

TRAVEL INDUSTRY COUNCIL OF ONTARIO

BY-LAW NO. ONE

ARTICLE ONE: NAME AND LOGO

- 1.01 The Corporation shall be known as “Travel Industry Council of Ontario” or “TICO”.
- 1.02 The Board of Directors shall be entitled to adopt, by majority vote from time to time, such logo or other graphic representation of the name or purpose of the Corporation as it sees fit.

ARTICLE TWO: OBJECTS

- 2.01 The Corporation shall be carried on without purpose of gain for its members, and all profits or other accretions shall be used in promoting its objects. The objects of the Corporation shall be as set forth in its Letters Patent, as amended from time to time. Attached as Schedule A is a copy of the current objects, as set forth in the Letters Patent dated April 7, 1997.

ARTICLE THREE: VOTING MEMBERSHIP IN TICO

- 3.01 There shall be two (2) classes of membership in the Corporation, being
 - a) Registrant Members, and
 - b) Director Members,which together shall be referred to as “Members”.
- 3.02 A Registrant Member shall be a Registrant in good standing in all respects.
- 3.03 A Director Member shall be a sitting member of the Board of Directors of the Corporation.
- 3.04 An application to become a Registrant Member shall be granted to any Person who:
 - a) is a Registrant, and
 - b) has not had such membership terminated, without subsequent reinstatement, pursuant to the provisions of this By-law.

- 3.05 Status as a Registrant Member is not transferable, except in accordance with the Act.
- 3.06 Status as a Registrant Member shall be terminated upon the:
- a) death, incompetency, bankruptcy, dissolution, winding-up or other termination of the legal existence of the Person which is the Registrant Member,
 - b) expiry, lapse, revocation, voluntarily termination, suspension or other termination of the Registrant Member's status as Registrant under the Act or this By-law, provided that if such status is suspended, Registrant Membership shall be reinstated once the period of suspension has expired and any other conditions to reinstatement have been satisfied.
- 3.07 Status as a Director Member shall be conferred automatically upon any individual who is selected as a sitting director of the Corporation.
- 3.08 Status as a Director Member shall be terminated upon the:
- a) death, incompetency or bankruptcy of the Director Member,
 - b) termination of such Director Member's status as a director in good standing of the Corporation,
 - c) the submission by the Director Member of a written resignation as such,
 - d) the termination of the Registrant Membership with which the Director is associated, or
 - e) the acceptance by the Board of the resignation, which the Director Member will be deemed to have submitted one (1) month after the termination of all or substantially all of the relationship between the Director Member and the Registrant Member with which the Director Member was associated, (if applicable).
- 3.09 A Registrant Member shall be notified in writing of any registration, annual or other fee at any time payable in respect of its status as a Registrant or as a Registrant Member. All of such fees shall be set from time to time by the Board of Directors, and shall be paid on or before such date as the Board shall decide. Failure to pay such fees in accordance with the requirements of the Act shall constitute a default which terminates membership in the Corporation.
- 3.10 Any Registrant Member whose membership in the Corporation is terminated by any means shall not be entitled to a refund, nor to claim any portion of the assets of the Corporation.

- 3.11 The Corporation may from time to time issue to Registrant Members such cards, certificates and other forms of identification as the Board of Directors may by resolution approve.
- 3.12 Members shall meet at least once in every calendar year, at such time as the Board of Directors deems appropriate, and at such other times as are deemed by the Board of Directors to be necessary. In addition, the Board shall call and convene a meeting of Members within forty-five (45) days of receipt, by any member of the Executive Council, of a written request for such meeting, signed by at least ten per cent (10%) of the Registrant Members. Such meetings shall be held anywhere in Ontario as determined by the Board of Directors and shall be called upon notice to all Members of at least thirty (30) days.
- 3.13 Notice as aforesaid shall be given in the manner set forth in Article 14.08. Notice of any meeting at which special business is to be transacted shall contain sufficient information as to permit the Members generally to form a reasoned judgment on the matter in issue. In addition, reasonable effort shall be made to provide to the general public notice of the time, date and place of each meeting of Members. Any person entitled to notice of a meeting of Members shall be entitled to waive such notice. Attendance by a Member at a meeting shall be deemed to constitute waiver of notice except where such person attends for the sole and express purpose of objecting to the transaction of business thereat on the grounds that the meeting is not lawfully called.
- 3.14 The quorum for the transaction of business at any meeting of Members (unless a greater number is required by the constating documents or the applicable legislation) shall be two (2) Members. Proxies shall be allowed if written and properly authorized in the sole and unappealable opinion of the chairperson of the meeting. No business shall be transacted unless the requisite quorum is present at that time.
- 3.15 The Members shall be entitled to:
- a) hear and receive the reports and statements required by law to be read at and laid before Members of the Corporation, including without limitation the Annual Report,
 - b) elect such directors as are to be elected thereat, or be advised of the results of their earlier election,
 - c) appoint auditors for the Corporation, and authorize the Board of Directors to fix the remuneration therefor,
 - d) approve of any amendment to this By-Law according to the process set forth herein, and
 - e) transact such other business as may be properly brought before the meeting.

