
**SOKA GAKKAI INTERNATIONAL ASSOCIATION OF CANADA
ASSOCIATION DE LA SOKA GAKKAI INTERNATIONALE DU CANADA**

GENERAL OPERATING BY-LAW NO. 8

GENERAL OPERATING BY-LAW NO. 8

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

**SOKA GAKKAI INTERNATIONAL ASSOCIATION OF CANADA
ASSOCIATION DE LA SOKA GAKKAI INTERNATIONALE DU CANADA**
(a federal corporation)

hereinafter referred to as “SGI Canada”.

INDEX

SECTION I INTERPRETATION.....	1
1.01 Definitions	1
1.02 Fundamental Terms and Interpretations	5
SECTION II CORPORATE MEMBERSHIP.....	8
2.01 Definition of Corporate Membership	8
2.02 Privileges, Duties and Rights of Corporate Membership	9
2.03 Resignation and Termination of Corporate Membership	9
2.04 Corporate Membership Meetings	10
SECTION III BOARD OF DIRECTORS	16
3.01 Establishment of the Board of Directors	16
3.02 Residency, Relationship and Election of Directors	17
3.03 Term and Maximum Term for Director.....	18
3.04 Resignation and Removal of Director	19
3.05 Filling Vacancies of Directors	20
3.06 Authority of Board of Directors.....	21
3.07 Disclosure of Interest	23
3.08 Board of Directors’ Meetings	25
SECTION IV OFFICERS AND EMPLOYEES	29
4.01 Names of Officers	29
4.02 Definition of Officers	29
4.03 Qualifications for Officers	34
4.04 Election and Appointment of Officers.....	35
4.05 Delegation of Duties of Officers.....	36
4.06 Term and Maximum Term of Officers	36
4.07 Resignation and Removal of Officers.....	37
4.08 Disclosure (Conflict of Interest)	37
4.09 Terms of Employment for Employees and Volunteers.....	38
4.10 Remuneration of Employees and Agents.....	38
SECTION V COMMITTEES	38
5.01 Standard Terms of Reference	38
5.02 Executive Council.....	43

5.03	National Planning Committee	44
5.04	Regional Personnel Committee	45
5.05	Executive Committee of the Board	46
5.06	Audit and Finance Committee	48
5.07	Nominating Committee	49
5.08	Standing Committees.....	50
5.09	Ad Hoc Committees	50
SECTION VI PRACTITIONERS AND JUNIOR PRACTITIONERS OF SGI CANADA		50
6.01	Practitioners and Junior Practitioners	50
6.02	Standards for Practitioners.....	51
6.03	Status Review for Practitioners	51
SECTION VII LEADERS		51
7.01	Leaders.....	51
7.02	Standards for Leaders	51
7.03	Status Review for Leaders	51
SECTION VIII LEVELS AND DIVISIONS OF GOVERNANCE		52
8.01	Levels of Governance	52
8.02	Divisions of Governance	52
SECTION IX DUTIES, PROTECTION AND INDEMNITY		52
9.01	Duties of Directors and Officers.....	52
9.02	Limitation of Liability	52
9.03	Indemnity to Directors, Officers and Others.....	53
9.04	Indemnity to Others	53
9.05	Insurance.....	54
9.06	Advances	54
SECTION X POLICIES.....		54
10.01	Governance Policies	54
10.02	Board Policies.....	54
SECTION XI WAIVER of legal action.....		55
11.01	Waiver of Legal Action	55
SECTION XII FINANCIAL MATTERS		55
12.01	Financial Year.....	55
12.02	Banking Arrangements	55
12.03	Public Accountant and Audited Financial Statements.....	56
12.04	Annual Financial Statements and Budget.....	56
12.05	Borrowing.....	57
SECTION XIII GENERAL.....		57
13.01	Registered Office	57
13.02	Corporate Seal	57
13.03	Execution of Documents	58
SECTION XIV NOTICES		58
14.01	Method of Giving Notices	58
14.02	Computation of Time.....	59
14.03	Undelivered Notices	59
14.04	Omissions and Errors.....	59

14.05	Waiver of Notice	59
SECTION XV AMENDMENTS		59
15.01	Amendment of Articles	59
15.02	Amendment of By-laws	60
15.03	Non-binding Consultation required	60
SECTION XVI IDENTIFICATION AND REPEAL OF FORMER BY-LAWS		60
16.01	Repeal of Former General Operating By-law	60

GENERAL OPERATING BY-LAW NO. 8

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

**SOKA GAKKAI INTERNATIONAL ASSOCIATION OF CANADA
ASSOCIATION DE LA SOKA GAKKAI INTERNATIONALE DU CANADA**
(a federal corporation)

hereinafter referred to as “SGI Canada”.

WHEREAS SGI Canada was granted Letters Patent by the Federal Government of Canada under the *Canada Corporations Act* on the 19th day of June, 1975 under the name “Nichirensoshu Sokagakkai Academy of Canada”;

AND WHEREAS the corporate name was changed to “Soka Gakkai International Association of Canada Association de la Soka Gakkai Internationale du Canada” by Supplementary Letters Patent issued by the Federal Government of Canada on the 16th day of December, 1991;

AND WHEREAS the current By-law for SGI Canada, General Operating Bylaw No. 7, was adopted by the Directors and Corporate Members on August 9, 2013 and approved by Industry Canada effective August 22, 2013;

AND WHEREAS SGI Canada has applied for articles of continuance to be continued under the *Canada Not-for-Profit Corporations Act*;

NOW THEREFORE BE IT ENACTED as a general operating By-law of SGI Canada to take effect immediately upon the issuance of certificate of continuance by the federal Government under the *Canada Not-for-Profit Corporations Act* as follows:

SECTION I **INTERPRETATION**

1.01 Definitions

In this By-law and all other By-laws and resolutions of SGI Canada, unless the context otherwise requires:

- (a) “Act” means the *Canada Not-for-Profit Corporations Act*, S.C. 2009, c. 23, including any regulations made pursuant to the Act and any statute or regulations that may be substituted, as amended from time to time.
- (b) “Agent” means any Individual who performs services on behalf of SGI Canada and receives remuneration for such services.

- (c) “Articles” means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of SGI Canada.
- (d) “Board” or “Board of Directors” means the board of directors of SGI Canada.
- (e) “Board Policy” means a board policy adopted pursuant to this General Operating By-law in pursuance of the Purposes of SGI Canada.
- (f) “By-law” or “By-laws” means this by-law and all other by-laws of SGI Canada as amended and which are, from time to time, in force and effect.
- (g) “Chair of Corporate Members’ Meetings” means the Individual chairing the Meeting of Corporate Members, who shall be the Chair of the Board or as otherwise provided for in this General Operating Bylaw.
- (h) “Chair of Board Meetings” means the Individual chairing meetings of the Board of Directors, who shall be the Chair of the Board or as otherwise provided for in this General Operating Bylaw.
- (i) “Committee” means a committee or committees of SGI Canada as defined in this General Operating Bylaw, including the Executive Council, the National Planning Committee, the Executive Committee of the Board, the Nominating Committee, the Audit and Finance Committee, Standing Committees and any Ad Hoc Committees.
- (j) “Committee Member” means a member of a Committee.
- (k) “Constitutional Documents” means the collective of the following documents for SGI Canada: the Articles (including the Purposes), the Bylaws (including the Statement of Faith), and any Governance Policies and Board Policies adopted by SGI Canada from time to time.
- (l) “Consensus Resolution” means a motion or resolution passed by consensus, being a unanimous vote of all of the Individuals entitled to vote at the applicable meeting duly called for the purpose of considering the said motion or resolution (referred to as “Meeting Participants” for purposes of this definition of Consensus Resolution). Where consensus, i.e. a unanimous vote of all Meeting Participants, cannot be reached as determined in the sole discretion of the chair of the applicable meeting, the question shall be decided by means of a resolution passed by a majority of not less than seventy-five percent (75%) of the votes cast on that resolution by a show of hands unless a ballot has been demanded by a Meeting Participant entitled to vote at the meeting or otherwise required. For greater certainty, decisions may not be made by Consensus Resolution where the Act or this General Operating By-law requires that a decision be made by a Special

Resolution or where this By-law requires that a decision be made by an Ordinary Resolution.

