



**Canadian Association of
Managing General Agents**

The Canadian Association of Managing General Agents

The Canadian Association of Managing General Agents

BE IT ENACTED and it is hereby enacted as a by-law of The Canadian Association of Managing General Agents (hereinafter called the "Corporation") as follows:

1. Definitions

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

- (1) "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
- (2) "articles" means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation
- (3) "board" means the board of Directors of the Corporation and "Director" means a member of the board
- (4) "by-law" means this by-law and any other by-laws of the Corporation as amended and which are, from time to time, in force and effect;
- (5) "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;
- (6) "ordinary resolution" means a resolution passed by a majority of not less than 50% plus one (1) of the votes cast on that resolution:
- (7) "proposal" means a proposal submitted by a member of the Corporation that meets the requirements of section 163 (Shareholder Proposals) of the Act;
- (8) "proposal" means a proposal submitted by a member of the Corporation that meets the requirements of section 163 (Shareholder Proposals) of the Act; and
- (9) "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 in section 1 above, words and expressions defined in the Act have the same meanings when used in these by-laws.

3. Membership

3.1 Classes of Membership

Subject to the articles, there shall be four classes of members in the Corporation, namely Full Members, Associate Members, Business Services Members and Founding Members.

3.1.1 Full Members

- (a) A Full member will be a managing general agent holding an underwriting authority that allows them to rate and bind Insurance coverage on behalf of an Insurer and is NOT a retail broker, with a binding contract.
- (b) The Full member must be currently registered in their chosen Province or Territory of Operation and hold a current binding authority with at least one Insurer.
- (c) The Full member must abide by the goals and objectives of the Corporation.
- (d) Each Full member is represented by one individual, being the CEO/Chief Agent or designate.
- (e) The term of membership of Full members shall be annual, subject to renewal in accordance with the policies of the Corporation.
- (f) As set out in these articles, Full members are entitled to hold office, receive notice of, attend and vote at all meetings of members and each such Full voting member shall be entitled to one (1) vote at such meeting. Notwithstanding the foregoing, in the event that a Full member is affiliated with one or more other Full members, as defined in Section 2 of the Act, or two (2) or more Full members are subject to common management or direction, as determined from time to time by the Board of Directors, such Full members as a group shall be entitled to one (1) vote only at all meetings for Full members. The Board of Directors shall make all determinations as to the affiliation of one (1) Full member with another and as to common management or direction and all such determinations shall be binding upon the members.
- (g) For the purposes of bylaw interpretation, a Full Member is a Voting Member.

3.1.2 Associate Members

- (a) Any Insurer or Governing Corporation or Intermediary who is currently licensed to operate in the Canadian marketplace, and is supportive of managing general agent's in Canada is eligible for Associate membership. Canadian financial service regulators are eligible for Associate membership.
- (b) The Associate member must abide by the goals and objectives of the Corporation.
- (c) Each Associate member is represented by one individual.
- (d) The term of membership of Associate members shall be annual, subject to renewal in accordance with the policies of the Corporation.

- (e) An Associate member is entitled to notice of and to attend meetings of the members, but is not entitled to participate or vote at such meetings, nor be a Director or officer of the Corporation.

3.1.3 Business Services Members

- (a) Any Entity that provides service to managing general agents in Canada and who is not eligible for Full or Associate membership is eligible for Business Services membership.
- (b) The Business Services member must abide by the goals and objectives of the Corporation.
- (c) Each Business Services member is represented by one Individual.
- (d) The term of membership of Business Services members shall be annual, subject to renewal in accordance with the policies of the Corporation.
- (e) A Business Services member is entitled to notice of and to attend meetings of the members, but is not entitled to participate or vote at such meetings, nor be a Director or officer of the Corporation.

3.2 Admission of Members

The Board of Directors of the Corporation may, by resolution, approve the admission of the members of the Corporation. Members may also be admitted in such other manner as may be prescribed by the Board by resolution.

3.3 Transfer of Membership

Members may not transfer membership to any person or entity.

3.4 Termination of Membership

A membership in the Corporation is terminated when:

- (a) the member's corporation is dissolved;
- (b) the member fails to maintain any qualifications for membership described in the section on membership conditions or the section on membership fees of these by-laws;
- (c) the member resigns by delivering to the Corporation a written resignation and lodging a copy of the same with the of the Corporation, and such withdrawal shall take effect upon such delivery;
- (d) The member's term expires;
- (e) The Corporation is liquidated or dissolved under the Act;

(f) for a Full or Founding member, a vote of three-quarters of the Board of Directors present or represented by proxy, at a special meeting of members called for the purpose of termination of said Full or Founding member, resolves in favour of termination;

The termination of membership shall not affect the liability of any member for any indebtedness owing to the Corporation at the time of such termination which liability shall continue notwithstanding such termination. On the termination of the membership of any member in any manner whatsoever, such member shall, after such termination, have no right nor interest whatsoever in any of the assets of the Corporation.

3.5 Amendments

Pursuant to subsection 197(1) (Fundamental Changes) 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).

