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

**Advanced Card Technology Association of Canada**

L’**Association Canadienne de la Technologie des Cartes à Mémoire**
# ACT Canada Bylaws

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A by-law relating generally to the conduct

of the affairs of

Advanced Card Technology Association of Canada
L’Association Canadienne de la Technologie des Cartes à Mémoire

(the “Corporation”)

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

1. 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 case on that resolution;

"proposal" means a proposal submitted by a member of the Corporation that meets the requirements of section 163 (Member 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.

2. 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.
3. **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, it shall have the words "Advanced Card Technology Association of Canada L'Association Canadienne de la Technologie des Cartes à Mémoire" inscribed thereon and the Secretary of the Corporation shall be the custodian of the corporate seal.

4. **Execution of Documents**

Contracts, documents or any instrument in writing requiring the signature of the Corporation, shall be signed by the President and Chief Executive Officer and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The directors shall have power from time to time by resolution to appoint an officer or officers on behalf of the Corporation to sign specific contracts, documents and instruments in writing. The directors may give the Corporation’s power of attorney to any registered dealer in securities for the purposes of the transferring of and dealing with any stocks, bonds, and other securities of the Corporation. The seal of the Corporation when required may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any officer or officers appointed by resolution of the directors.

**FINANCIAL**

5. **Financial Year**

The financial year end of the Corporation shall be December 31 in each year or such other date that the directors may fix by resolution.

6. **Borrowing Powers**

The Board of Directors of the corporation may, without authorization of the members,

i) borrow money on the credit of the Corporation;

ii) issue, reissue, sell, pledge or hypothecate debt obligations of the Corporation;

iii) give a guarantee on behalf; and

iv) 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.

7. **Annual Financial Statements**

The Corporation may, instead of sending copies of the annual financial statements and other documents referred to in subsection 172(1) (Annual Financial Statements) of the Act to the members, publish a notice to its members stating that the annual financial statements and documents provided in subsection 172(1) are available at the registered office of the
Corporation and any member may, on request, obtain a copy free of charge at the registered office or by prepaid mail.

8. **Books and Records**

The board shall keep and maintain all necessary books and records of the Corporation required by the by-laws of the Corporation or by an applicable statute or law.

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**GOVERNANCE**

9. **Number of Directors**

The property and business of the Corporation shall be managed by a board of fourteen (14) directors of whom three shall constitute a quorum. Directors must be individuals, eighteen years of age or older, with power under law to contract. Directors need not be members, but must, at the time of his or her appointment, or within thirty days of his or her appointment, apply for and become a member in good standing of the Corporation.

The board of directors shall consist of the following:

a) Immediate Past-Chair;

b) President & Chief Executive Officer; and

c) Twelve directors

10. **Term of Office of Directors**

With the exception of the past Chair and the President & Chief Executive Officer, directors shall be elected for a term of one year by a majority vote of voting members. The past Chair shall serve as a director for a term of one year.

11. **Powers of Directors**

The Board of Directors of the corporation shall administer the affairs of the Corporation in all things and make or cause to be made for the Corporation, in its name, any kind of contract which the Corporation may lawfully enter into and, save as hereinafter provided, generally, may exercise all such other powers and do all such other acts and things as the Corporation is by its charter or otherwise authorized to exercise and do.

The directors shall have the power to authorize expenditures on behalf of the President and Chief Executive Officer of the Corporation from time to time and may, by resolution, delegate to the Corporation the authority to employ and pay salaries to employees.

The directors shall have the power to enter into a trust arrangement with a trust company for the purpose of creating a trust fund in which the capital and interest may be available for the benefit of promoting the interest of the Corporation in accordance with such terms as the board of directors may prescribe.
The board of directors shall take such steps as they may deem necessary to enable the corporation to acquire, accept, solicit or receive legacies, gifts, grants, settlements, bequests, endowments and donations of any kind whatsoever for the purpose of further the purpose of the Corporation.

A director shall serve without remuneration and no director shall directly or indirectly receive any profit from his or her position, provided that a director may be paid reasonable expenses incurred by him or her in the performance of his or her duties. Nothing in these by-laws shall be construed to preclude any director from serving the Corporation as an officer or in any other capacity and receiving compensation for such services.

