

By-laws of The Rotary Club of Festival City Stratford Foundation

**ARTICLE 1
PREAMBLE**

- 1.1 The Rotary Club of Festival City Stratford Foundation (the "Foundation") was established July 1st, 2004 with letters patent, the Business number is 87444 1926.
- 1.2 The Foundation is directed and managed by its Board on behalf of the Members.
- 1.3 The Foundation shall maintain clear appropriate financial records and comply with all regulatory and other reporting requirements.
- 1.4 Other than as specified in Section 2.1, all terms contained in this By-law that are defined in the Act shall have the meanings given to such terms in the Act. Words importing the singular include the plural and vice versa, and words importing one gender include all genders.
- 1.5 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. If any of the provisions contained in the By-laws are inconsistent with those contained in the Articles or the Act, the provisions contained in the Articles or the Act, as the case may be, shall prevail.

**ARTICLE 2
DEFINITIONS**

- 2.1 Definitions -
 - a) "Act" – the Corporations Act, R.S.O., 1990, c.C.38, as amended, or the Not-for-Profit Corporations Act, S.O., c.15, once it is enacted in substitution therefore, and, where the context requires, includes the regulations made under it, as amended or re-enacted from time to time..
 - b) "AGM" – Annual General Meeting, of the Members, Chaired by the President, where business of the Foundation is transacted.
 - c) "Articles" – the articles, letters patent and any supplementary letters patent of the Foundation.

- d) “Auditor” – a CPA firm hired, on behalf of the Members, to audit the financial transactions of the Foundation.
- e) “Board” – the Board of Directors of the Foundation.
- f) “By-laws” – this by-law, including any schedules, and all other by-laws of the Foundation as amended and which are, from time to time, in force.
- g) “Club” – The Rotary Club of Festival City Stratford.
- h) “Director” – an individual occupying the position of director of the Foundation.
- i) “Electronic Meeting” – a meeting of some or all of the Board held through electronic methods.
- j) “Fiscal Year” – the fiscal year of the Foundation shall be from July 01 to June 30.
- k) “Foundation” – The Rotary Club of Festival City Stratford Foundation.
- l) “Member” – a member of the Foundation, as defined in Article 7 herein.
- m) “Members” – the collective membership of the Foundation.
- n) “Officer” – an officer of the Foundation, unless identified otherwise.
- o) “Ordinary Resolution” – a resolution that is submitted to a meeting of the Board or Members and passed at the meeting, with or without amendment, by at least a majority of the votes cast.
- p) “Qualified Donees” – CRA registered charities or foundations to which the Foundation can make donations, based on CRA rules.
- q) “Quorum” – as defined in sections 4.6 and 8.3 herein.
- r) “Special Members Meeting” – a meeting of the Members, chaired by the President, called to transact Foundation business at a time and date other than the AGM.
- s) “Special Resolution” – a resolution that is submitted to a meeting of the Board or Members and passed at the meeting, with or without amendment, by at least two-thirds (2/3) of the votes cast.

ARTICLE 3 AFFAIRS OF THE FOUNDATION

- 3.1 The head office of the Foundation shall be in the City of Stratford, in the County of Perth, in the Province of Ontario, and at such place within the municipality in Ontario where the head office is from time to time, by Ordinary Resolution of the Members, determined.
- 3.2 The Foundation shall maintain a full set of separate independent financial institution accounts.
- 3.3 The Auditors shall be appointed at the AGM.
- 3.4 Minutes of Board, AGMs and Special Members Meetings of the Foundation shall be maintained in paper and electronic formats by the Foundation Secretary.
- 3.5 Policies, procedures and Committees shall be created specifically for the Foundation as determined and approved by the Board. In the absence of a specific policy or procedure required by the Foundation, and in circumstances deemed appropriate by the Board, the Foundation shall default to existing Club policies and procedures.
- 3.6 The Board shall be responsible for all financial and business decisions supporting the Objects of the Foundation, including but not limited to
 - i. Committee spending of Foundation monies;
 - ii. Committee fundraising activities that issue tax receipts;
 - iii. events and sponsorships organized to support the Foundation;
 - iv. distribution of Endowment proceeds;
 - v. tax receipt creation and distribution; and
 - vi. all Foundation related investment decisions made by the Endowment and Investment Advisory Committee.
- 3.7 The Board, at its sole discretion, shall authorize the Endowment and Investment Advisory Committee to
 - i. receive funds from Committee approved donors;
 - ii. provide the funds for scholarships and bursaries;
 - iii. invest funds pursuant to the Trustee Act;
 - iv. act on its behalf to manage the purchase and sale of investments acting as a prudent investor; and
 - v. work closely with investment counsel to invest funds prudently in compliance with the policies approved by the Board.

