disability. In the event that both the President and Vice-President are absent the meeting shall be chaired as determined by the board.

4.06 Quorum at Members' Meetings

At an annual meeting six voting members representing at least two divisions shall constitute a quorum for the meeting. At any other meeting of members at least six voting members shall constitute a quorum. 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.

4.07 Votes to Govern at Members' Meetings

Voting at any meeting of members shall be on a show of hands or on a ballot, by those present. Voting by proxy shall not be permitted. The Chair, being the representative of a Corporate member, is entitled to vote. In case of an equality of votes, the resolution fails. Members with dues in arrears shall not be entitled to vote. Verification of arrears of dues shall be made after the meeting of members. A vote by a member whose dues were not fully paid shall be retroactively recorded as an abstention.

4.08 Participation by Electronic Means at Members' Meetings

If the Corporation chooses to make available a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during a meeting of members, any person entitled to attend such meeting may participate in the meeting by means of such telephonic, electronic or other communication facility in the manner provided by the Act. A person participating in a

meeting by such means is deemed to be present at the meeting. Notwithstanding any other provision of this by-law, any person participating in a meeting of members pursuant to this section who is entitled to vote at that meeting may vote, in accordance with the Act, by means of any telephonic, electronic or other communication facility that the Corporation has made available for that purpose.

4.09 Members' Meeting Held Entirely by Electronic Means

If the directors or members of the Corporation call a meeting of members pursuant to the Act, those directors or members, as the case may be, may determine that the meeting shall be held, in accordance with the Act and the Regulations, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

SECTION 5 - DIRECTORS

5.01 Number of Directors

The board shall consist of a minimum of eight (8) and a maximum of fifteen (15) directors of which two (2) shall be the President and Vice-President and of which four (4) shall constitute a quorum at any meeting of the directors. The board shall be comprised of the fixed number of directors as determined from time to time by the voting members by ordinary resolution.

5.02 Term of Office of Directors

The directors shall be elected by the voting members at the annual meeting of members. At the first election of directors following the approval of this by-law one-half of the directors shall be elected for a two year term and one-half of the directors shall be elected for a one year term. Thereafter newly elected directors shall be elected for two year terms. In the event of a vacancy between annual meetings the vacancy shall be filled by resolution of the board, provided, a divisional director shall only be replaced from within the division where the vacancy occurred. A director may be removed by a resolution passed by at least two-thirds of the votes cast at a meeting of the board by secret ballot, provided, notice of such resolution was delivered to all concerned at least twenty-one (21) days in advance of the meeting. The members may by ordinary resolution at a special meeting remove any director or directors from office.

SECTION 6 – MEETINGS OF DIRECTORS

6.01 Calling of Meetings of Board of Directors

Meetings of the board may be called by the President or, the Vice-President or any two (2) directors upon at least seven (7) days advance notice or upon all directors waiving notice of such meeting. The board shall meet at least twice annually.

6.02 Chair of Board Meetings

The President shall preside over all meetings of the board. The Vice-President of the Corporation shall perform the duties of the President in his absence or disability. In the event that both the President and Vice-President are absent the meeting shall be chaired as determined by the board.

6.03 Votes to Govern at Meetings of the Board of Directors

At all meetings of the board, every question shall be decided by a majority of the votes cast on the question. Each director shall be entitled to one (1) vote on any issue. In case of an equality of votes, the resolution fails.

6.04 Committees of the Board of Directors

- (a) The board may from time to time appoint any committee or other advisory body, as it deems necessary or appropriate for such purposes and, subject to the Act, with such powers as the board shall see fit. Any such committee may formulate its own rules of procedure, subject to such regulations or directions as the board may from time to time make. Any committee member may be removed by resolution of the board of directors. The Chairman of such committee(s) shall provide an annual report to the board 30 days prior to the annual meeting of members.
- (b) The President shall with the approval of the board appoint an Annual National Conference Chairman.
- (c) There shall be a membership committee to be composed of Divisional Chairmen and the Board Membership Chairman which shall be responsible for the high standards of membership entrance qualifications on a national basis. The membership committee shall apply an equitable interpretation of the qualifications required and shall be guided by terms of reference established by the board.
- (d) There shall be an ethics committee which shall supervise the Declaration of Principles and the code of Ethics of the Corporation both as promulgated and in accordance with the Policies determined by the board. The committee shall review alleged infractions by members and shall report infractions to the board.
- (e) There shall be a nominating committee consisting of three (3) past presidents to nominate eligible individuals for positions on the board of the Corporation. Where there are not three eligible past presidents, the candidates for vacant positions on the board shall be nominated by the board. The chairman of the nominating committee shall present the slate to the members at the annual meeting of members. Additional nominations from the floor shall be entertained. If a vote is required it shall be by secret ballot. If a vote is not required the slate shall be adopted.

6.05 Board of Directors Remuneration and Expenses

Directors shall not normally receive any stated remuneration for their services on the board. By resolution of the board, a director may receive remuneration for serving as an officer or in any other capacity. Expenses may be authorized for attendance at meetings of the board or for any other expenses incurred by a director on Corporation business.

SECTION 7 - OFFICERS

7.01 Appointment of Officers

The board may designate the offices of the Corporation, appoint officers on an annual or more frequent basis, specify their duties and, subject to the Act, delegate to such officers the power to manage the affairs of the Corporation. A director may be appointed to any office of the Corporation. An officer may, but need not be, a director unless these by-laws otherwise provide. Two or more offices may be held by the same person. Any individual who has served as a director or a division chairman shall be eligible to serve as an officer.