The board of directors may appoint such agents and engage such employees as it deems necessary from time to time and such persons shall have such authority and shall perform such duties as prescribed by the board of directors at the time of such appointment.

The reasonable remuneration for all officers, agents and employees and committee members shall be fixed by the board of directors by resolution.

12. Calling of Meetings of Board of Directors and Notice

Meetings of the board may be called by the chair of the board, the vice-chair of the board, President, CEO or any two (2) directors at any time. Meetings of the board may be held at any time and place to be determined by the board provided that forty-eight (48) hours written notice of such meeting is given to each director. Notice may be given by mail, telephone, or other electronic form of communication. When notice is given by mail, the notice shall be sent fourteen (14) days before the date of the meeting.

In the case of an equality of votes the Chair in addition to his or her vote, shall have a second or deciding vote.

13. Participating by Electronic Means at Meetings of Directors

A director may, in accordance with the Regulations, if any, and if all The Board of Directors of the corporation consent, participate in a meeting of directors or a committee of directors by means of a telephonic, an electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting. A director so participating in a meeting is deemed for the purposes of the Act to be present at that meeting.

14. Meetings of Directors Held Entirely by Electronic Means

If all directors of the Corporation consent, the directors may determine that a meeting of directors 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.

15. 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. In case of an equality of votes, the chair of the meeting in addition to an original vote shall have a second or casting vote.
16. Committees of the Board of Directors

The board of directors may appoint committees whose members will hold their offices at the will of the board and the board may define the terms of references for such committees.

The President and Chief Executive Officer may appoint advisory committees composed of both directors and others to provide advice on topics of interest to the Corporation from time to time. The advisory committees may be known as “Presidential Committees” or by other comparable title.

17. Minutes of Boards of Directors and Committee

The minutes of the board of directors or the minutes of committees may be made available to members on request and on the approval of the board of directors. Minutes shall be available to members of the board of directors each of whom will receive a copy of minutes.

18. Appointment of Officers

OFFICERS

a) The officers of the Corporation shall be the Chair, Vice-Chair, President and Chief Executive Officer, Secretary and Treasurer. Any officer may hold more than one office.

b) Officers of the Corporation shall be appointed by resolution of the board of directors following the annual meeting of members in which the board of directors is elected. With the exception of the President and Chief Executive Officer, officers are not required to be members of the board of directors.

c) The officers of the Corporation shall hold office for one year from the date of appointment or election or until their successors are elected or appointed in their stead. Officers shall be subject to removal by resolution of the board of directors at any time.

DUTIES OF OFFICERS

a) The Chair of the board shall preside at all meetings of the Corporation and of the board and shall direct the affairs of the board and its committees.

b) The President shall be the Chief Executive Officer of the Corporation. The President and Chief Executive Officer shall, in the absence of the Chair, preside at all meetings of the Corporation and of the board of directors. He or she will see that all orders and resolutions of the board are carried into effect and perform the duties assigned to him or her by the board from time to time, including:

   i) receiving all membership applications and ensuring that such applications are processed with dispatch and in accordance with the terms of the by-laws and any applicable resolution made by the board of directors;

   ii) making recommendations for membership fees and other membership matters that require approval by the board of directors or membership;
iii) Being responsible for the collection and dissemination of reports, articles, results of application experiences or any other announcements that suppliers and/or users submit to the Corporation for publication.

iv) Performing such other duties as may be assigned by the board from time to time.

c) The Vice-Chair shall, in the absence or disability of the Chair perform the duties and exercises the powers of the Chair and shall perform such other duties as may be assigned to the Vice-Chair from time to time by the board.

d) The Treasurer shall have the custody of the funds and securities of the Corporation and shall keep full and accurate accounts of all assets, liabilities, receipts and disbursement of the Corporation in the books belonging to the Corporation and shall deposit all monies, securities and other valuable effects in the name and to the credit of the Corporation in such chartered bank or trust company, or, in the case of securities, in such registered dealer in securities as may be designated by the board of directors from time to time. The Treasurer shall disburse the funds of the Corporation as may be directed by proper authority taking proper vouchers for such disbursements, and shall render to the President and Chief Executive Officer and directors at the regular meeting of the board of directors, or whenever they may require it, an accounting of all the transactions and a statement of the financial position, of the Corporation. The Treasurer shall also perform such other duties as may from time to time be required by the board of directors.