- (m) “Corporate Member” means a corporate member of SGI Canada as described in Section 2.01 of this By-law.
- (n) “Corporate Members” or “Corporate Membership” means the collective corporate membership of SGI Canada.
- (o) “Director” means a member of the Board.
- (p) “Division” means a division of governance of SGI Canada as described in Section 8.02 of this By-law.
- (q) “Employees” or “Employees of SGI Canada” means all full-time and part-time employees of SGI Canada and all contract for service providers who are deemed to be employees for purposes of the *Income Tax Act* (Canada), where applicable.
- (r) “Executive Committee of the Board” means the Executive Committee of the Board of Directors for SGI Canada as described in Section 5.05.
- (s) “Executive Council” means the Executive Council of SGI Canada as described in Section 5.02 of this Bylaw.
- (t) “Family Members” means an Individual’s spouse, children, parents, siblings, or the spouses of such children, parents or siblings, or the children or parents of such Individual’s spouse(s), who are living with and/or financially supporting or supported by the Individual.
- (u) “General Director” means the General Director of SGI Canada as described in Section 4.02(a) of this By-law, and for greater certainty, the General Director is the Chief Executive Officer of SGI Canada but not a Director of SGI Canada.
- (v) “Governance Policy” means a governance policy adopted pursuant to Section 10.01 of this By-law, from time to time in pursuance of the Purposes of SGI Canada.
- (w) “Individual” means a natural person, but does not include corporations, partnerships, trusts or unincorporated organizations.
- (x) “Junior Practitioner” means a junior practitioner of Soka Gakkai Nichiren Buddhism in Canada as described in section 6.01 of this By-law.
- (y) “Level” means a level of governance within SGI Canada as described in Section 8.01 of this By-law.

- (z) “Leader” means a Leader of SGI Canada as described in Section 7.01 of this By-law.
- (aa) “Leadership Standard” means the Leadership standards as described in Section 7.02 of this By-law.
- (bb) “Meeting of Corporate Members”, “Corporate Membership Meeting” or “Corporate Members Meeting” includes any annual meeting of Corporate Members or special meeting of Corporate Members.
- (cc) “National Planning Committee” or “NPC” means the National Planning Committee of SGI Canada described in Section 5.03 and “NPC Member” means a member of the NPC.
- (dd) “Officer” means an officer of SGI Canada.
- (ee) “Ordinary Resolution” means a resolution passed by a majority of the votes cast on that resolution.
- (ff) “Policy” means a policy adopted pursuant to SECTION X of this By-law from time to time in pursuance of the Purposes of SGI Canada and for greater certainty includes Governance Policies and Board Policies.
- (gg) “Practitioner” means a practitioner of Soka Gakkai Nichiren Buddhism in Canada as described in Section 6.01 of this By-law.
- (hh) “Practitioner Standard” means the Practitioner standards as described in Section 6.02 of this By-law.
- (ii) “Public Accountant” means the public accountant appointed by the Corporate Membership to audit the financial statements of SGI Canada in accordance with the Act and this General Operating By-law.
- (jj) “Purposes” mean the charitable purposes of SGI Canada as contained in the Articles.
- (kk) “Regional Coordinator” means the Regional Coordinator appointed for each Region in accordance with the applicable Governance Policy on Leaders.
- (ll) “Regulations” means the regulations made under the Act, as amended, restated or in effect from time to time.
- (mm) “Section” means a section of this General Operating By-law.
- (nn) “SGI” means Soka Gakkai International, an international family of organizations that espouses Soka Gakkai Nichiren Buddhism as defined in this By-law.

- (oo) “Soka Gakkai Nichiren Buddhism” means Soka Gakkai Nichiren Buddhism espoused by SGI in accordance with the humanistic Buddhist philosophy of Nichiren Daishonin.
- (pp) “Special Resolution” means a resolution passed by a majority of not less than two thirds (2/3rds) of the votes cast on that resolution.
- (qq) “SGI Canada” means the legal entity incorporated as a corporation without share capital under the *Canada Corporations Act* by Letters Patent dated the 19th day of June, 1975, continued under the Act and named “Soka Gakkai International Association of Canada Association de la Soka Gakkai Internationale du Canada”, through which its Directors, Officers, Corporate Members, Practitioners, Junior Practitioners, Leaders, Employees, Volunteers and Agents may associate and collectively work together in the fulfillment of the Purposes of SGI Canada.
- (rr) “SGI Japan” means Soka Gakkai incorporated on September 8, 1952.
- (ss) “SGI Organization from another country” means another non-profit and/or charitable organization that carries out operations similar to those of SGI Canada in countries outside of Canada.
- (tt) “Statement of Faith” means the statement of faith of SGI Canada as set out in Section 1.02(b) of this By-law.
- (uu) “Volunteer” means any Individual, whether a Practitioner or not, who performs services on behalf of SGI Canada without receiving remuneration other than repayment of out of pocket expenses.

1.02 **Fundamental Terms and Interpretations**

(a) **Purposes and Statement of Faith**

The By-laws of SGI Canada shall be strictly interpreted at all times in accordance with and subject to the Purposes and Statement of Faith of SGI Canada, which for purposes of this General Operating By-law are incorporated by reference and made a part hereof. If any of the provisions contained in this General Operating By-law 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.

(b) **Statement of Faith**

The Statement of Faith for SGI Canada is as follows:

Soka Gakkai International Association of Canada (SGI Canada) is an organization embracing the teachings of Nichiren Daishonin (1222-1282), which is the essence of Mahayana Buddhism. The purposes of the organization are: to enable each person to achieve genuine happiness through the practice of Nichiren Buddhism,

to contribute to lasting peace, the enrichment of culture, humanistic education, and the development of human society based on Buddhist philosophy, which espouses the dignity of life.

SGI Canada embraces the fundamental aim and mission of contributing to peace, culture and education based on the philosophy and ideals of the Buddhism of Nichiren Daishonin. We believe that Nichiren Daishonin's Buddhism, a humanistic philosophy of infinite respect for the sanctity of life and all-encompassing compassion, enables individuals to cultivate and bring forth their inherent wisdom and, nurturing the creativity of the human spirit, to surmount the difficulties and crises facing humankind and realize a society of peaceful and prosperous coexistence. Education and the arts therefore play important roles in the activities of SGI Canada, as they are regarded as important ways for individuals to become more in touch with their own humanity and develop empathy, compassion and wisdom—all crucial to achieving the Buddhist goal of universal happiness and peace.

“Soka” means “to create value.” The fundamental goal of Soka Gakkai is to achieve the happiness of all humanity and world peace based on the philosophy of the dignity of life. This is the ultimate meaning of “creating value.” As an affiliate with the Soka Gakkai International, SGI Canada carries out its religious activities in the same spirit and based on the same principles.

