



University of Toronto

BUSINESS AFFAIRS

TO: Business Board

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DATE: January 3, 2005 for January 17, 2005

AGENDA ITEM: 9

ITEM IDENTIFICATION:

Amendment to By-law Number 1, University of Toronto Press

JURISDICTIONAL INFORMATION:

The Business Board has oversight responsibilities for the University of Toronto Press.

PREVIOUS ACTION TAKEN:

The Board of the University of Toronto Press approved the amendments at their meeting of November 25, 2004. According to the By-law itself, (section 67) these changes must be approved by the Governing Council or its duly authorized board.

HIGHLIGHTS:

The changes are minor in nature and have been enacted for administrative convenience. The board has approved the use of email for board communications; eliminated the references to the "External Appointments Committee" and defined the "Vice President Business Affairs" as the senior officer of the University of Toronto designated by the President and elected to the Board to be responsible for the relationship with the Corporation. References to the Chief Financial Officer were replaced with Vice President Business Affairs.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

None

RECOMMENDATION:

It is recommended:

THAT the Business Board approve the changes to By-Law number 1 of the University of Toronto Press as per the attached copy of the By-law.

UNIVERSITY OF TORONTO PRESS INCORPORATED

BY-LAW NO. 1

being a by-law relating generally to the transaction of the affairs of the Corporation.

BE AND IT IS HEREBY ENACTED as a by-law of University of Toronto Press Incorporated (herein called the “Corporation”) as follows:

Head Office

1. The head office of the Corporation shall be in the Municipality of Metropolitan Toronto, in the Province of Ontario, and at such place therein as the directors may from time to time determine by resolution.

Seal

2. The seal, an impression whereof is stamped at the end hereof, shall be the corporate seal of the Corporation.

Board of Directors

3. The number of directors of the Corporation is hereby increased from twelve to thirteen, and the affairs of the Corporation shall hereafter be managed by a board of thirteen directors, each of whom at the time of his or her election or within ten days thereafter and throughout his or her term of office shall be a voting member of the Corporation.

Term of Office

4. Each director shall be elected to hold office until the first annual meeting of the voting members after he or she shall have been elected or until his or her successor shall have been duly elected. The whole board shall retire at each annual meeting of the voting members, but retiring directors shall be eligible for re-election if otherwise qualified.

Qualifications of Directors

5. Each director shall have been approved and nominated for election to the board by the Executive Committee of the Governing Council of the University of Toronto (“Governing Council”), and no person shall be elected or appointed to the board who has not been so approved and nominated. The Chairman of the Board, the President and/or the board may submit recommendations to the Executive Committee through the Vice President Business Affairs of the University of Toronto of persons to be nominated for election as directors of the Corporation.

Removal of Directors

6. The members of the Corporation may, with the prior approval of the Executive Committee of the Governing Council, by resolution passed by at least two-thirds of the votes cast at a general meeting of which notice specifying the intention to pass such resolution has been given, remove any director before the expiration of his or her term of office and may, by a majority of the votes cast at such meeting, elect any qualified person approved and nominated by the Executive Committee of the Governing Council as aforesaid in his or her stead for the remainder of his or her term of office. When so directed by the Executive Committee of the Governing Council, the members of the Corporation shall remove any director specified by the said Executive Committee.

Vacancies

7. Vacancies on the board of directors, however caused, may so long as a quorum of directors remains in office, be filled by the directors from among qualified persons approved and nominated as aforesaid, if the directors shall see fit to do so; otherwise, such vacancy shall be filled at the next annual meeting of the voting members at which directors are to be elected. If there is not a quorum of directors remaining directors shall forthwith advise the Vice President, Business Affairs of the University of Toronto, and upon a qualified person or

persons being approved and nominated by the Executive Committee of the Governing Council as aforesaid, the remaining directors shall forthwith call a meeting of the voting members to fill the vacancy or vacancies. If the number of directors is increased between annual meetings, a vacancy or vacancies, to the number of the authorized increase, shall thereby be deemed to have occurred, which may be filled in the manner above provided.