- 3.8 The Board shall ratify the Endowment and Investment Advisory Committee decisions at the first Board meeting subsequent to any Committee decision-making meeting.
- 3.9 Any Foundation business that comes before the Club Board shall be held until the next Foundation Board meeting. If the business is urgent, a meeting of the Foundation Board shall be called to deal with the business.
- 3.9.1 The Foundation will only accept funding requests that have been endorsed by the Club Board.
- 3.10 Decisions that result in a difference of opinion between the Foundation Board and the Club Board shall be resolved by mutual consent, or by an Ordinary Resolution passed at separate meetings of the Members of both the Club and the Foundation..
- 3.11 Subject to the Act, a single Member shall be entitled to make a motion from the floor at any meeting of the Members. Upon such motion, the Board shall first consider such motion at the next scheduled Board meeting. The motion shall then be considered by the membership at the next scheduled meeting of the Members, upon proper notice in accordance with the Act.
- 3.11.1 Standing Member motions from the floor, brought before the Members at a meeting, such as acceptance of individual or slate nominations and other routine business, shall be exempt from Notice and Board consideration, as identified in 3.11.
- 3.12 The Foundation shall provide Directors and Officers insurance, sufficient to cover the needs of the Board.
- 3.14 In the event the Club ceases to operate all Foundation assets could be handed over to a CRA approved Canadian Foundation with, in general, the same Objects, or as in 3.14.1
- 3.14.1 Since the Foundation is a separate Corporation from the Club, the Foundation could be reorganized and act on its own going forward.

ARTICLE 4 BOARD OF DIRECTORS

- 4.1 The Board of Directors shall be drawn solely from the Board of Directors of the Club and the Members of the Foundation. The term of office for Officers is a one

year term July 01 to June 30 each year. All Officers and Directors shall have the right to vote on all matters brought before the Board.

4.2 Foundation Officers
President
Vice President
Secretary
Treasurer

4.2.1 The Officers will be elected by the Board of Directors of the Foundation at the AGM

4.2.2 The Treasurer of the Rotary Club is ineligible for the position of Foundation Treasurer.

4.3 Foundation Directors

4.3.1 Four Foundation Directors shall be elected from the Members who have been Members for at least one year.

4.3.2 Elected Directors shall be appointed to a two year term of office.

4.3.2.1 For the first year only two members will serve for one year to create an ongoing rotation between elected members of the Foundation

4.3.3 Elected Directors can serve two consecutive two-year terms but shall be ineligible for the Board for at least one year before the start of another term(s).

4.3.4 Two Directors will be appointed yearly from the members of the current Club Board. Their appointments will be a one year term and is dependent on their continued membership on the Club Board.

4.3.4.1 Appointed Directors are not eligible for appointment to the Foundation Board if they had served on the Foundation Board, in any capacity, the previous year.

4.4 Board meetings shall be held, at a minimum, on a quarterly basis in March, June, September and December on a day selected by the Board. The dates for these quarterly meetings will be approved by the Board as soon as possible following the AGM. The Board may fix the place and time of regular Board meetings and send a copy of the resolution fixing the place and time of such meetings to each Director, and no other notice shall be required for any such meetings.