- 3.16 Each Member who has paid all requisite fees and charges and who is in good standing shall be entitled to one (1) vote, in person or by proxy, for each registration held, on every question submitted.
- 3.17 Subject to this By-law and the laws of general application, voting shall be conducted by a show of hands unless a poll or a secret ballot is requested by at least ten (10) Members. A request for a poll may be withdrawn. Regardless of the manner by which the vote is conducted, the declaration of an outcome by the chairperson shall be recorded in the minutes and shall be conclusive evidence of the fact. Numbers, percentages, abstentions and the identity of those opposed may but do not need to be recorded.
- 3.18 Unless otherwise specified by law or in this By-law, a vote of a majority of those voting shall be required in order that a motion pass.
- 3.19 In the case of an equality of votes, the chairperson of the meeting shall have a casting vote.
- 3.20 The Chairperson, or in his absence the Vice-Chairperson, or in his absence such other individual as is identified by the Members, shall serve as chairperson of meetings of Members.
- 3.21 A proxy shall be in writing, shall be in favour of another Registrant Member or its Representative, and shall be executed by the Member entitled to vote or the Member's attorney authorized in writing or, if the Member is a body corporate, by an officer or attorney thereof duly authorized. It shall cease to be valid one (1) year from its date. A proxy which has not been dated shall be deemed to bear the date on which it is mailed by the Corporation to the Member.

A proxy may be in the following form or in such other form as the Board of Directors may from time to time prescribe by resolution:

"The undersigned Member of the Travel Industry Council of Ontario hereby appoints [] of [] or failing the person appointed above, [] of [], as the proxy of the undersigned to attend and act at the [] meeting of the Members of the said Corporation to be held on the [] day of [], 19[], and at any adjournment or adjournments thereof in the same manner, to the same extent and with the same power as if the undersigned were present at the said meeting or such adjournment or adjournments thereof. The undersigned hereby revokes any proxy or proxies bearing a date earlier than the date hereof given to attend and act at such meeting.

DATED this [] day of [], 19[].

Signature of Member"

In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Member or by the Member's attorney authorized in writing or, if the Member is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited either at the head office of the Corporation at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, at which the proxy is to be used or with the Chairperson of such meeting on the day of the meeting, or any adjournment thereof, and upon either of such deposits the proxy is revoked.

The Board of Directors may from time to time:

- a) by resolution fix a time not exceeding forty eight (48) hours, excluding Saturdays and holidays, preceding any meeting or adjourned meeting of Members before which time proxies to be used at the meeting must be deposited with the Corporation or an agent thereof; and
 - b) make regulations regarding the lodging of proxies at some place or places other than the place at which a meeting or adjourned meeting of Members is to be held, and for particulars of such proxies to be cabled or telegraphed or sent by facsimile or in writing before the meeting or adjourned meeting to the Corporation, and providing that proxies so lodged may be voted upon as though the proxies themselves were produced at the meeting or adjourned meeting and votes given in accordance with such regulations shall be valid and shall be counted. The Chairperson of any meeting of Members may, subject to any regulations made as aforesaid, in the Chairperson's discretion accept telegraphic or cable or facsimile or written communication as to the authority of any person claiming to vote on behalf of and to represent a Member, notwithstanding that no proxy conferring such authority has been lodged with the Corporation, and any votes given in accordance with such telegraphic or cable or facsimile or written communication accepted by the Chairperson of the meeting shall be valid and shall be counted.
- 3.22 The persons entitled to be present at a meeting of the Members shall be the Members, the officers and the auditors of the Corporation and others who are entitled or required under any provision of the Act, the Letters Patent, the By-laws or the Administrative Agreement to be present at the meeting. Any other individual may be admitted as determined from time to time by the Board of Directors or on the invitation of the Chairperson of the meeting or with the consent of the meeting.
- 3.23 All meetings of the Members shall be conducted in accordance with the rules of order set out in Robert's Rules of Order, as revised, amended or supplemented from time to time, provided that if any such rule of order conflicts with the provision of the Act, the Letters Patent or the By-laws, the provision set out in the Act, the Letters Patent or the By-laws shall govern and prevail.

- 3.24 The Chairperson shall be entitled, with consent of the meeting or upon his own motion, to adjourn any meeting of Members to a fixed time and place. No further notice of such adjourned meeting shall be required unless the new date is more than thirty (30) days thereafter. For all purposes, the adjourned meeting shall be treated as if it were the original meeting.

ARTICLE FOUR: PROCESSING OF MEMBERSHIP APPLICATIONS

- 4.01 The Board of Directors shall from time to time determine procedures, timetables, application forms, and so forth respecting all categories of membership in the Corporation.
- 4.02 The Secretary-Treasurer shall maintain a roll of all Members in all categories of membership, which shall include but not be limited to each Member's name, address, Representative, and category of membership.