Quorum, Meetings and Notice

8. A majority of the directors in office shall constitute a quorum for the transaction of business at any meeting of the board. Except as otherwise required by law, the board may hold meetings at such place or places as it may from time to time determine. No formal notice of any such meeting shall be necessary if all the directors are present, or if those absent have signified their consent to the meeting being held in their absence. The board may appoint a day or days in any month or months for regular meetings at an hour to be named and of such regular meetings, no notice need be given. Meetings of such directors may be called by the Chairman of the Board or by the Secretary on the direction of the Chairman or on the direction in writing of two directors. Notice of such meetings shall be delivered, or sent by electronic mail or facsimile transmission to each director not less than forty-eight (48) hours before the time at which the meeting is to take place or shall be mailed to each director not less than five days before the meeting is to take place. The statutory declaration of the Secretary that notice has been given in accordance with this by-law shall be sufficient and conclusive evidence of the giving of such notice. A meeting of the directors may also be held, without notice, immediately following the annual meeting of the voting members of the Corporation at which directors are elected.

The board shall meet at least four times annually, exclusive of the meeting thereof to be held immediately following the annual meeting at which directors are elected.

Voting

9. Questions arising at any meeting of directors shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall not have a second or casting vote. Votes at any such meeting shall be taken by ballot if so demanded by any director present, but if no such demand be made, the vote shall be taken by a show of hands. A declaration by the Chairman that a resolution has been carried and an entry to that effect in the minutes shall be admissible in evidence as prime facie proof of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

Powers

10. Subject always to any terms, conditions, limitations and restrictions imposed by law or by any applicable contract or agreement, the directors of the Corporation may administer the affairs of the Corporation in all things and make or cause to be made for the Corporation, in its name, any contract which the Corporation may lawfully enter into and, save as herein or otherwise by law, contract or agreement provided, generally may exercise all such other powers and so all such other acts and things as the Corporation by its Letters Patent or otherwise is authorized to exercise and do.

Remuneration of Directors

11. The directors shall receive such remuneration, if any, for acting as such as the board and the voting members may have expressly approved and may receive reimbursement for expenses reasonably and properly incurred on behalf or in connection with the affairs of the Corporation.

Officers

12. There shall be a Chairman of the Board, one or more Vice-Chairmen of the Board, a President, a Secretary and a Treasurer or, in lieu of a Secretary and a Treasurer, a Secretary-Treasurer, and there may be one or more Vice-Presidents and such other officers as the directors may from time to time

determine by resolution. One person may hold more than one office except that the offices of the Chairman of the Board, Vice-Chairman of the Board, President and Secretary shall be held by separate persons. The Chairman of the Board, the Vice-Chairman or Vice-Chairmen and the President shall be elected by the directors of the Corporation from among their number. The other officers of the Corporation may but need not be directors or members thereof, and in the absence of written agreement to the contrary, the election or appointment of all officers shall be during the pleasure of the board and the terms of their employment shall be settled from time to time by the board. Officers of the Corporation who are not to be elected as aforesaid shall be appointed by the directors at the first meeting of the board after the annual meeting of the voting members at which directors are elected, provide that in default of any such election or appointment, the then incumbent officers, being otherwise qualified, shall hold office until their successors are elected or appointed.

If more than one Vice-Chairman or more than one Vice-President be appointed, their seniority shall be determined by any word or designation denoting seniority and forming part of the title when appointed, or if no such word or designation be attached to the title, by the order of their appointment.

Chairman of the Board

13. Notwithstanding the provisions of clause 12 hereof, the Chairman of the Board shall be approved and nominated by the Executive Committee of the Governing Council , and no person shall be elected or serve as Chairman who has not been so approved and nominated. The retiring Chairman of the Board, the President and/or the board may submit recommendations to the Executive Committee, through the Vice President Business Affairs of the University of Toronto, of persons to be nominated for election as Chairman of the Board.

The Chairman of the Board shall, when present, preside at all meetings of the members of the Corporation and of its board of directors and the Executive Committee thereof. He or she shall have the general supervision of the

affairs of the Corporation and of its other officers, shall provide general policy direction to the board and the President and shall, together with the President, formulate the long-range policies, objectives and development plans of the Corporation for consideration by the board and assess the implementation thereof. He or she shall also have and perform such other powers and duties as may from time to time be lawfully assigned to him or her by the board or as are incident to the office. During the absence or inability of the Chairman, his or her duties and powers shall be performed and exercised by the senior Vice-Chairman who is available and able to act or if there be no such Vice-Chairman, by such other director as the board may from time to time appoint for the purpose. If such Vice-Chairman or other director exercises any such duty or power, the absence or inability of the Chairman shall be presumed with reference thereto.