- 4.4.1 Additional meetings of the Directors may be called by the President or any two Directors at any time and any place on notice as required herein.
- 4.5 Notice of the time and place for the holding of a meeting of the Board shall be given in the manner provided in Article 11 of this By-law to every Director of the Foundation not less than seven days before the date that the meeting is to be held. Notice of a meeting is not necessary if all of the Directors are present, and none objects to the holding of the meeting, or if those absent have waived notice or have otherwise signified their consent to the holding of such meeting.
- 4.6 A quorum for the transaction of business at any meeting of the Board shall be two-thirds (2/3) of the eligible Directors, save and except that the quorum may be reduced by the number of Directors that have a conflict of interest for those motions for which a conflict exists and has been disclosed.
- 4.7 Each Director has one (1) vote. Questions arising at any Board meeting shall be decided by a majority of votes. In case of an equality of votes, the motion before the Board shall be deemed to have failed.
- 4.8 As appropriate, the Board may approve an expenditure at or above \$5,000 by an Ordinary Resolution passed at a Board meeting. Immediately following such a Board meeting, a Special Members Meeting shall be called in order to consider any expenditure at or above \$5,000.00. A Special Resolution of the Members shall be required to approve such an expenditure.
- 4.9 Where appropriate technology exists and a majority of the Board is in favour, Board members individually, or as a group, may attend a Board meeting through electronic means and not be present in person. The method of vote counting shall be at the discretion of the Chair.

ARTICLE 5 ELECTION OF DIRECTORS AND OFFICERS

- 5.1 In February of each year, Notice being given as identified herein, the Board shall call for nominations of Members to fill vacant Board positions in the following year. Members may self-nominate themselves if they wish.
- 5.2 At a Board meeting in March of each year, the Board shall propose the elected Directors who could serve in the following year, Notice being given as identified herein. These potential Directors shall be considered by the Members who may approve the recommendations or who may vote for alternative eligible Members.

- 5.3 The Board proposal of potential Directors shall be considered at the AGM.
- 5.3.1 If more than one Director or Officer candidate is put forward to fill a vacant position, the Members shall elect the Director to fill the vacant position by Ordinary Resolution.
- 5.4 The office of a Director shall be vacated immediately:
- i. if the Director resigns office by written notice to the Secretary, which resignation shall be effective at the time it is received by the Secretary or at the time specified in the notice, whichever is later;
 - ii. if the Director dies;
 - iii. if the Director is found to be incapable of managing property by a Court or under Ontario law;
 - iv. if, at a meeting of the Board, a Special Resolution is passed removing the Director before the expiration of the Director's term of office, provided that the Director so removed shall have the option to request that a Special Members Meeting be called to consider the removal, and in such instance the removal of the Director shall only be effective upon a Special Resolution passed at such Special Members Meeting..
- 5.5 If any Director post is vacated the remaining Directors of the Board shall appoint a replacement chosen from the Members of the Foundation, and in compliance with the provisions of Article 4 herein.
- 5.6 Any Officer shall cease to hold office upon Ordinary Resolution of the Board.

ARTICLE 6 DUTIES OF OFFICERS

- 6.1 The President shall be the only person authorized to sign agreements between the Foundation and other organizations that have a financial impact on the Foundation.
- 6.1.1 The President is authorized to be a signing authority.
- 6.2 The President is an ex-officio member of all Committees.
- 6.3 The President shall Chair all Board and Member meetings. In the absence of the President, the Vice President shall Chair all Board and Member meetings and act as interim President.

- 6.4 If the President becomes incapacitated or is expected to be absent for an extended period of time, the Board shall convey all responsibilities of the President to the Vice President, until such time as the President returns to office.
- 6.5 The Treasurer shall be responsible for:
- i. the custody of all Foundation funds;
 - ii. an accurate accounting of all financial transactions;
 - iii. all required government tax and other reporting;
 - iv. issuing cheques; and
 - v. signing and issuing tax receipts.
- 6.6 The Secretary shall send out meeting Notices to the Board and the Members and record and preserve the minutes of such meetings.
- 6.7 The Board will designate one or more Officers as additional signing authorities.
- 6.7.1 All expenditures will require 2 signing authorities.