ARTICLE FIVE: BOARD OF DIRECTORS

- 5.01 Except to the extent that such power and authority is, by the Act, the SCSAA, the Administrative Agreement or the constating documents, conferred upon or reserved by the Members, the affairs of the Corporation shall be managed by the Board of Directors.
- 5.02 The applicants for incorporation of the Corporation shall serve as its first directors until a date established by the Board of Directors.
- 5.03 As at the date set by the Board of Directors in its sole and unfettered discretion, the Board of Directors shall thereafter consist of fifteen (15) individuals, being appointed as follows:
- a) three (3) named by the Association of Canadian Travel Agencies, each of whom shall be associated with a Registrant, or with a Marketing Group of Registrants, or with the Association of Canadian Travel Agencies itself,
 - b) three (3) named by the Canadian Association of Tour Operators, each of whom shall be associated with a travel wholesale Registrant, or with a Marketing Group of travel wholesale Registrants, or with the Canadian Association of Tour Operators itself,
 - c) one (1) named by the Canadian Institute of Travel Counsellors, who shall be associated with a retail travel agency Registrant, or with a Marketing Group of retail Registrants, or with the Canadian Institute of Travel Counsellors itself,
 - d) one (1) named by the Ontario Motor Coach Association, who shall be associated with a Registrant, or a Marketing Group of Registrants, or with the Ontario Motor Coach Association itself,

- e) three (3) elected pursuant to the provisions of Article Seven by the Registrant Members,
 - f) up to four (4) appointed at pleasure by the Minister, who may include representatives of consumer groups, business, government organizations, or such other interest as the Minister determines, and who may not constitute a majority of the Board.
- 5.04 The Board of Directors shall meet with such regularity, and on such days and in such locations, as may be determined by the Board or pursuant to Article 5.05. In the event that the Board of Directors establishes by resolution a regular schedule of meetings and a copy of such resolution is provided to each director, no other notice of such meetings shall be required.
- 5.05 A meeting of directors can be convened by the Chairperson, or by the Vice-Chairperson who is a director or by any four (4) directors. Notice of all meetings other than those referred to in Article 5.04 below shall be served in the manner set forth in Article 14.08, no less than seven (7) days (exclusive of the day on which the notice is delivered or sent, but inclusive of the day for which notice is given) before the meeting is to take place, provided that:
- a) any director may waive notice,
 - b) a director's attendance at a meeting shall be deemed to constitute such waiver except where attendance is for the sole purpose of objecting to the transaction of business thereat on the grounds that the meeting is not lawfully called.
- If, in the opinion of the directors calling the meeting, an emergency situation exists such that it is not in the best interests of the Corporation to give two (2) days notice of a meeting of the Board, the notice requirement shall be waived if such waiver is ratified by the majority of directors who participate in the meeting so held.
- 5.06 The Board of Directors shall meet at the head office of the Corporation or at such other location in Ontario as may be determined by the individual(s) who convene the meeting.
- 5.07 Subject to the requirement of a Special Resolution of the Corporation, the quorum for the transaction of business at a meeting of the Board of Directors shall be the majority of the directors then selected as set forth herein.
- 5.08 The Chairperson shall act as chairperson of meetings of the Board of Directors. In his absence, the Vice-Chairperson shall so serve. The chairperson of a meeting shall not be entitled to vote on any question submitted unless the vote on any question results in a tie, in which case the chairperson of the meeting shall cast the deciding ballot.
- 5.09 With the exception of the director who is the chairperson of the meeting and any ex officio director, each director shall have one (1) vote on every question submitted. Voting shall be conducted by show of hands except in cases in which the Board or the Chairperson

declares otherwise.

- 5.10 Proxies shall not be allowed, but the identity of directors can be changed from time to time by the Person who selected such director if the change is effected in compliance with the applicable rule, by-law, resolution or other mandate. In determining the entitlement of a director or purported director to act as such, the decision of the chairperson of the meeting shall be final and binding.
- 5.11 Unless otherwise specified, a vote of the majority of those voting shall be required in order that a motion pass.
- 5.12 Notwithstanding anything herein to the contrary, each Person responsible for naming one (1) or more director shall be entitled to name its director(s) in such manner as it sees fit, provided only that each such director must:
- a) satisfy the conditions set forth by these by-laws;
 - b) be a resident of Ontario;
 - c) be at least nineteen (19) years of age;
 - d) be someone other than an individual who has himself been, insolvent or bankrupt within the three (3) years immediately preceding the appointment, or associated with a Person that has become insolvent or bankrupt within the three (3) years immediately preceding the appointment; and
 - e) be someone other than an undischarged bankrupt and other than a person of unsound mind.
- 5.13 Without limiting the generality of Article 5.01, the Board of Directors shall be entitled to:
- a) set policy for the Corporation;
 - b) administer the Corporation's affairs, appoint and control its Chief Executive Officer, and buy or lease office space and equipment;
 - c) raise, invest and expend the Corporation's funds;
 - d) represent the Corporation in its dealings with government; government or regulatory agencies; Registrant Members; other companies, associations or Persons; the media; and the public;
 - e) establish, amend, rescind and enforce a Code of Conduct or rules regarding conflicts of interest, or both, from time to time; and
 - f) appoint such individuals or committees as it deems appropriate in order to realize the Corporation's Objects.