President

14. Notwithstanding the provisions of clause 12 hereof, the President shall be approved and nominated by the President of the University of Toronto, and no person shall be elected or serve as President who has not been so approved and nominated.

The President shall be the chief executive officer of the Corporation and shall, subject to the directions and authority of the board and the Chairman, be charged with the general management of and shall exercise general direction and supervision over the operations and affairs of the Corporation. The President shall provide the directors, either monthly or quarterly as directed by the board, with unaudited operating statements and other financial information in such form as the board may from time to time prescribe. He or she shall, together with such other officer or person as required, sign contracts, documents and instruments in writing on behalf of the Corporation and shall have and perform such other powers and duties as may from time to time be lawfully assigned to him or her by the board or the Chairman.

Secretary

15. The Secretary shall be ex officio clerk of the board of directors. He or she shall attend all meetings of the members, the board and the committees thereof and shall enter or cause to be entered in the books for that purpose, minutes of all proceedings thereat. He or she shall give or cause to be given all notices required to be given to members, directors and members of committees, shall be the custodian of the seal of the Corporation and of its corporate and statutory books, records and registers, shall sign, certify or attest such contracts, documents and instruments in writing of or issued by the Corporation as require his or her signature, and shall have and perform such other powers and duties as may from time to time be lawfully assigned to him or her by the board or as are incident to the office.

Treasurer

16. The Treasurer shall keep or cause to be kept full and accurate accounts of all receipts and disbursements of the Corporation in proper books of account and shall deposit or cause to be deposited all moneys and negotiable instruments in the name and to the credit of the Corporation in such bank or banks or other institutions or repositories as may from time to time be designated by the board. He or she shall disburse the funds of the Corporation or cause them to be disbursed under the direction of the board, causing proper vouchers to be taken therefor, and shall render to the board at the meetings thereof or whenever required of him or her, an account of all financial transactions and of the financial position of the Corporation. He or she shall also have and perform such other powers and duties as may from time to time be lawfully assigned to him or her by the board or as are incident to the office.

Additional Duties and Powers

17. Officers shall, in addition to the duties and powers prescribed in the by-laws, perform such duties and exercise such powers and authority as may from time to time be prescribed by the board.

Delegation of Powers of Officers

18. In the event of the absence or disability of any officer of the Corporation or for any other reason that the board deems sufficient, the board may delegate all or any of the powers of such officer to any other officer of the Corporation or to any director, and for such length of time as it deems necessary.

Execution of Documents

19. Deeds, leases, transfers, licenses, contracts, agreements, assignments and engagements on behalf of the Corporation shall be signed by the Chairman of the Board and the President or by either of them together with another director or officer, and the Secretary shall affix the seal of the Corporation to such instruments as require the same; provided that the board may at any time and from time to time by resolution direct the manner in which and the person or persons by whom any particular instrument, contract or obligation, or any class of instruments, contracts or obligations of the Corporation may or shall be executed.

In particular, the persons designated in this clause, or any persons from time to time designated by the board, may transfer any and all shares of stock, bonds or other securities from time to time standing in the name of the Corporation and may accept in the name and on behalf of the Corporation transfers of shares or stock and bonds or other securities from time to time transferred to it, and may affix the corporate seal to any such transfers or acceptances of transfers and may make, execute and deliver under the corporate seal any and all instruments in writing necessary or proper for such purpose, including the appointment of an attorney or attorneys to make or accept transfer

of shares of stock, bonds or other securities on the books of any company or corporation.

Books and Records

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

Members

21. The applicants for incorporation of the Corporation and such other individuals as may by resolution be admitted by the board to the general membership in the Corporation shall be known as voting members; provided that all the voting members shall at all times be individuals who have been nominated and approved for membership by the Executive Committee of the Governing Council . The number of voting members shall not exceed the authorized number of directors.