Nichiren Daishonin declared, “If you care anything about your personal security, you should first of all pray for order and tranquility throughout the four quarters of the land, should you not?” (*The Writings of Nichiren Daishonin*, vol.1, p. 24). This means that there is no true happiness without peace and security in the world. As such, SGI Canada is aiming to achieve not only individual happiness but also a truly peaceful and happy society.

SGI Canada is dedicated to upholding the spirit of the three founding presidents of the Soka Gakkai: Tsunesaburo Makiguchi, Josei Toda and Daisaku Ikeda. The spirit and guidance of the three founding presidents are all based on Nichiren Daishonin's Buddhism. Their actions as practitioners exemplify the principle of the shared commitment of mentor and disciple dedicated to the happiness of all people.

The principle of the oneness of mentor and disciple, working together for the happiness of all people, is the core teaching of Buddhism. It is based on the recognition that all people equally possess the potential for enlightenment or Buddhahood. This was made clear in the Lotus Sutra as taught by Shakyamuni Buddha.

To profess faith in Nichiren Buddhism and to be a practitioner in SGI Canada means to cherish the sanctity of life and to respect others, recognizing the interrelatedness of all life and the universe.

Buddhist faith, practice and study are based on the development of one's own Buddhahood while also striving to help others attain Buddhahood. They are described in the following passage from Nichiren's writings:

Exert yourself in the two ways of practice and study. Without practice and study, there can be no Buddhism. You must not only persevere yourself; you must also teach others. Both practice and study arise from faith. Teach others to the best of your ability, even if it is only a single sentence or phrase. (Ibid., p. 386)

SGI Canada does not belong to any political organization, nor is it involved in political activities.

(c) Interpretation

In the interpretation of this By-law and all other Bylaws, Policies and Resolutions of SGI Canada, unless the context otherwise requires, the following rules shall apply:

- (i) except where specifically defined herein, all terms contained herein and which are defined in the Act shall have the meanings given to such terms in the Act;
- (ii) words importing the singular number only shall include the plural and vice versa;
- (iii) words importing either the masculine or feminine gender include the masculine, feminine and neuter genders; and
- (iv) 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.

(d) Official Language

For greater certainty, for purposes of this By-law and all other By-laws, Policies, resolutions and other Constitutional Documents of SGI Canada, the English version shall be the official version of each document.

(e) Headings

The headings used in the By-laws of SGI Canada are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

SECTION II
CORPORATE MEMBERSHIP

2.01 Definition of Corporate Membership

(a) Definition of Corporate Membership

Pursuant to the Articles, there shall be one (1) class of Corporate Members in SGI Canada. Corporate Membership in SGI Canada shall consist only of the Individuals recorded as Corporate Members of SGI Canada as of the date of passing this General Operating By-law. Thereafter, Corporate Membership in SGI Canada shall consist only of those Individuals who:

- (i) have signed a Corporate Membership Statement to evidence;
 - (A) their commitment to furthering the Purposes contained in the Articles of SGI Canada and the Statement of Faith; and
 - (B) their agreement with the Constitutional Documents;
- (ii) are eighteen (18) years of age, or older;
- (iii) whose application for Corporate Membership has been approved by a Consensus Resolution of the Board;
- (iv) are Practitioners as described in Section 6.01;
- (v) are either Directors or members of the Executive Council of SGI Canada; and
- (vi) have been admitted into Corporate Membership in accordance with the Constitutional Documents.

(b) Admission to Corporate Membership

An application for Corporate Membership shall be signed and submitted to the Board. If the Board is satisfied that the application for Corporate Membership satisfies all of the definitions of Corporate Membership as set out in Section 2.01(a), then in its sole discretion by a Consensus Resolution of the Board, such Individual shall thereafter become a Corporate Member of SGI Canada. Each Corporate Member shall promptly be informed in writing by the Secretary of his or her admission into Corporate Membership.

(c) No Corporate Membership Fees

There shall be no Corporate Membership fees or dues unless otherwise directed by the Board of Directors.

(d) Membership Record

A record of Corporate Members shall be kept by the Secretary of SGI Canada.

2.02 Privileges, Duties and Rights of Corporate Membership

(a) Duties of Corporate Members

A Corporate Member of SGI Canada shall have the duty to comply with the authority exercised by SGI Canada as expressed in its Constitutional Documents and to remain committed to furthering the Purposes and Statement of Faith as contained in the said Constitutional Documents.

(b) Rights of Corporate Members

A Corporate Member of SGI Canada shall have the following rights

- (i) the right to receive notice of, attend, speak and participate at all Meetings of Corporate Members; and
- (ii) the right to a single vote at all Meetings of Corporate Members.

(c) Corporate Membership Non-Transferable

Corporate Membership in SGI Canada is non-transferable.

2.03 Resignation and Termination of Corporate Membership

(a) Resignation and Termination of Corporate Membership

Corporate Membership in SGI Canada is terminated when:

- (i) the Corporate Member dies;
- (ii) the Corporate Member withdraws by delivering a written request to withdraw to the Board accompanied by an explanation of the reasons for the request for withdrawal;
- (iii) a Corporate Member fails to maintain all of the qualifications of Corporate Membership set out in Section 2.01(a);

2.03 Resignation and Termination of Corporate Membership

- (iv) if at a Meeting of Corporate Members of SGI Canada called for that purpose, the Corporate Members determine by Consensus Resolution that a Corporate Member is to be removed as a Corporate Member of SGI Canada, provided that such Corporate Member is first offered an opportunity to be heard; or
- (v) SGI Canada is liquidated or dissolved under the Act.

Subject to the Articles, upon any termination of Corporate Membership, the rights of the Corporate Member automatically cease to exist.

(b) Deemed Co-ordinated Resignations

If a Corporate Member is removed from Corporate Membership in SGI Canada and holds a position of either a Director, Officer or a Committee Member of SGI Canada, that Corporate Member shall be deemed to have immediately resigned from his or her position as a Director, an Officer and/or a Committee Member of SGI Canada. Where a Corporate Member resigns from Corporate Membership in SGI Canada, that Corporate Member shall be deemed to have immediately resigned from his or her position as a Director and Officer, but not necessarily a Committee Member. For greater certainty, a Corporate Member who has resigned as a Corporate Member may choose to continue as a Committee Member (other than the Executive Council or the Executive Committee of the Board, if applicable) or may choose to resign as a Committee Member.

2.04 Corporate Membership Meetings

(a) Place of Meetings

Meetings of the Corporate Members may be held at any place within Canada as the Board may determine or outside Canada if all of the Corporate Members entitled to vote at such meeting so agree.

(b) Annual Meeting

There shall be an annual Meeting of Corporate Members at such time and place in Canada as determined by the Board each year. The annual meeting shall be held not later than fifteen (15) months after holding the preceding annual meeting but no later than six (6) months after the end of SGI Canada's preceding fiscal year. The purpose of the annual Meeting of Corporate Members will be to do the following:

- (i) to receive necessary reports from the Board;
- (ii) review the financial statements for the immediately preceding year, including the Public Accountant's report thereon, and the budget for the upcoming year;

- (iii) appoint the Public Accountant by Consensus Resolution for the upcoming year in accordance with the Act;
- (iv) to elect Directors by Ordinary Resolution as required for the next fiscal year; and
- (v) transact any other necessary business as may be properly brought before the meeting or is required by the Act.