- 5.14 The Board of Directors shall take such steps as it may deem appropriate to enable the Corporation to acquire, accept, solicit or receive legacies, gifts, grants, settlements, bequests, endowments or donations of any kind whatsoever, for the purpose of realizing its objects.
- 5.15 With the consent of the Chairperson, observers may attend Board meetings and the Chief Executive Officer shall be entitled to attend Board meetings as an ex officio director.
- 5.16 Any director, other than a director appointed by the Minister, can be removed and replaced, following a reasonable hearing, by the body that selected him.
- 5.17 A meeting of the Board of Directors may be held by means of a conference telephone call provided:
- a) all procedural requirements of this By-law are satisfied, and
 - b) each participant can hear from and speak to each other participant directly and simultaneously.

ARTICLE SIX: EXECUTIVE COUNCIL

- 6.01 An Executive Council shall provide counsel and guidance to the Corporation, its Chairperson and its Chief Executive Officer at such times as the Board of Directors is not in session, but at all times in a manner consistent with policies and practices established by it.
- 6.02 The Executive Council shall consist of:
- a) the Chairperson, selected in accordance with Article Nine;
 - b) the Vice-Chairperson, selected in accordance with Article Nine;
 - c) the Chair of the Compensation Fund (or its replacement) committee, selected in accordance with Article Nine;
 - d) the Chief Executive Officer, who shall serve ex officio and without a vote, and
 - e) such other person(s) as the Board of Directors shall from time to time appoint.
- 6.03 With the exception of any ex officio member, each member of the Executive Council shall have one (1) vote on every question submitted.
- 6.04 The quorum for the transaction of business at a meeting of the Executive Council shall be the majority of its members that have the right to vote.

- 6.05 No proxies or interim replacements shall be allowed.
- 6.06 The Executive Council shall meet at such times and places in Ontario as may be determined by the individual(s) calling the meeting.
- 6.07 Except to the extent set forth specifically herein, the principles that apply to the operation of the Board of Directors as set forth in Article Five shall apply to the operations of the Executive Council.
- 6.08 The Executive Council shall report to the Board of Directors at its next following meeting all actions taken by the Executive Council in the name of the Corporation since the Board of Directors last met.

ARTICLE SEVEN: SELECTION AND TERM OF DIRECTORS

- 7.01 An Appointed Director shall be named according to Article 5.12 and subject to the provisions of Article 5.16.
- 7.02 Subject to Article 7.10, each Appointed Director shall serve for a term of one (1) year.
- 7.03 At least one (1) of the Elected Directors shall at all times be principally associated with a retail Registrant, and at least one (1) of the Elected Directors shall at all times be principally associated with a wholesale Registrant.
- 7.04 Elected Directors shall be elected by the Registrant Members from the list of candidates each of whom has met the qualifying criteria that is established from time to time by the Board of Directors.
- 7.05 Subject to Article 7.10, each Elected Director, other than a director appointed by the Minister, shall hold office for a term of three (3) years calculated from the date of the annual meeting at which he assumes office, or until his successor has been selected, and shall retire in rotation, except that in the case of the first election of directors referred to in Article 5.03(e) the candidate drawing the greatest number of votes shall serve for a term of three (3) years, the candidate drawing the second greatest number of votes shall serve for a term of two (2) years, and the candidate drawing the third greatest number of votes shall serve for a term of one (1) year.
- 7.06 In order to be eligible to be elected, and to continue to serve, as an Elected Director, other than a director appointed by the Minister, one must satisfy the requirements of Article 5.12 and also be associated with a Registrant, or with a Marketing Group of Registrants.
- 7.07 If otherwise qualified, a Director is eligible for re-election or re-appointment to the Board of Directors.
- 7.08 The ballot form to be used for the election of Elected Directors shall be prescribed by the Board of Directors from time to time.

- 7.09 The election of Elected Directors shall take place before or at a meeting of Members, and the results shall be announced thereat. In the event that the election results in a tie, a runoff election will take place after the meeting of Members and the results will be communicated to registrants, announced in the trade press and posted on TICO's website.
- 7.10 The office of a Director shall be automatically vacated:
- a) if the Director, other than a director appointed by the Minister, does not continue to satisfy the requirements of Article 5.12 or 7.06, as the case may be,
 - b) if the Director, other than a director appointed by the Minister, submits his written resignation to the Chairperson and the Chief Executive Officer,
 - c) if the Person responsible for naming an Appointed Director, other than a director appointed by the Minister, provides to the Chairperson and the Chief Executive Officer written notice of the removal of such director, provided such notice also identifies a qualified replacement therefor, who shall serve the balance of the term of the director so removed,
 - d) if the Registrant Members by Special Resolution vote to terminate the term of an Elected Director, other than a director appointed by the Minister, in which case the Registrant Members shall be entitled to select as they see fit a replacement therefor, who shall serve the balance of the term of the director so removed,
 - e) if the Director dies, or
 - f) upon the expiration of his term of office, other than a director appointed by the Minister.
- 7.11 The office of a Director may be vacated if the Director, other than a director appointed by the Minister, fails or refuses to attend at least three-quarters (3/4) of the meetings of directors held in any twelve (12) month period of his term. The Board of Directors will deal with board and committee attendance problems in accordance with the procedures set out in TICO's Board and Committee Attendance Policy. If there are attendance concerns with respect to a Ministerial appointee, TICO will inform the Minister of the attendance concerns and the Minister will determine how to address the situation.