22. No membership fees shall be payable by voting members.

23. The board may, from time to time by resolution establish other classes or categories of members, including members ex officio, (all of whom shall be known as ordinary members or otherwise as the board may from time to time determine) as may be deemed appropriate and may also from time to time by resolution admit to ordinary membership in the Corporation, in one of such classes or categories so established, such individuals, firms, societies, organizations, corporations and agencies as subscribe to the purposes and objects of the Corporation and as the directors in their discretion determine to accept into membership. Each member shall be promptly informed by the Secretary of his, her or its admission as a member.

24. Classes and categories of ordinary members may be established and ordinary members admitted to membership in the Corporation upon such terms and conditions and for such period of time and with such rights, privileges, duties and obligations as the directors may from time to time determine and in

particular, classes and categories of ordinary members may be established for whom the right to vote at meetings is restricted or prohibited.

25. A member who has voting rights may vote by means of an instrument of proxy in favour of an individual who is also a voting member of the Corporation.

26. The membership fees, if any, for each class or category of ordinary membership shall be such as are from time to time prescribed by the board. The Secretary or the Treasurer shall notify the ordinary members of the fees payable.

Termination of Membership

27. The interest of a member in the Corporation is not transferable and lapses and ceases to exist upon his or her death, bankruptcy, insolvency, mental incompetency, dissolution or winding-up or when the member ceases to be a director or ceases to be a member by resignation or withdrawal or by the termination of the membership or when the term of the membership expires and is not renewed, or otherwise in accordance with the by-laws of the Corporation.

28. A member may at any time resign and withdraw from membership in the Corporation by resignation in writing addressed and delivered or mailed to the Chairman of the Board or to the Secretary.

29. Unless some other term of membership for any member or class of members shall have been determined by the board, the term of membership of each member of the Corporation other than a director who has been elected or re-elected and remains in office shall automatically terminate at the time of each annual meeting of the voting members of the Corporation (unless sooner terminated in accordance with the by-laws of the Corporation) but the directors may, in their discretion, renew any such membership from year to year upon payment of all fees and fulfilment of all obligations prescribed for the member concerned.

30. In the case of resignation, a member shall remain liable for payment of any fees or financial assessments or other sums properly levied or

which became payable by the member to the Corporation prior to his, her or its resignation.

31. If any dues, fees or other financial assessments properly levied are not paid within thirty days of the date of notification thereof by the Secretary, a member in default shall thereupon automatically cease to be a member of the Corporation, but any such member may, upon payment of all arrears, be reinstated by the board.

32. The membership of any member may be terminated and the member may be removed and expelled before the expiration of his, her or its term of membership, by a resolution passed by at least two-thirds of the votes cast at a special general meeting of the voting members of the Corporation of which notice specifying the intention to pass such a resolution has been given; provided that in the case of a voting member, such action shall be taken only with the prior approval of the Executive Committee of the Governing Council. When so directed by the Executive Committee of the Governing Council, the members of the Corporation shall remove and expel any member specified by the said Executive Committee.

Meetings of Members

33. The annual and any other general meeting of the voting members of the Corporation shall be held at the head office of the Corporation or elsewhere in Ontario and on such day as the directors may determine. The directors may at any time call a special general meeting of the voting members at such time and place as they may appoint, for the transaction of any business, the general nature of which is specified in the notice calling the meeting.

34. No public notice or advertisement of meetings of the voting members, annual or special, shall be required, but notice of the time and place of every such meeting shall be given to each voting member by sending the notice by prepaid mail, electronic mail or facsimile transmission not less than ten days before the date of the meeting; provided that meetings of the voting members may

be held at any time and place without notice if all such members are present thereat or represented by proxy duly appointed or have waived in writing notice of such meeting.

35. A special general meeting of the voting members of the Corporation may be called by any six voting members thereof upon giving written notice to the Secretary of the Corporation specifying in detail the exact nature of the business that is to come before the meeting. Such special general meeting shall be held within thirty days of receipt of such notice, and notice of the meeting shall be given to the voting members in the manner herein provided.