e) Upon resolution of the board of directors, the Secretary may be empowered by the board of directors, to carry on the affairs of the Corporation generally under the supervision of the officers thereof and shall attend all meetings and act as clerk thereof and record all votes and minutes of all proceedings in the books to be kept for that purpose. The Secretary shall give or cause to be given notice of all meetings of the members and of the board of directors, and shall perform such other duties as may be assigned by the board of directors. The Secretary shall be custodian of the seal of the Corporation, which he or she shall deliver only when authorized by a resolution of the board to do so and to such person or persons as may be named in the resolution.

f) The duties of all other officers of the Corporation shall be such as may be assigned by the board of directors.

g) An officer may delegate some or all of his or her duties to a staff member employee of the Corporation but no such delegation shall absolve the officer from responsibility for the duties so delegated.

19. Removal of Directors

a) The officer of a director shall be automatically vacated:

i) if a director shall resign the office;

ii) if the director is found by a court to be of unsound mind;
iii) if the director becomes bankrupt or suspends payment or compounds with his or her creditors; and

iv) on death;

provided that if any vacancy shall occur for any reason set out in this paragraph, the board of directors by majority vote, may, by appointment, fill the vacancy.

b) The members of the Corporation may by ordinary resolution at a special meeting remove any director or directors from office.

c) A director is entitled to give the Corporation a statement giving reasons,

i) for resigning; or

ii) for opposing his or her removal as a director if a meeting is called for the purpose of removing him or her within fifteen (15) days of notice of the removal.

d) The Corporation shall immediately give notice to the members of any statement received.

e) Neither the Corporation nor any person acting on its behalf incurs any liability by reason only of complying with this section.

f) Where a director resigns the office, the director shall remain in office until the dissolution or adjournment of the meeting at which his or her resignation is accepted.

20. 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.

If the office of any officer of the Corporation shall be or become vacant, the directors may, by resolution, appoint a person to fill such vacancy.

21. Indemnification

a) The Corporation may indemnify a present or former director or officer of the Corporation, or another individual who acts or acted at the Corporation’s request as a director or an officer or in a similar capacity of another entity, against all
costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity.

b) The Corporation may advance money to a director, an officer or other individual for the costs, charges and expenses of a proceeding referred to in subsection a). The individual shall repay the money if the individual does not fulfil the conditions of subsection c).

c) The Corporation may not indemnify an individual under subsection a) unless the individual:

i) acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the Corporation’s request; and

ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that their conduct was lawful.

d) The Corporation may, with the approval of a court, indemnify an individual referred to in subsection a), or advance money under subsection b), in respect of an action by or on behalf of the Corporation or other entity to procure a judgment in its favour to which the individual is made a party because of the individual's association with the Corporation or other entity as described in subsection a), against all costs, charges and expenses reasonably incurred by the individual in connection with the action, if the individual fulfils the conditions set out in subsection c).

e) Despite subsection a), an individual referred to in that subsection is entitled to indemnity from the Corporation in respect of all costs, charges and expenses reasonably incurred by the individual in connection with the defence of any civil, criminal, administrative, investigative or other proceeding to which the individual is subject because of the individual's association with the Corporation or other entity as described in that subsection, if the individual seeking indemnity:

i) was not judged by the court or other competent authority to have committed any fault or to have omitted to do anything that the individual ought to have done; and

ii) fulfils the conditions set out in subsection c).

f) The Corporation may purchase and maintain insurance for the benefit of an individual referred to in subsection a) against any liability incurred by the individual:

i) in the individual's capacity as a director or an officer of the Corporation; or
ii) in the individual’s capacity as a director or an officer, or in a similar capacity, of another entity, if the individual acts or acted in that capacity at the Corporation’s request.