ARTICLE EIGHT: POWERS OF DIRECTORS

- 8.01 The Board of Directors shall administer the affairs of the Corporation according to law.
- 8.02 The Board of Directors shall be entitled to authorize expenditures on behalf of the Corporation, and may delegate by resolution any component of such authority, provided such expenditure is for the purpose of furthering the objects of the Corporation.

8.03 The Board of Directors of the Corporation may from time to time:

- a) borrow money on the credit of the Corporation;
- b) issue, sell or pledge debt obligations (including bonds, debentures, debenture stock, notes or other like liabilities whether secured or unsecured) of the Corporation;
- c) charge, mortgage, hypothecate or pledge all or any currently owned or subsequently acquired real or personal, movable or immovable property of the Corporation, including book debts, rights, powers, franchises and undertakings, to secure any debt obligations or any money borrowed, or other debt or liability of the Corporation; and
- d) delegate the powers conferred on the Board of Directors under this Article to such officer or officers of the Corporation and to such extent and in such manner as the directors shall determine.

The powers hereby conferred shall be deemed to be in supplement of and not in substitution for any powers to borrow money for the purposes of the Corporation possessed by its directors or officers independently of this By-law.

ARTICLE NINE: SELECTION OF OFFICERS

9.01 The voting members of the Executive Council of the Corporation shall be selected by and from (subject to paragraph 9.04) amongst the Board of Directors as it is constituted from time to time, such selection to take place:

- a) by secret ballot,
- b) with successive ballots being conducted, after the name(s) of the candidate(s) drawing the fewest number of votes on the prior ballot are deleted, until one candidate has drawn a majority of the votes cast,
- c) by a separate election for each position, commencing with the selection of the Chairperson and proceeding in such order as the Board of Directors may from time to time determine, provided that each unsuccessful candidate for an earlier election at such meeting shall automatically become a candidate for each subsequent election at that meeting,
- d) for a term of one (1) year or until the next annual meeting of Members,
- e) at the first meeting of the Board of Directors following the annual meeting of Members.

- 9.02 The term of any Officer shall be curtailed upon the majority vote of the Board of Directors and automatically if the office-holder ceases to be a director pursuant to Article 7.10.
- 9.03 Any vacancy occurring in any of the positions of Officer shall be filled in the manner determined by the Board of Directors.
- 9.04 At all times, the Chairperson and the Vice-Chairperson shall be associated with a Registrant Member or a Marketing Group of Registrants.
- 9.05 It is desirable, but not obligatory, that the Vice-Chairperson should be associated with a retail Registrant Member or a Marketing Group of retail Registrants if the Chairperson is associated with a wholesale Registrant Member or a Marketing Group of wholesale Registrants, and vice versa.

ARTICLE TEN: OFFICERS

- 10.01 The Chairperson must at all times be associated with a Registrant or a Marketing Group of Registrants, and shall preside at all meetings of Members, the Board of Directors and the Executive Council. The Chairperson shall be responsible for ensuring that the objects of the Corporation are fulfilled, and that policies, priorities and goals, as laid down by Members and by the Board of Directors, are attended to in accordance with the by-laws of the Corporation. The Chairperson shall be the officer to whom the Chief Executive Officer reports on matters arising between meetings of the Board of Directors, and who shall provide to the Chief Executive Officer such direction as may be required at such times, provided that such direction is consistent with the policies and practices as established by the Board of Directors. The Chairperson shall sign, under corporate seal or otherwise, all instruments that require his signature on behalf of the Corporation, and shall attend to such duties and responsibilities as may be assigned to him by the Board of Directors from time to time.
- 10.02 The Vice-Chairperson must at all times be associated with a Registrant or a Marketing Group of Registrants, and shall fulfil the role of the Chairperson upon the temporary absence or inability or refusal of the Chairperson to do so.
- 10.03 (a) The Secretary shall:
- (i) report to and be responsible to the Board of Directors;
 - (ii) give or cause to be given all notices required to be given to Members, directors and members of committees; and shall attend all meetings of the Board of Directors, the Executive Council and the Members;
 - (iii) cause to be entered or enter in books kept for that purpose, minutes of all proceedings of such meetings;

- (iv) be the custodian of the standard mechanical device generally used for the affixing of the corporate seal to instruments belonging to the Corporation;
 - (v) perform such other duties as may from time to time be prescribed for him;
- and
- (vi) attend to all filing obligations imposed on the Corporation by law.