36. At every annual meeting of the voting members, in addition to any other business that may be transacted, the report of the directors on the affairs of the Corporation for the previous year, the balance sheet and financial statements, including a statement of income and expenditure for the financial year ending on the date of such balance sheet, and the report of the auditors thereon shall be presented, directors shall be elected as herein provided and auditors for the ensuing year shall be appointed and their remuneration fixed or authority given to the directors to fix such remuneration.

37. At any meeting of the voting members, annual or special, a majority of the voting members, either present in person or represented by proxy, shall constitute a quorum for the transaction of business, provided that in no case shall any meeting of voting members be held unless there are two individual voting members present in person.

38. At all meetings of the voting members, each voting member shall be entitled to one vote and may vote in person or by proxy duly authorized. No member shall be entitled to vote at any meeting either in person or by proxy unless all dues, fees and other financial assessments, if any, then payable in respect of such membership shall have been paid.

39. A proxy shall be appointed in writing and the directors may prescribe the form of appointment of proxy and conditions governing the use thereof.

40. At all meetings of members, every question shall be decided by a majority of the votes of the voting members present in person or represented by proxy, unless otherwise required by the provisions of the Corporations Act, the Letters Patent or the by-laws of the Corporation. Every question shall be decided in the first instance by a show of hands unless a poll is demanded by any member. Upon a show of hands, every member having voting rights present in person or represented by proxy as aforesaid shall have one vote and unless a poll be demanded, a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or not carried or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn, but if a poll be demanded and not withdrawn, the question shall be decided by a majority of votes cast by the voting members present in person or represented by proxy as aforesaid and the votes shall be taken in such manner as the Chairman directs, and the result of the poll shall be deemed the decision of the meeting upon the matter in question. In case of an equality of votes at any meeting of the members, whether upon a show of hands or at a poll, the Chairman shall not be entitled to a second or casting vote.

41. The directors may from time to time determine the basis upon and purpose for which meetings of members of the Corporation other than voting members, or meetings of particular classes or categories of members other than voting members may be held and the dates, times, places and frequency and the form and manner of giving notice thereof and the procedures thereat. Unless otherwise prescribed by the board, the procedures at any such meeting shall be regulated by analogy to the provisions of this by-law relating to meetings of voting members.

Error or Omission in Notices

42. No error or irregularity in or omission to give notice or non-receipt of notice of any meeting of the members, directors or committee of the directors

or of any adjourned meeting thereof shall invalidate any such meeting or make void any action or proceedings taken thereat and any director or member may at any time, either before or after the meeting, waive notice thereof and may ratify, approve and confirm any or all proceedings taken or had thereat.

Adjournments

43. Any meetings of the members or of the directors may be adjourned at any time and from time to time and such business may be transacted at such adjourned meeting as might have been transacted at the original meeting from which such adjournment took place. No notice shall be required of any such adjourned meeting and such adjournment may be made notwithstanding that no quorum is present.

Financial Year

44. The financial year of the Corporation shall end on the 30th day of April in each year.

Cheques and Banking Arrangements

45. All cheques, bills of exchange and other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the board, and any one of such officers or agents may alone endorse notes and drafts for collection on account of the Corporation through its bankers and may endorse notes and cheques for deposit with the Corporation's bankers for the credit of the Corporation or the same may be endorsed for collection or for deposit with the bankers of the Corporation by using a rubber stamp adopted by the Corporation for the purpose. Any one of such officers or agents so appointed may also arrange, settle, balance and certify all books and accounts between the Corporation and its bankers and may receive all paid cheques and vouchers and sign the bank's form of settlement of balances and release or verification slips.

Deposit of Securities for Safekeeping

46. The securities of the Corporation shall be deposited for safekeeping with one or more banks, trust companies or other financial institutions or repositories as may be selected by the board. Any and all securities so deposited may be withdrawn from time to time only upon the written order of the Corporation signed by such directors, officers, employees or agents of the Corporation and in such manner as shall from time to time be designated by resolution of the board, and such authority may be general or confined to specific instances. The institutions which may be so selected by the board to act as custodians shall be fully protected in acting in accordance with the directions of the board and shall in no event be liable for the due application of the securities so withdrawn or the proceeds thereof.