(c) Special Meetings

The Chair of the Board or a majority of the Directors may at any time call a special Meeting of Corporate Members for the transaction of any business which may properly be brought before the Corporate Members. The Board shall call a special meeting on written requisition of not less than five percent (5%) of the votes that may be cast at a Meeting of Corporate Members sought to be held for any purpose connected with the affairs of SGI Canada that does not fall within the exceptions listed in the Act or is otherwise inconsistent with the Act, within 21 days from the date of the deposit of the requisition.

(d) Special Business

All business transacted at a special Meeting of Corporate Members and all business transacted at an annual Meeting of Corporate Members, except consideration of the financial statements, the Public Accountant's report, election of Directors and re-appointment of the incumbent Public Accountant, is special business.

(e) Notice of Meeting

- (i) In accordance with and subject to the Act, notice of the time and place of a Meeting of Corporate Members shall be given to each Corporate Member entitled to vote at the meeting, as follows:
 - (1) by telephonic, electronic or other communication facility to each Corporate Member entitled to vote at the meeting, during a period of twenty-one (21) to thirty-five (35) days before the day on which the meeting is to be held; or
 - (2) by mail, courier or personal delivery to each member entitled to vote at the meeting, during a period of twenty-one (21) to sixty (60) days before the day on which the meeting is to be held;
- (ii) Notice of a Meeting of Corporate Members shall also be given to each Director and to the Public Accountant of SGI Canada during a period of twenty-one (21) to sixty (60) days before the day on which the meeting is to be held.

- (iii) Notice of any Meeting of Corporate Members at which special business is to be transacted shall state the nature of that business in sufficient detail to permit the Corporate Member to form a reasoned judgment on the business and provide the text of any Special Resolution or By-law to be submitted to the meeting. The Board may fix a record date for determination of Corporate Members entitled to receive notice of any Meeting of Corporate Members in accordance with the requirements of section 161 of the Act. Subject to the Act, a notice of Meeting of Corporate Members provided by SGI Canada shall include any Proposal submitted to SGI Canada under Section 2.04(q).

(f) Waiver of Notice

A Corporate Member and any other Individual entitled to notice of a Meeting of Corporate Members may in any manner and at any time waive notice of a Meeting of Corporate Members, and attendance of any such Individual at a Meeting of Corporate Members is a waiver of notice of the meeting, except where such Individual attends a meeting for the express purposes of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

(g) Individuals Entitled to be Present

The only Individuals entitled to be present at a Meeting of Corporate Members shall be those entitled to vote at the meeting, the Directors, the Public Accountant and such other Individuals who are entitled or required under any provision of the Act, Articles or By-laws of SGI Canada to be present at the meeting. Any other Individual may be admitted only on the invitation of the Chair of Corporate Members' Meetings or by Consensus Resolution of the Corporate Members.

(h) Quorum

- (i) Subject to the Act and this By-law, a quorum for any meetings of Corporate Members shall be constituted by the presence of a simple majority of the Corporate Members entitled to vote at the meeting. For the purpose of determining quorum, a Corporate Member may be present in person, by telephonic and/or by other electronic means, but not by proxy.
- (ii) If a quorum is present at the opening of a Meeting of Corporate Members, the Corporate Members present may proceed with the business of the meeting even if a quorum is not present throughout the meeting.
- (iii) If a quorum is not present at the time appointed for a Meeting of Corporate Members or within such reasonable time thereafter as the Corporate Members present may determine, the Corporate Members present and entitled to vote may adjourn the meeting to a fixed time and place but may

not transact any other business and the provisions of Section 2.04(e) with regard to notice shall apply to such adjournment.

(i) Chair of Corporate Members' Meetings

The Chair of Corporate Members' Meetings shall be:

- (i) the Chair of the Board;
- (ii) if the Chair of the Board is absent or unable to act, then the Vice-Chair of the Board;
- (iii) if the Chair of the Board and the Vice-Chair of the Board are absent or unable to act, then a Director appointed by an Ordinary Resolution of the Corporate Members.

(j) Votes to Govern

At any meetings of Corporate Members, every question shall, unless otherwise provided by the Articles or By-laws or by the Act, be determined by a Consensus Resolution. In case of an equality of votes, the Chair of Corporate Members' Meetings, in addition to an original vote, shall have a second or casting vote. The Chair of Corporate Members' Meetings shall also be permitted to vote in the event of a secret ballot.

(k) Voting Procedure

Subject to the Act and except in the case of a meeting held by electronic means every question shall be decided by a show of hands unless a ballot has been demanded by a Corporate Member entitled to vote at the meeting or otherwise required. At any meeting unless a secret ballot is provided, a declaration by the chair of the Corporate Members' meeting as to whether or not the question or motion has been carried and an entry to that effect in the minutes of the meeting shall, in the absence of evidence to the contrary, be evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the motion. Notwithstanding the foregoing, any vote may be held entirely by means of a telephonic, an electronic or other communication facility, if SGI Canada makes available such a communication facility.

(l) Minutes

Minutes shall be kept at all meetings of Corporate Members and signed by the Chair of the Board and the Secretary. Minutes of each Meeting of Corporate Members shall be submitted to all Corporate Members prior to the next Meeting

of Corporate Members for their approval, and once approved, copies shall be made available to each Corporate Member.

(m) Ballots

On any question proposed for consideration at a Meeting of Corporate Members, and whether or not a show of hands has been taken thereon, the chair of Corporate Members' meeting may require a ballot or any Corporate Member entitled to vote on such question at the meeting may demand a ballot. A ballot so demanded shall be taken in such manner as the chair of Corporate Members' meeting shall direct. A demand for a ballot may be withdrawn at any time prior to the taking of the ballot. The result of the ballot so taken shall be the decision of the Corporate Members on the question.

(n) Participation at Meetings by Electronic Means

If SGI Canada 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 Corporate Members, any Individual entitled to attend such meeting may participate in the meeting by such means in the manner provided by the Act and the Regulations. An Individual participating in a meeting by such means is deemed to be present at the meeting.

(o) Meeting Held by Electronic Means

Notwithstanding Section 2.04(n), if the Directors or Corporate Members of SGI Canada call a Meeting of Corporate Members, those Directors or Corporate Members, as the case may be, may determine that the meeting 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.

(p) Voting by Electronic Means

Notwithstanding any other provision of this By-law, voting carried out by means of a telephonic, electronic or other communication facility referred to in sub-Sections 2.04(n) and 2.04(o) are permitted only if that facility enables the votes to be gathered in a manner that permits their subsequent verification; and permits the tallied votes to be presented to SGI Canada without it being possible for SGI Canada to identify how each Corporate Member voted.

(q) Proposals at Annual Meetings

Subject to compliance with section 163 of the Act, a Corporate Member entitled to vote at an annual meeting may submit to SGI Canada notice of any matter that the Corporate Member proposes to raise at the annual meeting and discuss at the meeting any matter with respect to which the Corporate Member would have been

entitled to submit a proposal. A proposal may include nominations for the election of Directors and must be signed by at least five percent (5%) of the Corporate Members entitled to vote at the meeting. Subject to the Act, SGI Canada shall include the proposal in the notice of meeting and, if so requested by the Corporate Member, shall also include a statement by the Corporate Member in support of the proposal and the name and address of the Corporate Member. The Corporate Member who submitted the proposal shall pay the cost of including the proposal and any statement in the notice of meeting at which the proposal is to be presented unless otherwise provided by Consensus Resolution of the Corporate Members present at the meeting.