MEMBERS

22. Membership Conditions

a) Membership in the Corporation shall be open to all persons interested in furthering the statement of purpose of the Corporation.

b) Subject to the articles, there shall be three classes of members of the Corporation:

i) Market;

ii) Industry; and,

iii) Observers and Associates.

c) Within these classes, the board may set sub-classifications to respond to market activity. The names for these, the fees and discounts or annual incentives will be determined by the board.

d) The board may, by invitation, permit other persons, such as government observers, associates and others, but who shall not be members, to participate in the Corporation, to participate but not to vote in meetings of the members and, generally, to exercise such rights and privileges as the board may determine from time to time. These persons shall be known as Observers.

e) Members may be a corporation or other entity. Members which are not natural persons shall designate a representative who shall exercise the rights of the member he or she represents.

f) The Market Members shall be entitled to receive notice of and attend meetings of members of the corporation and each Market Member shall have one (1) vote at each such meeting, except for meetings at which only members of another class are entitled to vote separately as a class; and,

The Industry Members shall be entitled to receive notice of and attend meetings of members of the corporation and each Industry Member shall have one (1) vote at each such meeting, except for meetings at which only members of another class are entitled to vote separately as a class.

g) Members or their designated representative may serve on committees, receive communications from the Corporation and receive such information as the Board may direct from time to time.
h) The fees for each class of members will be established by the board from time to time. The fees applicable to any member shall apply for the period of one year from the date of the acceptance of the member's application for membership.

i) Applications for membership shall be submitted to and accepted by the President and Chief Executive Officer and will be subject to final approval by the board. Membership is effective on the later of the date when the board has approved the application or of the date when membership fees have been paid.

j) Any member may withdraw from the Corporation by sending a written resignation to the President and Chief Executive Officer. The resignation becomes effective on the date that the resignation is received.

k) Pursuant to subsection 197(1) (Fundamental Change) of the Act, a special resolution of the 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) of the Act.

23. 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.

24. Termination of Membership

a) A membership in the Corporation is terminated when:

i) the member dies, or, in the case of a member that is a corporation, the corporation is dissolved;

ii) a member fails to maintain any qualifications for membership described in the section on membership conditions of these by-laws;

iii) the member resigns by delivering a written resignation to the President or CEO of the Corporation in which case such resignation shall be effective on the date specified in the resignation;

iv) the member is expelled in accordance with any discipline of members section or is otherwise terminated in accordance with the articles or by-laws;

v) the member's term of membership expires; or

vi) the Corporation is liquidated or dissolved under the Act.

b) The membership of any member may be terminated, after notice to the member, on a motion passed by a majority vote of the directors at a meeting of the board of directors in accordance with Section 26 of this By-law.
c) A notice required under this section may be given by any method reasonably intended to give actual notice.

25. 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.

26. 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; or,

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.

ANNUAL GENERAL MEETING AND MEMBER MEETINGS

27. Notice of Members Meeting

Notice of the time and place of a meeting of members shall be given to each member entitled to vote at the meeting 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.

28. Members Calling a Members' Meeting

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

29. Absentee Voting at Members' Meetings

Pursuant to Section 171(1) of the Act, a member entitled to vote at a meeting of members may vote by proxy by appointing in writing a proxyholder, and one or more alternate proxyholders, who are not required to be members, to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by it subject to the following requirements:

a) a proxy is valid only at the meeting in respect of which it is given or at a continuation of that meeting after an adjournment;

b) a member may revoke a proxy by depositing an instrument or act in writing executed or, in Quebec, signed by the member or by their agent or mandatary:

i) at the registered office of the Corporation no later than the last business day preceding the day of the meeting, or the day of the continuation of that meeting after an adjournment of that meeting, at which the proxy is to be used, or

ii) with the chairperson of the meeting on the day of the meeting or the day of the continuation of that meeting after an adjournment of that meeting;

c) a proxyholder or an alternate proxyholder has the same rights as the member by whom they were appointed, including the right to speak at a meeting of members in respect of any matter, to vote by way of ballot at the meeting, to demand a ballot at the meeting and, except where a proxyholder or an alternate proxyholder has conflicting instructions from more than one member, to vote at the meeting by way of a show of hands;

d) if a form of proxy is created by a person other than the member, the form of proxy shall:

i) indicate, in bold-face type,

   A. the meeting at which it is to be used,
B. that the member may appoint a proxyholder, other than a person designated in the form of proxy, to attend and act on their behalf at the meeting, and