Indemnities to Directors and Others

47. Except in respect of an action by the Corporation to procure a judgment in its favour, every (i) director or officer of the Corporation, or (ii) other person who has undertaken or is about to undertake any liability on its behalf, and (iii) his or her heirs, executors, administrators and estate and effects, respectively, shall from time to time and at all times be indemnified and saved harmless out of the funds of the Corporation from and against:

- (a) all costs, charges and expenses whatsoever (including amounts paid to settle an action or satisfy a judgment and fines and other monetary penalties) which such director, officer or other person sustains or incurs in or about any civil, criminal or administrative action, suit or proceeding which is brought, commenced or prosecuted against him or her for or in respect of any act, deed, matter or thing whatsoever made, done or permitted by him or her in or about the execution of the duties of his or her office; and
- (b) all other costs, charges and expenses which he or she sustains or incurs on or about or in relation to the affairs thereof, except such

costs, charges or expenses as are occasioned by his or her own wilful neglect or wilful default.

Insurance

48. The Corporation may purchase and maintain insurance for the benefit of any person referred to in clause 47 hereof against any liability incurred by him or her in his or her capacity as a director or officer of the Corporation, except where the liability relates to his or her failure to act honestly and in good faith with a view to the best interests of the Corporation.

Conflict of Interest and Disclosure

49. (1) A director or officer of the Corporation who,
- (a) is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, or
 - (b) is a director or an officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, shall disclose in writing to the Corporation or request to have entered in the minutes of meetings of directors the nature and extent of his or her interest.
- (2) The disclosure required by subclause (1) shall be made, in the case of a director,
- (a) at the meeting at which a proposed contract or transaction is first considered;
 - (b) if the director was not then interested in a proposed contract or transaction, at the first meeting after he or she becomes so interested;
 - (c) if the director becomes interested after a contract is made or a transaction is entered into, at the first meeting after he or she becomes interested; or

- (d) if a person who is interested in a contract or transaction later becomes a director, at the first meeting after he or she becomes a director.
- (3) The disclosure required by subclause (1) shall be made in the case of an officer who is not a director,
 - (a) forthwith after he or she becomes aware that the contract or transaction or proposed contract or transaction is to be considered at a meeting of directors;
 - (b) if the officer becomes interested after a contract is made or a transaction is entered into, forthwith after he or she becomes so interested; or
 - (c) if a person who is interested in a contract or transaction later becomes an officer, forthwith after he or she becomes an officer.
- (4) Notwithstanding subclauses (2) and (3), where subclause (1) applies to a director or officer in respect of a material contract or transaction or proposed material contract or transaction that, in the ordinary course of the Corporation's business, would not require approval by the directors or members, the director or officer shall disclose in writing to the Corporation or request to have entered in the minutes of meetings of directors the nature and extent of his or her interest forthwith after the director or officer becomes aware of the contract or transaction or proposed contract or transaction.
- (5) A director referred to in subclause (1) shall not participate in the discussion of or vote on any resolution to approve the contract or transaction.
- (6) For the purposes of this clause, a general notice to the directors by a director or officer disclosing that he or she is a director or officer of or has a material interest in a person and is to be regarded as interested in any contract made or any transaction entered into with that person, is a sufficient disclosure of interest in relation to any contract so made or transaction so entered into.

- (7) Where a material contract is made or a material transaction is entered into between the Corporation and a director or officer of the Corporation, or between the Corporation and another person of which a director or officer of the Corporation is a director or officer or in which he or she has a material interest,
- (a) the director or officer is not accountable to the Corporation or its members for any profit or gain realized from the contract or transaction; and
 - (b) the contract or transaction is neither void nor voidable, by reason only of that relationship or by reason only that the director is present at or is counted to determine the presence of a quorum at the meeting of directors or committee of directors that authorized the contract or transaction, if the director or officer disclosed his or her interest in accordance with subclauses (2),(3),(4) or (6), as the case may be and did not participate or vote, and the contract or transaction was approved by the directors or the members and was reasonable and fair to the Corporation at the time it was so approved.