(r) Resolution in Lieu of Meeting

A resolution in writing signed by all the Corporate Members entitled to vote on that resolution at a meeting of Corporate Members is as valid as if it had been passed at a meeting of the Corporate Members, unless a written statement is submitted to SGI Canada by a Director in relation to his/her resignation or removal or by the public accountant in relation to his/her resignation, removal or replacement. A copy of every resolution of the Corporate Members shall be kept with the minutes of meetings of Members.

(s) Procedural Code

Any questions of procedures at or for any meetings of the Corporate Members, which have not been provided for in this by-law or by the Acts, shall be determined by the chairperson of the meeting in accordance with the most current edition of *Robert's Rules of Order*.

(t) Adjournment

Subject to other provisions of this General Operating By-law, the Chair of Corporate Members' Meetings may with the consent of the meeting adjourn the same from time to time to a fixed time and place and no notice of such adjournment need be given to the Corporate Members provided that the Meeting of Corporate Members is adjourned for less than thirty-one (31) days. If a Meeting of Corporate Members is adjourned by one or more adjournments for an aggregate of more than thirty (30) days, notice of the adjourned meeting shall be in the manner as if it is an original meeting. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

SECTION III
BOARD OF DIRECTORS

3.01 Establishment of the Board of Directors

(a) Powers

Subject to the Act and the Articles, the Directors shall manage or supervise the management of the activities and affairs of SGI Canada.

(b) Number of Directors

The Board shall consist of the minimum and maximum number of Directors specified in the Articles. The precise number of Directors on the Board shall be determined from time to time by the Corporate Members by Consensus Resolution or, if the Consensus Resolution empowers the Directors to determine the number of the Directors, by Consensus Resolution of the Board. At least two (2) of the Directors shall not be Officers of SGI Canada or be officers or employees of SGI Canada's affiliates.

(c) Qualifications for Directors

Each Director shall be an individual who:

- (i) at the time of his or her election or within 10 days thereafter, is a Corporate Member of SGI Canada in good standing, having signed a current Corporate Membership application as outlined in Section 2.01(a);
- (ii) is thirty (30) years of age or older, and has power under law to contract;
- (iii) fulfils the spiritual qualifications of a Leader in accordance with the Governance Policy on Leaders, as determined in the discretion of the Nominating Committee;
- (iv) has been a Practitioner of Soka Gakkai Nichiren Buddhism in Canada for at least ten (10) years, inclusive of any time spent as a member of SGI Canada prior to the adoption of Bylaw No. 7;
- (v) has been a Leader of SGI Canada for at least five (5) years, which for greater certainty includes any time spent as a Leader of SGI Canada prior to the adoption of Bylaw No. 7;
- (vi) is in full agreement with the Constitutional Documents;
- (vii) is not an "ineligible individual" under the *Income Tax Act* (Canada) as amended from time to time, and has not been convicted or pardoned of a crime

anywhere in the world involving the abuse of children or the assault of an adult;

- (viii) where possible, the Individual must reflect the knowledge and professional skills needed to support the work of SGI Canada, as determined by the Nominating Committee in its sole discretion;
- (ix) recognizes that membership on the Board of Directors is a commitment to humble service to the Practitioners and SGI Canada, not a position of honour or status, nor a reward for past service;
- (x) save and except where permitted by law, the Individual must not receive any remuneration either directly or indirectly from SGI Canada and should not have any Family Members who receive remuneration from SGI Canada;
- (xi) is not an undischarged bankrupt or does not become one at any time during his or her term as a Director;
- (xii) has not been found by a court in Canada or elsewhere to be mentally incompetent;
- (xiii) does not have the status of a bankrupt;
- (xiv) is not the Public Accountant of SGI Canada; and
- (xv) is not the spouse of the Public Accountant of SGI Canada.

(d) Gender Parity on Board

As much as possible, a minimum of one-third (1/3) of the Directors shall be of one gender and a maximum of two-thirds (2/3) of the other gender in order to reflect gender parity among the Directors, as determined in the sole discretion of the Board from time to time.

3.02 Residency, Relationship and Election of Directors

(a) Residency and Relationship of Directors

The Board of Directors shall consist of not less than sixty-six point six percent (66.6%) of Individuals who are residents of Canada and not more than forty-nine percent (49%) of Individuals who deal with each other in a non arm's length relationship as defined in the *Income Tax Act* (Canada) from time to time.

(b) Election of Directors

Subject to the Articles, Directors shall be elected by the Corporate Members by Ordinary Resolution at each annual Meeting of Corporate Members at which an election of Directors is required.

3.03 Term and Maximum Term for Director

(a) Term for Directors

- (i) An Individual elected as a Director shall hold office for a term of one (1) year, which term of office shall commence immediately following the annual Meeting of Corporate Members at which such Individual was elected.
- (ii) If Directors are not elected at a Meeting of Corporate Members, the incumbent Directors shall continue in office until their successors are elected.

(b) Maximum Term for Directors

The maximum number of terms for each Director is ten (10) consecutive terms of one (1) year. A Director will be eligible for re-election to the Board at the end of his or her term up to the maximum number of terms provided that such Director continues to meet the qualification requirements to be a Director. Upon the completion of the maximum term on the Board, a minimum of a one (1) year absence is required before eligibility for re-election to the Board is restored.

(c) Consent

An Individual who is elected or appointed to hold office as a Director is not a Director, and is deemed not to have been elected or appointed to hold office as a Director, unless:

- (i) the Individual was present at the meeting when the election or appointment took place and did not refuse to hold office;
- (ii) the Individual was not present at the meeting when the election or appointment took place and consented to hold office in writing before the election or appointment or within ten (10) days after the said meeting; or
- (iii) the Individual was not present at the meeting when the election or appointment took place and has acted as a Director pursuant to such Individual's election or appointment.

3.04 Resignation and Removal of Director

(a) Resignation of Director

If for any reason a Director chooses to resign, a letter of resignation shall be directed to the Chair of the Board, who in turn shall call it to the attention of the Board of Directors. The Board shall then have the power to accept such resignation between Meetings of Corporate Members. Such letter of resignation shall, as much as possible, set out the reasons for the departure of the Individual from the Board. Where the Director who chooses to resign is the Chair of the Board, then his or her letter of resignation shall be directed to the Secretary, who shall call it to the attention of the Board of Directors.

(b) Ceasing to Hold Office

The position of a Director shall be automatically vacated if any of the following occurs:

- (i) a Director resigns in accordance with Section 3.04(a);
- (ii) a Director no longer fulfils all of the qualifications to be a Director in Section 3.01(c) as determined in the sole discretion of the Board (with the Director in question not having the right to vote thereat);
- (iii) a Director is absent from meetings of the Board for a cumulative total of fifty-one percent (51%) or more of the meetings during any twelve (12) month period following his or her election or the anniversary of his or her election or appointment without providing reasonable written explanation for such absence based upon health considerations or other extenuating circumstances that are acceptable to the Board;
- (iv) at a Meeting of Corporate Members called for that purpose, the Corporate Members determine by a Consensus Resolution that a Director be removed from office before the expiration of his or her term; and the Director so removed may submit a written statement giving reasons for opposing his or her removal in accordance with section 131 of the Act;
- (v) such Director dies.