(b) The Treasurer shall:

- (i) have the care and custody of all the funds and securities of the Corporation, and shall deposit same in its name in such bank or banks or with such depository or depositories as the Board of Directors may direct;
- (ii) at all times exhibit his books of accounts to any member of the Board of Directors, upon application, at the office of the Corporation during normal business hours;
- (iii) sign or countersign such instruments as require his signature and shall perform all duties incidental to his office or that are properly required of him by the Board of Directors.
- (iv) assist the Board of Directors in nominating a company of auditors, subject to the approval of the Members, to ensure the annual audit of the Corporation's financial records.
- (v) ensure that all accounting and financial matters are attended to with efficiency and dispatch and that all required government reports are completed and fully lodged.
- (vi) invoice all members for their fees in accordance with the tariff of dues agreed upon by the Board of Directors, and advise it of any defaulting Registrant Member, in accordance with these by-laws.
- (vii) post such bond for the faithful performance of his duties as the Board of Directors in its uncontrolled discretion may require.

- 10.04 The Board of Directors shall appoint a Chief Executive Officer who shall act as, and have the powers of, President of the Corporation. He shall be a salaried employee of the Corporation, and an ex officio member of the Board of Directors, but shall not be entitled to be an Elected or Appointed Director. The President shall report and be responsible to the Board of Directors and, when it is not in session, to the Chairperson. He shall have full power to manage and direct the day-to-day affairs of the Corporation, and to employ and discharge employees of the Corporation. Among other responsibilities he shall be responsible for the timely preparation and submission of the Annual Report.
- 10.05 Each Vice-President (if any) or Deputy C.E.O. (if any) shall perform such duties and exercise such powers as are from time to time assigned by the President or delegated by the Board of Directors to him.
- 10.06 Left Intentionally Blank.
- 10.07 In the case of absence, or the inability to act, of any officer, or for any other reason, the powers of any Officer may be delegated by the Board of Directors to any other officer, or any director or any other individual.
- 10.08 The remuneration of all officers, or any honorariums to be paid to an officer, shall be determined by resolution of the Board of Directors.

ARTICLE ELEVEN

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ARTICLE TWELVE: HEAD OFFICE AND OPERATIONS

- 12.01 The President, with the approval of the Board of Directors, may acquire or lease or hire such facilities and staff as are reasonably necessary in order to administer the affairs of the Corporation.
- 12.02 Once established, the operation of the Head Office shall be the responsibility of the Chief Executive Officer.
- 12.03 The head office of the Corporation shall, subject to such change as the Members may by Special Resolution approve, be located at such place in the Greater Toronto Area as the Board of Directors shall from time to time determine.
- 12.04 The Chief Executive Officer shall report to, and take direction from, the Board of Directors. When the Board of Directors is not in session, he shall report to, and take direction from, the Chairperson, acting consistently with the policies and practices of the Board of Directors.

ARTICLE XIII: COMMITTEES

- 13.01 There shall from time to time be such Constitutional and such Ad Hoc committees as are created or named in accordance with the provisions of this Article.
- 13.02 There shall be established Constitutional Committees with authority to deal with the following issues:
- | | |
|---------------------------|--|
| a) governance | h) legislative review |
| b) emergency situations | i) Code of Ethics |
| c) operational policies | j) consumer complaints |
| d) budget review | k) liaison with Ministry |
| e) systems review | l) administration |
| f) organization/design | m) compensation fund (once the Corporation assumes responsibility) |
| g) business policies plan | |
- 13.03 (a) There shall be such Ad Hoc Committees as the Board of Directors shall from time to time establish.
- (b) Upon being established, each Ad Hoc Committee shall be provided by the Board of Directors with:
- i) a mandate,
 - ii) its composition, or a means of identifying who is to serve upon it,
 - iii) a term, which shall in no case exceed eighteen (18) months,
 - iv) a chairperson, and
 - v) such other direction as the Board of Directors deems fit.
- 13.04 Except to the extent specified otherwise herein or directed by the Board of Directors, each committee shall establish its own rules of procedure, in each case consistent with the principles set forth in Article Five.
- 13.05 Any committee member may be removed from such committee by resolution of the Board of Directors.

ARTICLE FOURTEEN: FINANCIAL AND LEGAL

- 14.01 Unless otherwise determined by resolution of the Board of Directors and concurred in by the Members, the fiscal year end of the Corporation shall be the 31st day of March.
- 14.02 The Members shall, each year, appoint an Auditor to audit the accounts of the Corporation for the year next following or until a successor is named and to report thereupon to Members at their annual meeting. The remuneration to be paid to the Auditors shall be fixed by the Board of Directors.
- 14.03 The Board of Directors shall be entitled to pro rate or otherwise reduce the fees to be charged to any Member, but shall not be authorized to refund to any such person any portion of fees paid but not used.
- 14.04 Any contract, document or any instrument in writing requiring execution by the Corporation, the total value of which exceeds five thousand dollars (\$5,000.00), shall be signed by the President and by any one (1) of the Chairperson, the Vice-Chairperson, a Vice-President and a voting member of the Executive Council. All contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The Board of Directors shall have power from time to time by resolution to appoint any other specific individuals to sign specific contracts, documents and instruments in writing, on behalf of the Corporation. The Board of Directors may give the Corporation's power of attorney to any registered dealer in securities for the purpose of the transferring and dealing with any of its stocks, bonds and other securities. The seal of the Corporation, when required, may be affixed to contracts, documents and instruments in writing signed as aforesaid.
- 14.05 No remuneration of any kind shall be paid to any volunteer director, volunteer officer or other person acting voluntarily on behalf of the Corporation, in acknowledgement for so acting, except as provided in Article 14.06 or as authorized from time to time by the Board of Directors; but such individuals shall be entitled to be reimbursed for all reasonable expenses incurred by them in so acting, in accordance with the guidelines adopted from time to time by the Board of Directors.
- 14.06 Notwithstanding Article 14.05, the President shall be paid according to his contract with the Corporation and any other officer may be paid an honorarium (which shall be deemed to accrue from day to day, pro rata) in an annual amount to be determined from time to time by the Board of Directors.
- 14.07 No error or omission in giving notice of any meeting or adjourned meeting (be it called pursuant to Article 3.13 or 5.05 or otherwise) shall invalidate such meeting, or make void any proceedings thereat, and anyone entitled to notice may waive notice and ratify, approve and confirm all proceedings taken thereat.