ARTICLE 7 MEMBERS

- 7.1 All Members of The Rotary Club of Festival City Stratford, as defined in the Club by-laws, but excluding Associate and Honorary Members, shall be Members of the Foundation.
- 7.2 There shall be no ex-officio or Associate or Honorary members of the Foundation.
- 7.3 A membership in the Foundation is not transferable and automatically terminates if the Member resigns or such membership is otherwise terminated in accordance with Section 7.4.
- 7.4 Upon fifteen (15) days' written notice to a Member, the Board may pass a Special Resolution authorizing disciplinary action or the termination of membership for violating any provision of the Articles or By-laws. The notice shall set out the reasons for the disciplinary action or termination of membership. The Member receiving the notice shall be entitled to give the Board a written submission opposing the disciplinary action or termination not less than five (5) days before the end of the fifteen (15) day period. The Board shall consider the written submission of the Member before making a final decision regarding disciplinary action or termination of membership.

ARTICLE 8 MEMBERS' MEETINGS

- 8.1 An AGM of all Members shall be held, each year, in the month of June, Notice being given as identified herein. The AGM shall receive and approve financial reports, appoint auditors, elect new Board members and approve a motion to confirm the actions of the Directors and Officers during the past year.
- 8.2 The Directors may call a Special Members Meeting. The Board shall convene a special meeting on written requisition of not less than three (3) Members for any purpose connected with the affairs of the Foundation that does not fall within the exceptions listed in the Act or is otherwise inconsistent with the Act, within twenty-one (21) days from the date of the deposit of the requisition.
- 8.3 A quorum for the transaction of business at a meeting of the Members is two-thirds (2/3) of the Members entitled to vote at the meeting. If a quorum is present at the opening of a meeting of the Members, the Members present may proceed with the business of the meeting, even if a quorum is not present throughout the meeting.
- 8.4 Business arising at any meeting of the Members shall be decided by Ordinary Resolution unless otherwise required by the Act or the By-law provided that:
- i) each Member shall be entitled to one (1) vote at any meeting;
 - ii) votes shall be taken by a show of hands among all Members present and the chair of the meeting shall have a vote;
 - iii) an abstention shall not be considered a vote cast;
 - iv) before or after a show of hands has been taken on any question, the chair of the meeting may require, or any Member may demand, a written ballot. A written ballot so required or demanded shall be taken in such manner as the chair of the meeting shall direct;
 - v) if there is an equality of votes, the chair of the meeting shall require a written ballot, and shall not have a second or casting vote. If there is an equality of votes upon written ballot, the motion is lost; and
 - vi) whenever a vote by show of hands is taken on a question, unless a written ballot is required or demanded, a declaration by the chair of the meeting that a resolution has been carried or lost and an entry to that effect in the minutes shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the motion.
- 8.5 Where appropriate technology exists and a Board Special Resolution is in favour, Board members individually, or as a group, may attend a Board meeting through electronic means and not be present in person. The method of vote counting shall be at the discretion of the Chair.

ARTICLE 9

COMMITTEES

- 9.1 Committees may be formed to raise funds for the Foundation and use/donate the funds as per the objects of the Foundation to Qualified Donees.
- 9.2 If a Committee offers tax receipts, with Board approval, the Committee shall be considered a Foundation Committee and all the tax receipted funds shall be disbursed through the Foundation.
- 9.3 A Foundation Committee shall expend some Foundation funds, under budgetary control, as operating expenses in order to raise funds for Foundation purposes.
- 9.4 The Endowment and Investment Advisory Committee is charged with investing Foundation funds, on behalf of the Board. No other Committee has this mandate. If the Endowment and Investment Advisory Committee is inactive or has not been appointed then the Board shall be considered the Committee.
- 9.5 The Endowment and Investment Advisory Committee is charged with providing the funds for Foundation scholarships.