Auditors

50. One or more auditors shall be appointed at each annual meeting of the voting members and when appointed, shall hold office until the next annual meeting or until their successors are appointed, unless previously removed by resolution of the voting members in general meeting. Any such appointment shall be in accordance with and subject to any restrictions imposed by law or by the provisions of any applicable contract or agreement. If the remuneration of the auditor or auditors is not fixed by the voting members at the annual meeting, such remuneration shall and may be fixed by the board.

51. The auditors shall have access at all reasonable times to the books and accounts of the Corporation and all receipts, documents and vouchers relating

thereto, and shall conduct an audit thereof and make an annual report to the voting members upon the balance sheet.

Committees

52. The board may from time to time constitute and appoint such committees as it may determine, and shall constitute an Executive Committee as hereinafter provided, to assist the directors in managing and directing the property, operations and affairs of the Corporation and in carrying out its objects. Except for the Executive Committee for which provision is made hereinafter, the persons appointed to any committee may be directors or members of the Corporation or others, and the board may from time to time remove a member or members of a committee and fill any vacancy or vacancies in any committee, and the members of a committee and fill any vacancy or vacancies in any committee, and the members of committees shall continue in office until removed or until their successors are appointed by the board. The board may define and limit the powers and duties of committees. Committees may meet for the transaction of business, adjourn and otherwise regulate their meetings as they see fit, subject to any regulations or restrictions imposed from time to time by the directors. A committee may invite such officers, directors, employees and members of the Corporation and such consultants and professional advisers as it may see fit from time to time to attend at meetings of the committee and to assist thereat in the discussion and consideration of the affairs of the Corporation. The Chairman of the Board and the President shall be members ex officio of each committee.

Executive Committee

53. The board shall elect from among its number an Executive Committee consisting of six directors, including the Chairman of the Board, the President, the Vice President. Business Affairs of the University of Toronto if he or she is a director, and three other directors who are not employees of the Corporation or of the University. Three members of the Committee shall constitute a quorum for the transaction of business at any meeting thereof. The

Committee may exercise such powers of the board as are delegated to it, subject to such restrictions and regulations as may from time to time be imposed by the directors. In the absence of such restrictions or regulations, the Executive Committee shall possess and may exercise, during the intervals between the meetings of the board of directors and subject to the by-laws of the Corporation, all the powers of the board of directors in the management and direction of the property, operations and affairs of the Corporation, save and except only in respect of:

- (a) the establishment of classes or categories of non-voting members;
- (b) the admission of individuals to be voting members of the Corporation;
- (c) the filling of any vacancy occurring in the board;
- (d) the removal of directors or members;
- (e) the dissolution or winding up or surrender of the Letters Patent of the Corporation;
- (f) the enactment, repeal and amendment of by-laws;
- (g) the sale, lease, exchange or disposal of the undertaking of the Corporation or any part thereof as an entirety or substantially as an entirety;
- (h) an application for the issue of supplementary letters patent;
- (i) such powers as are delegated by the board to other committees; and
- (j) such acts as must by law be performed by the directors themselves,

in such manner as the Executive Committee shall deem best in the interests of the Corporation in all cases in which specific direction shall not have been given by the board of directors. Subject to any regulations imposed from time to time by the directors, the Executive Committee shall have power to determine its own rules of procedure from time to time and to hold its meetings at the office of the Corporation or at any other place in Ontario or elsewhere determined by it. The Committee shall cause minutes to be kept of its meetings in which shall be

recorded all action taken by it, which minutes shall be submitted as soon as practicable to the board of directors. The Executive Committee shall supervise and co-ordinate the activities of other standing committees of the board, and all such other committees shall report through the Executive Committee to the board of directors.

Audit Committee

54. The board shall, annually, appoint an Audit Committee consisting of at least three directors of the Corporation who are not employees of the Corporation or of the University, at least one of whom is a member of the Business Board of the Governing Council, to hold office until the next annual meeting of the voting members.

55. Notwithstanding clause 52, the Chairman of the Board and the President shall not be members ex officio of the Audit Committee, but the Chairman of the Board may be appointed to the Committee if otherwise qualified.

56. The Audit Committee shall review the financial statements of the Corporation and shall report thereon to the board before such financial statements are approved by the board.

57. The auditor of the Corporation is entitled to receive notice of every meeting of the Audit Committee and, at the expense of the Corporation, to attend and be heard thereat and, if so requested by a member of the Committee, shall attend every meeting of the Committee held during the term of office of the auditor.