C. instructions on the manner in which the member may appoint the proxyholder,

ii) contain a designated blank space for the date of the signature,

iii) provide a means for the member to designate some other person as proxyholder, if the form of proxy designates a person as proxyholder,

iv) provide a means for the member to specify that the membership registered in their name is to be voted for or against each matter, or group of related matters, identified in the notice of meeting, other than the appointment of a public accountant and the election of directors,

v) provide a means for the member to specify that the membership registered in their name is to be voted or withheld from voting in respect of the appointment of a public accountant or the election of directors, and

vi) state that the membership represented by the proxy is to be voted or withheld from voting, in accordance with the instructions of the member, on any ballot that may be called for and that, if the member specifies a choice under subparagraph (iv) or (v) with respect to any matter to be acted on, the membership is to be voted accordingly;

e) a form of proxy may include a statement that, when the proxy is signed, the member confers authority with respect to matters for which a choice is not provided in accordance with subparagraph (d)(iv) only if the form of proxy states, in bold-face type, how the proxyholder is to vote the membership in respect of each matter or group of related matters;

f) if a form of proxy is sent in electronic form, the requirements that certain information be set out in bold-face type are satisfied if the information in question is set out in some other manner so as to draw the addressee’s attention to the information; and

g) a form of proxy that, if signed, has the effect of conferring a discretionary authority in respect of amendments to matters identified in the notice of meeting or other matters that may properly come before the meeting must contain a specific statement to that effect.

Pursuant to Section 197(1) of the Act, a special resolution of the members (and if Section 199 applies, a special resolution of each class of members) is required to make any amendment to the articles or by-laws of the Corporation to change this method of voting by members not in attendance at a meeting of members.
30. **Proposals Nominating Directors at Annual Members' Meetings**

Subject to the Regulations under the Act, any proposal may include nominations for the election of directors if the proposal is signed by not less than 5% of members entitled to vote at the meeting at which the proposal is to be presented.

31. **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 unless otherwise provided by ordinary resolution of the members present at the meeting.

32. **Place of Members' Meeting**

Meetings of the members shall be held at the head office of the Corporation or at any place in Canada or elsewhere, as the board may determine and on such day as the directors shall appoint.

33. **Chair of Members' Meetings**

In the event that the chair of the board and the vice-chair of the board are absent, the President or CEO will chair the meeting. The members who are present and entitled to vote at the meeting shall choose one of their number to chair the meeting.

34. **Quorum at Members' Meetings**

A quorum for any meeting of the members shall be the lesser of either five members or ten percent of the members.

35. **Votes to Govern at Members' Meetings**

At any meeting of members every question shall, unless otherwise provided by the articles or by-laws or by the Act, be determined by a majority of the votes cast on the questions. In case of an equality of votes either on a show of hands or on a ballot or on the results of electronic voting, the chair of the meeting in addition to an original vote shall have a second or casting vote.

36. **Business at Members' Meetings**

At every annual meeting, in addition to any other business that may be transacted, the report of the directors, the financial statement and the report of auditors shall be presented and auditors appointed for the ensuing year.

The members may consider and transact any business at either a special or a general meeting of the members. The board of directors or the President and Chief Executive Officer shall have the power to call, at any time, a general meeting of the members of the Corporation.

37. **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.

38. 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.

39. Nominations

Nominations for the board of directors shall be made no later than thirty days prior to the annual general meeting in accordance with the rules and regulations prescribed by the board of directors.

If twenty days before the annual general meeting, nominations for the directors to be nominated by the members have been received, the directors so nominated shall be acclaimed.

If twenty days before the annual general meeting nominations for fewer than the number of directors equal to the number of directors to be nominated by members have been received, those nominated will be acclaimed and nominations from the membership shall be made at the annual general meeting. If nominations are received for more than the number of places to be filled, an election will be held by the members at the annual general meeting.