3.6 Membership Fees

Membership dues shall be made and be payable in the manner and amounts and at the time or times as determined by the Board of Directors. An initiation fee may be assessed. Membership dues shall be non-refundable in whole or part unless otherwise approved by the Board of Directors.

4. Registered Office

4.1 The registered office of the Corporation shall be in the City of Toronto in the Province of Ontario, Canada, and at such place therein as may from time to time be determined by the Board of Directors by resolution.

4.2 The Corporation may establish such other offices and agencies elsewhere within Canada as the Board of Directors by resolution may deem expedient.

5. Board of Directors

5.1 The property and business of the Corporation shall be managed by and under the authority of a Board of Directors composed of not less than six (6) and no more than ten (10) voting members. Notwithstanding the foregoing, in the event that the Board of Directors determines, under section 3.3(d) hereof, that a voting Member is affiliated with one (1) or more other voting Members or that two (2) or more voting Members are subject to common management or direction, such voting Members as a group shall be entitled to one (1) representative on the Board of Directors only. In Advance of the call for nominations the board will set the number of positions available within the required six (6) to ten (10) members.

- 5.2 A majority of the Board of Directors shall constitute a quorum for the transaction of business.
- 5.3 The Board of Directors may appoint, at any time, members of the lay public to serve in an advisory capacity to the Board. Lay members will not have voting privileges, but may be asked to serve on committees or contribute to the Corporation's work in meaningful ways.
- 5.4 The term of each Director shall be two years. Directors shall be eligible for re-election provided that no individual, shall serve for more than four (4) consecutive terms (8 years). Any Director may be re-elected subsequently, provided that a two-year (2) period has elapsed since their previous term as Director.
- 5.5 The Board of Directors may, by resolution, appoint a Managing Director who shall serve on the Board in a non-voting, Ex-officio capacity.
- 5.6 The office of Director shall be automatically vacated (a) if a Director shall resign his office by delivering a written resignation to the Chair of the Corporation; (b) if he is found to be mentally incompetent; (c) if he becomes bankrupt or makes a proposal to his creditors or is otherwise found or declared to be insolvent; (d) if the voting member or voting members which a Director represents shall notify in writing the Corporation that such Director no longer represents the voting member or voting members as a Director of the Corporation; (e) on death.
- 5.7 Any Director may be removed from office on the grounds of gross misconduct, abuse of office or for failure to execute the directives of the board. Any four (4) voting members may petition the Chair for the removal of any Director. Upon receipt of such a petition, the Chair shall forthwith call a special meeting of the Directors, which shall take place within thirty days of the notice, and which shall state the purpose of the meeting, the name of the Director in question, and the grounds for removal. No Director shall be removed unless 75% of the voting members vote, by secret ballot, in favour of removal.
- 5.8 Meetings of the Board of Directors may be held at any time or place and may be called by the Chair or any two (2) Directors. Seven (7) days' written notice of such meeting shall be sent electronically to each Director. No formal notice shall be necessary if all Directors are present at the meeting or waive notice thereof in writing.
- 5.9 If the Board chooses to make available a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during a board meeting, 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.

- 5.10 Directors shall serve without remuneration, and no director shall directly or indirectly receive any profits from their position as such, provided that a director may be reimbursed for reasonable expenses incurred in performing their duties.
- 5.11 The Directors shall have power to authorize expenditures on behalf of the Corporation from time to time and may delegate by resolution to an officer or officers of the Corporation the right to employ and pay salaries to employees.
- 5.12 The Board of Directors shall have charge of the funds of the Corporation and may incur such expenses, hire such employees, appoint such agents and obtain such counsel as it may deem expedient for carrying out the purposes of the Corporation.

6. Nomination and Election of Directors

- 6.1 At a date no less than sixty (60) days in advance of the of the annual general meeting of the Corporation the Board shall issue a call for nominations to all voting members. Nominations shall be due at a date set by the board that is no later than twenty (20) days in advance of the annual general meeting. If more nominations are received than positions available, electronic ballots will be issued. Voting shall close one day prior to the annual general meeting. If less nominations are received than positions available, additional nominations shall be call for during the annual general meeting. If during this call for nominations more nominations are received for positions available, secret ballots will be issued. Tie votes shall be decided by a second vote.

7. Committees

- 7.1 There shall be an Executive Committee comprised of the Officers of the Corporation plus any additional Executive members that the Board of Directors may appoint by its discretion, provided that the Executive shall at no time constitute a majority of the elected directors. The Executive Committee shall manage the affairs of the organization in the interim between meetings of the Board of Directors. The Board may from time to time, by resolution, delegate to the Executive Committee any power or powers of the Board subject to such restrictions and reservations as may be imposed from time to time.
- 7.2 The Board of Directors may appoint such other committees from amongst itself or from amongst persons employed by members of the Corporation, or otherwise as it may in its discretion consider necessary or advisable.
- 7.3 No member of a committee appointed by the Board of Directors who is a Director of the Corporation or a person employed by a member of the Corporation shall be entitled to receive any salary or remuneration for his services. Any member of a committee appointed by the Board of Directors who is not a Director or a person employed by a

member of the Corporation shall be entitled to receive such remuneration as the Board of Directors may from time to time determine. Any member of a committee, appointed by the Board of Directors, may be removed by the Board with or without cause.