58. The auditor of the Corporation or a member of the Audit Committee may call a meeting of the Committee.

59. The auditor of the Corporation shall be entitled to attend at the expense of the Corporation and be heard at meetings of the board based on matters relating to the auditor's duties.

Borrowing

60. Subject to the provisions of any applicable contract or agreement and to the prior approval of the Vice President, Business Affairs of the University of Toronto, the directors of the Corporation may from time to time:

- (a) borrow money upon the credit of the Corporation;
- (b) limit or increase the amount to be borrowed;
- (c) issue debentures or other securities of the Corporation;
- (d) pledge or sell such debentures or other securities for such sums and at such prices as may be deemed expedient; and
- (e) secure any such debentures or other securities, or any other present or future borrowing or liability of the Corporation by mortgage, hypothec, charge or pledge of all or any currently owned or subsequently acquired real and personal, movable and immovable property of the Corporation, and the undertaking and rights of the Corporation.

Subject to approval as aforesaid, the directors may delegate these borrowing powers to any officers or directors of the Corporation to such extent and in such manner as may be determined by resolution of the board.

Reports

61. The directors of the Corporation shall report to the Business Board of the Governing Council, through the Vice President, Business Affairs of the University of Toronto, at such times and in such manner as he or she or any applicable contract or agreement may prescribe.

Notice

62. Except as herein or in other by-laws of the Corporation expressly provided otherwise, any notice, communication or other document to be given to any member, director, officer, auditor or employee of the Corporation shall be sufficiently given if delivered to his, her or its last address as recorded in the books of the Corporation or as known to the Secretary, or if mailed by prepaid

ordinary or airmail in a sealed envelope addressed to him, her or it at the last address so recorded or known, or if sent by any means of wire or wireless or electronic mail or other form of transmitted or recorded communication. The Secretary may change the address on the books of the Corporation of any such person in accordance with information believed by him or her to be reliable. A notice, communication or document so delivered shall be deemed to have been given when it is delivered personally or at the address aforesaid; and a notice, communication or document so mailed shall be deemed to have been given on the third business day after being deposited in a post office or public letter box, and a notice sent by any means of wire or wireless or electronic mail or any other form of transmitted or recorded communication shall be deemed to have been given on the next business day after being dispatched.

63. In computing the date when notice must be given under any provisions of the Letters Patent or the by-laws of the Corporation requiring a specified number of days' notice of any meeting or other event, the date of the giving the notice shall be included and the date of the meeting or other event shall be excluded, unless it is otherwise expressly provided.

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

Dissolution

65. Upon the dissolution of the Corporation and after the payment of all its debts and liabilities, its remaining property shall be distributed and disposed of to the Governing Council.

Interpretation

66. In this by-law and in all other by-laws of the Corporation hereafter passed, unless the context otherwise requires, words importing the singular

number shall include the plural; references to persons shall include individuals, firms, companies and corporations; “board” shall mean the board of directors of the Corporation; “Letters Patent” or “Charter” shall mean the letters patent incorporating the Corporation and any supplementary letters patent; and “Corporations Act” or “the Act” shall mean the Corporations Act of Ontario as amended from time to time or any Act that may be substituted therefor. Vice President, Business Affairs of the University of Toronto shall mean the senior officer of the University of Toronto designated by the President and elected to the Board to be responsible for the relationship with the Corporation.

Enactment and Amendment of By-laws

67. The board of directors may enact and re-enact by-laws or repeal, amend, alter or add to the by-laws or any of them, provided that no such enactment, re-enactment, repeal, amendment, alteration or addition shall be enforced or acted upon until sanctioned and confirmed at an annual or special general meeting of the voting members of the Corporation called for the purpose of considering the same and until approved by the Governing Council or its duly authorized Board, committee or officer; provided also that notice of any enactment or repeal of or amendment, alteration or addition to the by-laws shall first have been given in writing to the directors at least five days before the day of the meeting at which it is proposed to enact the same.

ENACTED AND PASSED by the directors and sealed with the corporate seal of the Corporation this 25th ___ day of November, 2004.

Chairman of the Board

Secretary