Where an Individual is no longer a Director, then such Individual shall be deemed to have also automatically resigned as a Corporate Member, an Officer (if it is a requirement to be a Director to hold that particular Officer position) and/or a Committee Member, as applicable, in accordance with Section 3.04(d).

(c) Written Notification of Removal of a Director

Save and except for sub-sections 3.04(b)(ii) and 3.04(b)(iii), when a Director's position is automatically vacated in accordance with Section 3.04(b), SGI Canada shall not be required to take any further action other than the sending of written notification to the Director that he or she is no longer a Director effective as of a certain date as determined by the Board. When a Director is deemed to have automatically resigned in accordance with sub-section 3.04(b)(ii) and 3.04(b)(iii), the Board shall call a meeting of the Corporate Members to approve the Board's recommendation that the Director in question be removed by Consensus Resolution.

(d) Deemed Co-ordinated Resignation

Where the position of a Director is automatically vacated pursuant to Section 3.04(b)(ii) to (iv) inclusive, then such Individual shall be deemed to have also automatically resigned as a Corporate Member, an Officer and/or a Committee Member, as applicable, provided that the Board may in its discretion subsequently re-appoint such Individual as a Committee Member if the Board deems it appropriate in the circumstances. Where a Director resigns as a Director in accordance with Section 3.04(b)(i), such Individual will not be deemed to have automatically resigned as an Officer and/or a Committee Member and such Individual may choose to continue a Committee Member (other than the Executive Council or the Executive Committee of the Board, if applicable) or in a non-Board Officer position of Vice General Director or Executive Advisor, as applicable.

3.05 Filling Vacancies of Directors

Subject to the Act and the Articles, a quorum of the Directors may fill a vacancy in the Board, except a vacancy resulting from an increase in the number or the minimum or maximum number of Directors, or from a failure of the Corporate Members to elect the number of Directors required to be elected at any Meeting of Corporate Members. If there is not a quorum of the Board, or if the vacancy has arisen from a failure of the Corporate Members to elect the number of Directors required to be elected at any Meeting of Corporate Members, the Board shall forthwith call a special Meeting of Corporate Members to fill the vacancy. If the Board fails to call such meeting or if there are no Directors then in office, any Corporate Member may call the meeting. A Director appointed or elected to fill a vacancy holds office for the unexpired term of their predecessor. Upon the filling of such vacancy, the Board shall notify SGI Canada Corporate Membership.

3.06 Authority of Board of Directors**(a) General Authority and Duties**

In accordance with Section 3.01(a), the Board of Directors shall manage or supervise the management of the activities and affairs of SGI Canada, as the controlling Board of SGI Canada all in accordance with the Constitutional Documents. In this regard, the Board shall make or cause to be made for SGI Canada in its name any kind of contract which SGI Canada may lawfully enter into, save as hereinafter provided, and generally may exercise such other powers and do such other acts and things as SGI Canada is authorized to do in accordance with the Act and Constitutional Documents.

(b) Specific Authority and Duties

Without limiting the generality of the foregoing, the Board shall be authorized to carry out the following duties and responsibilities:

- (i) to provide direction and leadership for SGI Canada in pursuing its Purposes and Statement of Faith as the senior Leaders of SGI Canada
- (ii) to exercise overall responsibility over the day-to-day administration and operations of SGI Canada, either on its own or through the General Director or through other Individuals as may be designated from time to time, and to authorize expenditures on behalf of SGI Canada from time to time in the furtherance of its Purposes;
- (iii) to delegate responsibility and concomitant authority to the General Director or such Officers or Individuals as may be designated from time to time by the Board, for the management and operation of SGI Canada;
- (iv) to establish procedures for monitoring compliance with the Act, the Articles, the Bylaws herein, the Policies and applicable legislation;
- (v) to appoint the General Director in accordance with the process outlined in the applicable Governance Policy and conduct the ongoing evaluation of the General Director on an on-going basis;
- (vi) to work on a collaborative basis with other organizations, agencies and institutions in the community for purposes of furthering the Purposes of SGI Canada;
- (vii) unless otherwise provided for by the Board, the Board of Directors of SGI Canada shall be responsible for the duties set forth in this Bylaw but are not necessarily required to perform such duties personally, and as such may appoint such Agents, Volunteers and other Individuals and engage such Employees, either on its own or as delegated to the General Director,

as it deems necessary, and such Agents, Volunteers, Employees and other Individuals shall have the authority and shall perform such duties as shall be prescribed by the Board on their behalf at the time of such appointment and shall remain fully accountable to the Board in relation to the duties that have been so delegated;

- (viii) to call all Corporate Members' meetings and to publish the time and place for all such Corporate Members' meetings with due notice;
- (ix) to take such steps as are necessary to enable SGI Canada to acquire, accept, solicit or receive legacies, gifts, grants, settlements, bequests, endowments and donations of any kind whatsoever for the purpose of furthering the Purposes of SGI Canada;
- (x) to approve the annual financial statements of SGI Canada and the annual budget presented by the Treasurer;
- (xi) to invest funds for the benefit of SGI Canada in accordance with such terms as the Board may prescribe in an investment policy pursuant to the investment powers contained in the Letters Patent;
- (xii) to regularly review the functioning of SGI Canada in relation to the Constitutional Documents, and to demonstrate accountability for its responsibility to the annual Meeting of Corporate Members;
- (xiii) to prescribe such Governance Policies or Board Policies not inconsistent with this General Operating Bylaw relating to substantive matters of policies and procedures concerning the programs and activities undertaken by SGI Canada; and
- (xiv) to generally exercise such power and to do such other acts and things as SGI Canada is, by the Act and the Constitutional Documents, authorized to do.

(c) Delegation of Duties of the Board

Subject to the Act, the Board may appoint from their number a managing Director or a committee of Directors (which is referred to as the Executive Committee of the Board) and delegate to the managing Director or committee any of the powers of the Board, except those which may not be delegated by the Board pursuant to subsection 138(2) of the Act. Unless otherwise determined by the Board, such a committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chair and to otherwise regulate its procedure.

(d) Delegation to Committees

The Board may establish one or more committees as it may deem advisable, appoint Individuals as members of such committees in accordance with Section 5.01 and delegate any of its duties and powers to such committee(s). Each committee shall be accountable to the Board.

(e) Board Report

The Board shall, through the Chair of the Board, report to the Corporate Membership at the annual Meeting of Corporate Members. At the said meeting, the Chair of the Board shall be available to answer any questions by Corporate Members and to entertain any motion arising from the floor concerning the proceedings of the Board.

(f) No Remuneration of Directors

As required by the Articles, Directors shall serve without remuneration, and no Director shall directly or indirectly receive any profit from his or her position as such, provided that a Director may be reimbursed for such expenses incurred in performing his or her duties determined to be reasonable in the circumstances in accordance with any Board Policy established by the Board.

(g) Remuneration of Officers, Agents, Employees

Subject to the Articles, the Directors of SGI Canada may fix by Consensus Resolution the reasonable remuneration of the Officers, Committee Members and Employees of SGI Canada and may delegate any or all of this function as it determines to be appropriate.

However, no Officer who is also a Director shall be entitled to receive remuneration for acting as such. Any Officer, Committee Member or Employee of SGI Canada may receive reimbursement for their expenses incurred on behalf of SGI Canada in their respective capacities as an Officer, Committee Member or Employee, subject to any policy in this regard that may be adopted by the Board from time to time.