7.02 Description of Officers

The officers of the Corporation shall be as follows:

- (a) The President shall be a director of the corporation, the chief executive officer, and shall be responsible for implementing the strategic plans and policies of the Corporation. The President shall, subject to the authority of the board, have general supervision of the affairs of the Corporation.
- (b) The Vice-President shall be a director of the corporation and shall, in the absence of the President, perform the duties of the President and such other duties as the board may specify.
- (c) The Secretary, or a board appointed designate, shall attend and be the secretary of all meetings of the board. The Secretary shall enter or cause to be entered in the Corporation's minute book, minutes of all proceedings at such meetings; the Secretary shall give, or cause to be given, as and when instructed, notices to members, directors, the public accountant and members of committees; the Secretary shall be the custodian of all books, papers, records, documents and other instruments belonging to the Corporation.
- (d) The Treasurer, or a board appointed designate, shall have custody of the funds and securities of the Corporation, shall keep full and accurate accounts of receipts and disbursements in books of account maintained by the Corporation, shall deposit all monies and valuable effects in the name and to the credit of the Corporation, shall disburse funds of the Corporation under the direction of the board, and shall render to the directors at meetings or whenever required an account of all financial transactions of the Corporation.
- (e) The functions of the Treasurer and the Secretary may be combined as determined by the board.

7.03 Vacancy in Office

In the absence of a written agreement to the contrary, the board may remove, whether for cause or without cause, any officer of the Corporation. Unless so removed, an officer shall hold office until the earlier of:

- (a) the officer's successor being appointed,
- (b) the officer's resignation,
- (c) such officer ceasing to be a director (if a necessary qualification of appointment), or
- (d) such officer's death.

SECTION 8 - NOTICES

8.01 Invalidity of any Provisions of this By-law

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

8.02 Omissions and Errors

The accidental omission to give any notice to any member, director, officer, member of a committee of the board or public accountant, or the non-receipt of any notice by any such person where the Corporation has provided notice in accordance with the by-laws or any error in any notice not affecting its substance shall not invalidate any action taken at any meeting to which the notice pertained or otherwise founded on such notice.

SECTION – 9 DISPUTE RESOLUTION

9.01 Mediation and Arbitration

Disputes or controversies among members, directors, officers, committee members, or volunteers of the Corporation are as much as possible to be resolved in accordance with mediation and/or arbitration as provided in the section on dispute resolution mechanism of this by-law.

9.02 Dispute Resolution Mechanism

In the event that a dispute or controversy among members, directors, officers, committee members or volunteers of the Corporation arising out of or related to the articles or by-laws, is not resolved in private meetings between the parties then without prejudice to or in any other way derogating from the rights of the members, directors, officers, committee members, employees or volunteers of the Corporation as set out in the articles, by-laws or the Act, and as an alternative to such person instituting a law suit or legal action, such dispute or controversy shall be settled by a process of dispute resolution as follows:

- (a) The dispute or controversy shall first be submitted to a panel of mediators whereby the one party appoints one mediator, the other party (or if applicable the board of the Corporation) appoints one mediator, and the two mediators so appointed jointly appoint a third mediator. The three mediators will then meet with the parties in question in an attempt to mediate a resolution between the parties.
- (b) The number of mediators may be reduced from three to one or two upon agreement of the parties.
- (c) If the parties are not successful in resolving the dispute through mediation, then the parties agree that the dispute shall be settled by arbitration before a single arbitrator, who shall not be any one of the mediators referred to above, in accordance with the provincial or territorial legislation governing domestic arbitrations in force in the province or territory where the registered office of the Corporation is situated or as otherwise agreed upon by the parties to the dispute. The parties agree that all proceedings relating to arbitration shall be kept confidential and there shall be no disclosure of any kind. The decision of the arbitrator shall be final and binding and shall not be subject to appeal on a question of fact, law or mixed fact and law.

All costs of the mediators appointed in accordance with this section shall be borne equally by the parties to the dispute or the controversy. All costs of the arbitrators appointed in accordance with this section shall be borne by such parties as may be determined by the arbitrators.

SECTION 10 – EFFECTIVE DATE

10.01 By-laws and Effective Date

Subject to the articles, the board of directors may, by resolution, make, amend or repeal any by-laws that regulate the activities or affairs of the Corporation. Any such by-law, amendment or repeal shall be effective from the date of the resolution of directors until the next meeting of members where it may be confirmed, rejected or amended by the members by ordinary resolution. If the by-law, amendment or repeal is confirmed or confirmed as amended by the members it remains effective in the form in which it was confirmed. The by-law, amendment or repeal ceases to have effect if it is not submitted to the members at the next meeting of members or if it is rejected by the members at the meeting.

This section does not apply to a by-law that requires a special resolution of the members according to subsection 197(1) (fundamental change) of the Act because such by-law amendments or repeals are only effective when confirmed by members.

Subject to matters requiring a special resolution, this by-law shall be effective when made by the board.

Enacted by the directors of the Corporation this 30th day of July 2013.

Atmooor Nathoo

B. M.

President

Secretary

CERTIFIED to be By-Law No. 1 of the Corporation, as enacted by the directors of the Corporation by resolution on the _____ day of _____, 2013 and confirmed by the members of the Corporation by special resolution on the _____ day of _____, 2013.

Dated as of the _____ day of _____, 2013

Print Name: _____

Director or Officer: _____