- 14.08 A notice communicated by e-mail, facsimile or other instantaneous device or by personal delivery shall be a valid notice and shall be deemed to have been received on the day it was sent if sent before 2:00 p.m., and on the next business day thereafter if sent at or after 2:00 p.m. All other notices shall be sent by registered mail and shall be deemed to have been received on the third business day following the day on which it was sent. A notice sent under the authority or direction of an individual does not need to be signed in the original by such individual. In order to effect as efficiently as possible notice of meetings of Members or other notices of relevance to all Members, the Board shall be entitled to publish such notice in one or more travel trade publication(s) whose circulation, in the opinion of the Board of Directors, is such that the notice is likely to come to the attention of all or substantially all of the Members.
- 14.09 The Board shall be entitled to appoint from time to time such agents, assistants, experts, representatives or consultants, and to engage such employees as it shall deem necessary. Such persons shall have the authority granted to them by, and the remuneration to be paid to such persons shall be set by, the Board of Directors or, if the authority is delegated to it, by the Executive Council.
- 14.10 Except as otherwise provided at law, no director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for any loss, damage or expense happening to the Corporation unless the same shall happen by or through the director's or officer's own willful neglect or default.
- 14.11 Every director or officer of the Corporation, and any other person who has undertaken or is about to undertake any liability on behalf of it, together with each's heirs, estates, executors and administrators, 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 which such person sustains or incurs in or about any action, suit or proceedings which is brought, commenced or prosecuted against him/her, or in respect of any act, deed, matter or thing whatsoever made, done or permitted by him/her, in or about the execution of the duties of his/her office or in respect of any such liability;
 - (b) all other costs, charges and expenses which he/she sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his/her own willful neglect or default.

The Corporation shall purchase such insurance as it deems appropriate in order to cover such risks.

- 14.12 The seal, an impression of which is stamped in the margin hereof, shall be the seal of the Corporation.

ARTICLE FIFTEEN: CODE OF CONDUCT AND CONFLICT OF INTEREST

- 15.01 The Board of Directors shall be empowered to adopt and to amend from time to time a Code of Conduct applicable to all Registrant Members. As at the date hereof, compliance with or violation of the Act shall be deemed to constitute compliance with or violation of the Code of Conduct.
- 15.02 The Board of Directors shall also be empowered to adopt and to amend from time to time a series of Enforcement Procedures with respect to such Code. As at the date hereof, the provisions of the Act shall comprise the Enforcement Procedures of the Code.
- 15.03 The Board of Directors shall be empowered to adopt and to amend from time to time rules respecting the avoidance and the disclosure of conflicts of interest affecting officers and directors. Such rules shall not derogate from the principle that a director or officer who is in any way, directly or indirectly, interested in or to be directly affected by a contract, or proposed contract, or disciplinary matter, or investigation or any other matter before the Corporation shall make disclosure thereof as required by law. Except as permitted by law, no such director or officer shall vote on any resolution in this regard, but no such director or officer shall be disqualified from so acting or continuing to act by reason of such conflict. Subject to compliance with the law and with this Article and the rules referred to herein, no contract, arrangement or other decision shall be voided or voidable, and no director shall be liable to account to the Corporation or otherwise in relation to any profit or benefit derived thereby.
- 15.04 The Board of Directors shall be entitled to submit to a meeting of Members any contract, agreement, decision or other act for Members' approval or ratification, and approval or ratification by a majority of votes cast thereat shall be as valid and binding as if it had been approved or ratified by all Members.

ARTICLE SIXTEEN: WINDING-UP

- 16.01 Upon the winding-up or dissolution of the Corporation, or the surrender of its charter or other termination, any assets of the Corporation remaining after the satisfaction of its debts and liabilities shall be distributed, upon the confirmatory vote of a majority of the Board of Directors:
- a) to any organization with objects similar to those of the Corporation, failing which they shall be distributed
 - b) to such Person or Persons as is or are identified by the Board of Directors in its absolute discretion,

provided in both cases that the recipient shall operate solely within Ontario.