3.07 Disclosure of Interest

(a) Prohibition

Save and except where specifically permitted by law and as approved by the Board, a Director and his or her Family Members shall not enter into a contract, business transaction, financial arrangement or other matter with SGI Canada in which the Director or any of his Family Members has any direct or indirect personal interest, gain or benefit.

(b) Disclosure

- (i) Pursuant to the Act, a Director of SGI Canada shall disclose, at the time and in the manner required by the Act, in writing to SGI Canada or request to have entered in the minutes of Board meetings, the nature and extent of any interest that the Director has in any material contract or material transaction whether made or proposed, with SGI Canada if the Director:
 - (1) is a party to the contract or transaction;
 - (2) is a director or officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or
 - (3) has a material interest in a party to the contract or transaction.
- (ii) In addition to the disclosure made under Section 3.07(b)(i), any Director who has any material direct or indirect personal interest, gain or benefit in an actual or proposed contract, business transaction, financial arrangement or other matter with SGI Canada as described in Section 3.07(a) above, whether permitted by law or not, shall declare their interest therein at the first opportunity at a meeting of the Board.

(c) Material Interest

In this Section, “material” shall mean that the Director in question, directly or indirectly, is personally receiving a material benefit or gain of some kind, either financially or otherwise, with the determination of materiality in such circumstances to be determined by the Board from time to time.

(d) Procedure Where Disclosure

The Chair of Board Meetings shall request any Director who has made a disclosure referred to in Section 3.07(b) to absent himself or herself during the discussion of the matter, with such action being recorded in the minutes. The Director shall not vote on any resolution to approve such contract except as provided by the Act.

(e) Consequences of Contravention

In the event that the Board proceeds with a contract, business transaction, financial arrangement, or other matter, in which a Director has a direct or indirect personal interest, gain or benefit in contravention of this Section, save and except where permitted by law and approved by the Board, such Director shall be required to immediately resign from the Board, failing which he or she shall be deemed to have resigned from the Board upon the passing of a Board Consensus Resolution to that effect.

3.08 Board of Directors' Meetings

(a) Place of Meetings

Meetings of the Board may be held at the head office of SGI Canada or at any other place within or outside of Canada, as the Board may determine.

(b) Regular Meetings

Regular meetings of the Board shall be held at such time and place as shall be determined by the Chair of the Board. The General Director shall be invited to all regular meetings of the Board, unless specifically excluded by the Board.

(c) Special Meetings

Special meetings of the Board may be called by the Chair of the Board upon written notice or upon written request of any two (2) Directors to the Chair of the Board who shall then give notice of a special meeting of the Board at such place set out in the notice as soon as possible thereafter.

(d) Notice of Meeting

Notice of the time and place for the holding of a meeting of the Board shall be given in the manner provided in Section 14.01 of this By-law to every Director and the General Director not less than one (1) week before the time when the meeting is to be held. Notice of an adjourned meeting is not required if the time and place of the adjourned meeting is announced at the original meeting. No notice of meeting need specify the purpose or the business to be transacted at the meeting, except that a notice of meeting of Board shall specify any matter referred to in subsection 138(2) of the Act that is to be dealt with at the meeting.

(e) Waiver of Notice

A Director may waive notice of a meeting of the Board and attendance of any Director at such meeting shall constitute a waiver of notice of the meeting, except where such Individual attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

(f) Quorum

A majority of the number of Directors specified in the Articles constitutes a quorum at any meeting of the Board; provided that where there is a minimum and maximum number of Directors specified in the Articles, a quorum shall be a majority of the number of Directors determined in accordance with Section 3.01(b). For the purpose of determining quorum, a Director may be present in

person, or, if authorized under this By-law, by teleconference and/or by other electronic means.

(g) Chair of Board Meetings

The Chair of Board Meetings shall be:

- (i) the Chair of the Board;
- (ii) if the Chair of the Board is absent or unable to act, then the Vice-Chair of the Board of SGI Canada; and
- (iii) if the Vice-Chair of SGI Canada is absent or unable to act, then a Director appointed by the Board by Ordinary Resolution.

(h) Voting Rights

All Directors shall each have one (1) vote. All questions arising at any meeting of Directors shall be decided by a majority of the votes cast on the question, unless the Act or the By-laws otherwise provide. A Director shall be considered to be present at a meeting of Directors if such Director attends the meeting of Directors either in person, by teleconference and/or by electronic means. In the case of an equality of votes, the Chair of Board Meetings, in addition to his or her original vote, shall have the second or casting vote. For greater certainty, the General Director shall not be a Director and therefore shall not have the right to vote at any meeting of the Board of Directors.

(i) Voting Procedures

At all meetings of the Board, every question shall be decided by a show of hands on the question, unless a recorded vote is required by the Chair of Board Meetings or requested by any Director. When a recorded vote on the question is required by the Chair of Board Meetings or requested by any Director, the Secretary shall record the names of the Director and whether they voted in support or opposition. A declaration by the Chair of Board Meetings that a resolution has been carried and an entry to that effect in the minutes of the Board is conclusive evidence of the fact without proof of the number or proportionate votes recorded in favour or against the resolution. If secret ballots are utilized at any meeting, such secret ballots are to be destroyed following the completion of the meeting.

(j) Minutes

The Board shall keep written minutes of each meeting. The Board shall appoint a Director to prepare and maintain such minutes. Due to the potentially confidential nature of matters discussed at the Board the minutes shall not be made public or available for review by Corporate Members with the exception of matters dealing with financial considerations which shall be disclosed to a Corporate Member

upon written request or such other matters upon the unanimous consent of the Board. In addition, the Corporate Members may examine the portions of any minutes of meetings of Directors or of committees of Directors that contain disclosures under section 141 of the Act, and of any other documents that contain those disclosures, during SGI Canada's usual business hours.

(k) Meetings by Telephone or Electronic Means

If all of the Directors consent, a Director may, in accordance with the Regulations, participate in a Board meeting, by means of a telephonic, electronic or other communications facility that permits all participants to communicate adequately with each other during the meeting. A Director participating in the meeting by such means shall be deemed for the purposes of the Act to have been present at that meeting. A consent pursuant to this Section may be given before or after the meeting to which it relates and may be given with respect to all meetings of the Board and committees of the Board.

(l) Confidentiality

Every Director, as well as every Officer, Committee Member, Employee or Volunteer shall respect the confidentiality of matters brought before the Board or before any committee of the Board, or any matter dealt with in the course of employment or involvement of such Individual in the activities of SGI Canada.

(m) Attendance of Other Individuals

Individuals, other than Directors and the General Director, may attend meetings of the Board only upon the invitation by the Chair of the Board with the approval of the Board by Consensus Resolution, provided that no one other than a Director shall have the right to participate in discussions at any Board meeting, save and except where approved by the Board by Consensus Resolution. For greater certainty, the General Director shall not be a Director, nor have a vote thereon and shall not be present when the Board of Directors is discussing his or her position, salary or benefits, but may in the discretion of the Board be present when the Board of Directors is discussing other aspects of his or her position.

(n) No Alternate Directors

No Individual shall act for an absent Director at a Board meeting.

(o) Dissent at Meeting

Subject to the Act, a Director who is present at a Board meeting or a meeting of a committee of Directors is deemed to have consented to any resolution passed or action taken at the meeting unless:

- (i) the Director requests a dissent to be entered in the minutes of the meeting; or
- (ii) the Director sends a written dissent to the Secretary of the meeting before the meeting is adjourned; or
- (iii) the Director sends a dissent by registered mail or delivers it to the registered office of SGI Canada immediately after the meeting is adjourned;

provided that a Director who votes for or consents to a resolution may not dissent.