40. Method of Giving Any Notice

Any notice (which term includes any communication or document), other than notice of a meeting of members or a meeting of the board of directors, to be given (which term includes sent, delivered or served) pursuant to the Act, the articles, the by-laws or otherwise to a member, director, officer or member of a committee of the board or to the public accountant shall be sufficiently given:

a) if delivered personally to the person to whom it is to be given or if delivered to such person's address as shown in the records of the Corporation or in the case of notice to a director to the latest address as shown in the last notice that was sent by the Corporation in accordance with section 128 (Notice of directors) or 134 (Notice of change of directors);

b) if mailed to such person at such person's recorded address by prepaid ordinary or air mail;

c) if sent to such person by telephonic, electronic or other communication facility at such person's recorded address for that purpose; or
d) if provided in the form of an electronic document in accordance with Part 17 of the Act.

A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The secretary may change or cause to be changed the recorded address of any member, director, officer, public accountant or member of a committee of the board in accordance with any information believed by the secretary to be reliable. The declaration by the secretary that notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of the giving of such notice. The signature of any director or officer of the Corporation to any notice or other document to be given by the Corporation may be written, stamped, type-written or printed or partly written, stamped, type-written or printed.

41. **Auditors or Accountants**

At each annual meeting the members shall appoint an auditor or accountant to audit the accounts of the Corporation or prepare financial statements or complete the tax filing for the Corporation, as the case may be, and to the members at the next annual meeting. The auditor or accountant shall hold office until the next annual meeting provided that the board of directors may fill any casual vacancy in the office of auditor. The remuneration of the auditor or accountant shall be fixed by the board of directors.

**ADMINISTRATION**

42. **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.

43. **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.

44. **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.
45. 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, or out of any aspect of the operations of the Corporation 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.

d) 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.

46. Rules and Regulations

The board may prescribe such rules and regulations not inconsistent with these by-laws relating to the management and operation of the Corporation as the board deems expedient, provided that such rules and regulations have force and effect only until the next annual meeting of the members of the Corporation when they shall be confirmed, and failing such confirmation at such annual meeting of members shall at such time cease to have any force and effect.

47. 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.

**ENACTED** as a By-law of Advanced Card Technology Association of Canada L’Association Canadienne de la Technologie des Cartes á Mémoire and sealed with the corporate seal this ____ day of __________, 2013.

__________________________________________

President

__________________________________________

Secretary

**CERTIFIED** to be a true and complete copy of By-law No. 1 of Advanced Card Technology Association of Canada L’Association Canadienne de la Technologie des Cartes á Mémoire enacted by a 2/3 majority vote of the members of the Corporation on ______________, 2013.

**DATED** at Toronto this _____ day of __________, 2013

__________________________________________

Secretary
RULES & REGULATIONS RESPECTING THE ELECTION OF DIRECTORS

1. Individuals must be nominated for the position of director of the Corporation by one member in good standing of the Corporation.

2. The board of directors shall make best efforts to ensure that nominations are received from all classes of members.

3. The nomination may, at the discretion of the nominating member, include a brief resume, including the nominees’ name, employer, province of residence and other biographical information.

4. The nomination will be addressed to the President and Chief Executive Officer and must be received at least twenty (20) days prior to the annual general meeting of members at which elections are to take place.

5. The board of directors will appoint scrutineers to record the number of proxy ballots and to deliver those to the Chair of the meeting.

6. In determining votes cast, both votes cast by members present at the meeting and proxy votes shall be counted.

7. The incumbent board of directors will be final arbitrator in matters related to the conduct of the elections to the board of directors.

8. Where the employment status of a director changes and where the director was designated representative of a corporate member, that director will continue to serve as elected, for the balance of the term subject to the by-laws, provided that the director remains a member in good standing of the Corporation.

ENACTED as a Regulation of Advanced Card Technology Association of Canada L’Association Canadienne de la Technologie des Cartes á Mémoire and sealed with the corporate seal this ____ day of ___________, 2013.

______________________________________________  ______________________________________
President                                          Secretary
CERTIFIED to be a true and complete copy of a Regulation of Advanced Card Technology Association of Canada L'Association Canadienne de la Technologie des Cartes á Mémoire enacted by a 2/3 majority vote of the members of the Corporation on _____________ _____, 2013.

DATED at Toronto this _____ day of ________, 2013

____________________________________
Secretary