8. Officers

8.1 The officers of the Corporation shall consist of a Chair, President, Vice-President, Treasurer and such other officers as the Board of Directors may by resolution determine. All of the said officers shall be members of the Board of Directors and Full Members.

8.2 The officers of the Corporation shall hold office for two (2) years and shall be elected or appointed by the Board of Directors as soon as possible following the annual meeting of the Corporation. The Board of Directors shall elect or appoint officers to fill any vacancies occurring during the year. All officers of the Corporation, in the absence of agreement to the contrary, shall be subject to removal by resolution of the Board of Directors at any time with or without cause.

9. Duties of Officers

9.1 The Chair of the Board shall preside at all meetings of Members or the Corporation and the Board of Directors. They shall see that all orders and resolutions of the Board are, carried into effect and they or the President, or such other officer or person appointed by the Board for the purpose, shall sign all by-laws and other documents requiring the signatures of the officers of the Corporation.

9.2 The Treasurer shall, in conjunction with the Executive Director, be the signing authority on all expenses over \$3,000. The Treasurer shall ensure that financial statements are prepared quarterly for the Board, and yearly for the membership. The Treasurer also oversees that the financial health of the association is within its goals and mandates.

10. Meeting of Members

10.1 Meetings of Members

The annual meeting of the Corporation shall be held in each year on such date and at such place, in Canada, as the Board of Directors may determine.

Special general meetings of the members of the Corporation shall be held from time to time when called by the Board of Directors.

Notice of any meeting where special business will be transacted shall contain sufficient information to permit the member to form a reasoned judgment on the decision to be taken

At all meetings of the members, two-thirds (2/3rd) of the voting members, present in person or represented by written proxy, shall constitute a quorum.

At any meeting of members, with the exception of a special resolution, each question shall be determined by a two-thirds (2/3rd) majority of votes cast on the question.

10.2 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.

10.3 Members' Meetings 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.

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.

10.4 Absentee Voting at Members' Meetings

A member may, by means of a written proxy, appoint a proxy holder to attend and act at a specific meeting of members, in the manner and to the extent authorized by the proxy. The proxy holder must be a member of the Corporation.

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 method of voting by members not in attendance at a meeting of members.

10.5 Notice

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;
- (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.

Notwithstanding anything herein contained, any notice of a special general meeting of the voting members called for the purpose of terminating the membership of any member, as referred to in section 3.5 hereof, shall be sent to the voting members by registered mail and not otherwise.

The accidental omission to give notice of any meeting, or the non-receipt of any notice by any member, shall not invalidate any resolution passed or any proceedings taken at any meeting of members.

11. Financial Year

The fiscal period of the Corporation shall end on the 31st day of December in each year or at such other time as the Board of Directors may determine.

The Corporation shall send to the members a copy of annual financial statements and other documents referred to in subsection 172(1) (Annual Financial Statements) of the Act or a copy of a publication of the Corporation reproducing the information contained in the documents. Instead of sending the documents, the Corporation may send a summary of each member along with a notice informing the member of the procedure for obtaining a copy of the documents themselves free of charge. Documents and notices shall be sent electronically unless the member specifies receipt of materials by other means.

12. Execution of Documents

Deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring execution by the Corporation may be signed by any two (2) of the President,

Managing Director or any Director. In addition, the board may from time to time direct the manner in which and the person or persons by whom a particular document or type of document shall be executed. Any signing officer may certify a copy of any instrument, resolution, by-law or other document of the Corporation to be a true copy thereof.

13. Banking Arrangements

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

14. Borrowing

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

- (1) borrow money on the credit of the Corporation;
- (2) issue, reissue, sell, pledge or hypothecate debt obligations of the Corporation;
- (3) give a guarantee on behalf; and
- (4) 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.

The Directors may from time to time by resolution delegate to any two (2) Directors of the Corporation or to any two (2) officers of the Corporation all or any of the powers conferred on the Directors by the Act and these by-laws to the full extent thereof, or such lesser extent as the Directors may in any such resolution provide.

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

15. Indemnities

Every Executive Officer and Director of the Corporation or other person who has undertaken or is about to undertake any liability on behalf of the Corporation and their

heirs, executors, administrators and estate, respectively, shall at all times, be indemnified and saved harmless out of the funds of the Corporation, from and against;

- (a) all costs, charges and expenses whatsoever which such person sustains or incurs in or about any action, suit or proceeding which is brought, commenced or prosecuted against him or her for, or in respect of, an act, deed, matter or thing whatever made, done or permitted by him or her, in or about the execution of the duties of his or her office.
- (b) all other costs, charges and expenses which he or she sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges and expenses occasioned by his or her own wilful neglect or default.

16. Dissolution

It is specifically provided that in the event of dissolution or wind-up of the Corporation, all its remaining assets after payment of its liabilities shall be distributed to one or more recognized charitable organizations in Canada.

17. 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.