ARTICLE 10 FINANCES

- 10.1 The Directors and Officers of the Foundation shall serve without compensation
- 10.2 The Treasurer shall be the designated cheque signing officer. The Board shall appoint a select group of secondary signing officers to support the Treasurer and/or fill in for the Treasurer as required. The appointments shall be immediately followed by an announcement to the Members.
- 10.3 The Treasurer shall be the designated Officer to issue tax receipts. The Board shall appoint a select group of secondary officers to support the Treasurer and/or fill in for the Treasurer as required. The appointments shall be immediately followed by an announcement to the Members.
- 10.4 Donations made to the Foundation in Canadian dollars shall be deposited into the Foundation accounts as they occur. Donations of foreign currency, securities and other financial instruments shall be realized into Canadian dollars within three (3) business days. Donations of real property shall be realized into Canadian dollars within the shortest possible time, given market conditions.
- 10.5 The Foundation shall make investments based on Board approved investment policy and with the support of the Endowment and Investment Advisory Committee as identified in Article 3.

- 10.6 The Foundation shall issue tax receipts for all donations over an amount based on Board-approved policy.
- 10.7 Foundation monies may only be used for the following purposes, as per the Foundation disbursement policy:
 - 10.7.1 to pay approved expenses incurred for the operation and activities of the Foundation;
 - 10.7.2 to reimburse the Club for approved expenses incurred on behalf of the Foundation
 - 10.7.3 to be distributed in accordance with the objects of the Foundation
- 10.8 Two (2) signing officers shall be required to sign Foundation cheques at all times.

ARTICLE 11 NOTICES AND COMMUNICATIONS

- 11.1 Notice shall be given verbally at a Club meeting but must be followed-up with an emailed notice for all Members using the Foundation's electronic communication tools and by Canada Post mail for all Members not using email services.
- 11.2 Notices to the Board may be verbally given at a regularly scheduled Club meeting two weeks in advance of the Board meeting which will consider the Notice but must be followed-up as per point 11.1.
- 11.3 Notice given to the Members of the Foundation shall be given at a regularly scheduled Club meeting at least two weeks in advance of the Foundation meeting which will consider the Notice. The follow-up email and/or Canada Post Notice must be sent within twenty-four (24) hours of the verbal Notice.
- 11.4 Waiver of Notice shall be granted by the Board if approved by all of the Members present, , without infringing the rights of the Board and the Members to consider the contents of the Notice.
- 11.5 Subject to the Act, not less than ten (10) and not more than fifty (50) days' written notice of any AGM shall be given in the manner specified in the Act to each Member and to the auditor. Notice must contain sufficient information to permit the Members to form a reasoned judgment on the decision to be taken.

- 11.6 No error or accidental omission in giving Notice of any Board meeting or any Members' meeting shall invalidate the meeting or make void any proceedings taken at the meeting.

**ARTICLE 12
PROTECTION OF DIRECTORS AND OTHERS**

- 12.1 No Director, Officer or Committee member of the Foundation shall be liable for the acts, neglects or defaults of any other Director, Officer, Committee member or employee of the Foundation or for joining in any receipt or for any loss, damage or expense happening to the Foundation through the insufficiency or deficiency of title to any property acquired by resolution of the Board or for or on behalf of the Foundation or for the insufficiency or deficiency of any security in or upon which any of the money of or belonging to the Foundation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation with whom or which any moneys, securities or effects shall be lodged or deposited or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his or her respective office or trust provided that they have:
- i) complied with the Act and the Articles and By-laws; and
 - ii) exercised their powers and discharged their duties in accordance with the Act.

**ARTICLE 13
AMENDMENTS**

- 13.1 These bylaws may be amended at any AGM or Special Members Meeting, a Quorum being present, by a Special Resolution of all Members present, provided that Notice of such proposed amendment shall have been given as identified herein.
- 13.2 These by-laws shall come into force on the date they are enacted and repeal all prior by-laws of the Foundation.
- 13.3 Enacted by the Board on (mm/dd/yy) _____
- 13.4 Enacted by the Members on (mm/dd/yy) _____