ARTICLE SEVENTEEN: AMENDMENT TO BY-LAWS

17.01 The by-laws of the Corporation may be repealed, augmented or amended if:

- a) notice of the substance of the proposed change is provided to the Board of Directors at least thirty (30) days prior to its meeting, and at that meeting the proposed change is approved by the said Board; and
- b) the change as approved by the Board of Directors is ratified by a majority of the Members voting at a meeting, notice of which has been provided at least thirty (30) days in advance.

ARTICLE EIGHTEEN: GENERAL

18.01 These by-laws shall come into force following approval by a majority of the Board of Directors, without further formality.

18.02 No error or omission in the giving of notice to any person entitled thereto, and no non-receipt of such notice, shall invalidate any decision taken or resolution passed thereat.

18.03 Time shall be of the essence.

18.04 This By-law shall be interpreted according to the laws of the Province of Ontario.

18.05 Where appropriate in the circumstances, this By-law may be read with changes of gender or number presumed, unless such presumption patently changes the intended meaning of the By-law.

18.06 If any provision of this By-law is determined to be ultra vires or illegal, such finding shall not affect the balance of this By-law.

18.07 Headings used in this By-law are inserted for reference purposes only and are not to be considered in interpreting the contents of this By-law.

ARTICLE NINETEEN: DEFINITIONS

19.01 In these By-laws unless the context otherwise specifies or requires, the following terms shall have the following meanings:

- a) "Act" shall mean the *Travel Industry Act*, R.S.O. 1990, Chapter T.19 and the regulations passed pursuant to it, all as amended from time to time, and any statute substituted therefor.
- b) "Administrative Agreement" shall mean the written agreement dated April 29, 1997 between the Ministry and the Corporation and all amendments or successors

thereto.

- c) "Annual Report" shall mean the report of the Corporation as provided for in section 5(1) and Schedule C of the Administrative Agreement.
- d) "Appointed Director" shall mean a director appointed by another Person pursuant to Article Five, but shall exclude a director elected by the Registrant Members.
- e) "associated with" shall mean holding either:
 - i) a directorship of, or
 - ii) at least ten per cent (10%) of the outstanding equity shares of, or
 - iii) a senior officer portfolio of,the company with which the individual is affiliated.
- f) "Elected Director" shall mean a director elected by the Registrant Members.
- g) "Marketing Group" shall mean a co-operative, consortium, franchise or other profit-motivated grouping of Registrants, which has a head office or corporate existence separate from that of the Registrants themselves.
- h) "Minister" shall mean the cabinet minister responsible for the Ministry.
- i) "Ministry" shall mean the Ministry of Consumer and Commercial Relations, any successor thereto, or the Ministry responsible for the Act or the SCSAA.
- j) "Person" shall mean an individual, proprietorship, partnership, incorporated company, joint venture or other legally recognized entity.
- k) "Registrant" shall mean a Person registered or licensed as a travel agent or travel wholesaler pursuant to the Act.
- l) "Representative" shall mean the individual selected from time to time by a Registrant Member to represent it in all regards with respect to the Corporation, whose selection shall be the responsibility of the Registrant Member.
- m) "SCSAA" shall mean the *Safety and Consumer Statutes Administration Act, 1996*, S.O. 1996, Chapter 19 and regulations passed thereunder, all as amended from time to time, or successors thereto.
- n) "Special Resolution" shall mean a resolution passed by the directors and confirmed with or without variation by at least two-thirds (2/3) of the votes cast at a meeting of Members duly called for such purpose, or at an annual meeting of Members.

- o) "Trustees" shall mean the Board of Trustees of the Compensation Fund, as identified and established under the Act.

IN WITNESS WHEREOF we have hereunto set our hands and seal this 24th day of June, 2003.

Richard Vanderlubbe, Chairperson

Tracey McKiernan, Secretary

SCHEDULE "A"

The objects of the corporation are:

- a) to seek designation as the administrative authority for the Ontario travel industry ("the Industry") under the provisions of the Safety and Consumer Statutes Administration Act, 1996 ("the SCSA Act") or otherwise and to negotiate the terms of the Administrative Agreement associated with such designation;
- b) to administer the Travel Industry Act ("the Act") and regulations made pursuant to it, and any other legislation and regulations as may be designated and delegated to it, pursuant to the SCSA Act or otherwise, in order to maintain a fair, safe and informed marketplace in the Industry;
- c) to enhance consumer protection, consumer service and consumer confidence in the Industry through activities including, but not limited to,
 - i) the registration, inspection, supervision and discipline of those who do, or who profess to, carry on business in the Industry ("Registrants"),
 - ii) the investigation and mediation of disputes between consumers and Registrants,
 - iii) the development and enforcement of a code of practice that fosters high standards of ethics, professionalism and performance in the Industry,
 - iv) the maintenance of a program for consumer compensation,
 - v) the promotion of consumer education and awareness of the Industry.
- d) to establish alternative methods for the resolution of disputes between Registrants and consumers, and among Registrants;
- e) to promote fair and ethical competition within the Industry;
- f) to promote the education and certification of Registrants; and
- g) to do all things necessary or appropriate for the fulfilment of the obligations imposed upon it by the SCSA Act or the Administrative Agreement, or by the Ministry of Consumer and Commercial Relations or any successor Ministry.