(p) Dissent of Absent Director

A Director who was not present at a meeting at which a resolution was passed or action taken is deemed to have consented to the resolution or action unless, within seven (7) days after becoming aware of the resolution or action, the Director:

- (i) causes a dissent to be placed with the minutes of the meeting; or
- (ii) sends a dissent by registered mail or delivers it to the registered office of SGI Canada.

(q) Resolutions in Writing

A resolution in writing, signed by all the Directors entitled to vote on that resolution at a Board meeting, shall be as valid as if it had been passed at a Board meeting. A copy of every such resolution in writing shall be kept with the minutes of the proceedings of the Board or committee of Directors.

(r) Meetings *In Camera*

Where matters confidential to SGI Canada are to be considered at a meeting of the Board, the part of the meeting concerning such matters may be held in camera. In addition, where a matter of a personal nature concerning an Individual may be considered at a meeting of the Board, the part of the meeting concerning the Individual shall be held in camera, unless there is mutual agreement to the contrary by the Board and such Individual.

SECTION IV
OFFICERS AND EMPLOYEES

4.01 Names of Officers

(a) Mandatory Officers

The Officers of SGI Canada shall include:

- (i) General Director;
- (ii) One or more Vice General Directors (including a Senior Vice General Director);
- (iii) Executive Advisor, when appointed;
- (iv) Chair of the Board;
- (v) Vice-Chair of the Board;
- (vi) a Secretary;
- (vii) a Treasurer; or
- (i) in lieu of a Secretary and a Treasurer, a Secretary-Treasurer.

(b) Other Officers

The Board may appoint such other Officers as the Board determines is appropriate and the duties of such Officers shall be determined at the discretion of the Board.

(c) Assistant Secretary and Treasurer

The Board may also appoint an Assistant Secretary and/or an Assistant Treasurer to assist the Secretary and/or the Treasurer in fulfilment of their duties, but such positions shall not be Officers of SGI Canada.

4.02 Definition of Officers

(a) General Director

The General Director shall be appointed in accordance with the applicable Governance Policy. The duties of the General Director are outlined below and shall be included within the terms of an appropriate employment contract:

- (i) the duty to be a Leader and to fulfill the qualifications to be a senior Leader as set out in the Governance Policy on Leaders;

- (ii) the duty to serve as the Chief Executive Officer of SGI Canada, but not a Director of SGI Canada;
- (iii) the duty to provide organizational input, direction and guidance to SGI Canada and to work in co-operation with the Board of Directors in implementing such organizational input, direction and guidance;
- (iv) the duty to work in conjunction with the Board of Directors in formulating and recommending Governance Policies and Board Policies for SGI Canada as may be necessary from time to time;
- (v) the duty to exercise general supervisory authority over all Employees and Volunteers of SGI Canada, provided that the hiring or removal of Employees, shall require the approval of the Board of Directors of SGI Canada in accordance with the General Operating Bylaw and any Board Policies on employment developed from time to time;
- (vi) where determined in the sole discretion of the General Director, the right to be an *ex officio* member with power to vote (or appoint a designate without power to vote) on all Committees and boards of SGI Canada, with the exception of the Board of Directors, the Executive Committee of the Board and the Finance and Audit Committee. For greater certainty, the General Director shall have the right to receive notice of, attend and participate at meetings of the Executive Committee of the Board and the Finance and Audit Committee, but shall not be a member of those Committees nor have the right to vote thereat;
- (vii) the right to receive notification and minutes of all meetings of the Board of Directors, to be present and fully participate at all such meetings, provided that, except where permitted by law, the General Director shall not be a Director nor have a vote thereon and shall not be present when the Board of Directors is discussing his or her position, salary or benefits, but may in the discretion of the Board be present when the Board of Directors is discussing other aspects of his or her position;
- (viii) to ensure that appropriate systems and structures are in place for the effective management and control of SGI Canada and its resources, including the employment, development, control, direction and discharge of all Employees of SGI Canada, if applicable;
- (ix) to establish an organizational structure to ensure accountability of all departments and staff for fulfilling the Constitutional Documents as well as Resolutions of the Board; and
- (x) to perform such other duties as may from time to time be determined by the Board.

(b) Vice General Director

The duties of the Vice General Director(s), when appointed in accordance with an applicable Governance Policy, shall be as follows:

- (i) the duty to be a Leader and to fulfill the qualifications to be a senior Leader as set out in the Policy on Leaders;
- (ii) the duty to fulfill the description established for his or her position by the General Director and the Board;
- (iii) the duty to provide organizational input and guidance to SGI Canada and to work in conjunction with the General Director and the Directors in implementing such organizational input and guidance;
- (iv) the duty to be subject to the guidance and direction of the General Director; and
- (v) to perform such other duties as may from time to time be determined by the Board.

(c) Executive Advisor

The duties of the Executive Advisor, when appointed in accordance with an applicable Governance Policy, shall be as follows:

- (i) the duty to be a Leader and to fulfill the qualifications to be a senior Leader as set out in the Governance Policy on Leaders;
- (ii) the duty to serve as an example of Soka Gakkai Nichiren Buddhism and qualities of spiritual leadership, as well as to work in conjunction with the General Director and the Directors by providing organizational and doctrinal guidance;
- (iii) the duty to serve as a consultant to the General Director and the National Level Leaders on doctrinal, operational and other matters; and
- (iv) to perform such other duties as may from time to time be determined by the Board.

(d) Chair of the Board

The duties of the Chair of the Board shall be as follows:

- (i) to act as the Chair of the Board for purposes of the Act;
- (ii) to call all meetings of the Board;

- (iii) to preside at all Board meetings as the Chair of Board Meetings;
 - (iv) to preside at all meetings of the Corporate Members as the Chair of Corporate Members' Meetings;
 - (v) to call all meetings of Corporate Members in accordance with the procedures set out in this By-law;
 - (vi) to report at each annual Meeting of Corporate Members concerning the operations of SGI Canada;
 - (vii) to prepare the agenda for all meetings of the Board;
 - (viii) to prepare the agenda for all meetings of the Corporate Members;
 - (ix) to preside as chair of the Executive Committee of the Board, if applicable;
 - (x) to ensure the fairness, objectivity and completeness of matters occurring at such meetings;
 - (xi) the right to be an *ex officio* member of all Committees, as determined in the Chair's sole discretion, who shall be included in the calculation of the authorized number of Committee Members and be provided with the right to vote on all such Committees;
 - (xii) in the absence of a General Director, to oversee the operations and management of SGI Canada;
 - (xiii) to represent SGI Canada at public or official functions, as much as possible; and
 - (xiv) to carry out such other duties as are directed from time to time by the Board.
- (e) Vice-Chair of the Board

The duties of the Vice-Chair of the Board shall be as follows:

- (i) to act as the Vice-Chair of the Board for purposes of the Act;
- (ii) in the event that the Chair of the Board is not able to function in his or her position then the Chair of the Board shall be replaced by the Vice-Chair of the Board who shall exercise all of the authority and comply with all of the obligations of the Chair of the Board;

- (iii) in his or her absence, the duties of the Vice-Chair of the Board shall be performed by such other Director who is assigned the duties of the Vice-Chair of the Board by the Board; and
- (iv) to carry out such duties as may from time to time be determined by the Board.

(f) Secretary

The duties of the Secretary shall be as follows:

- (i) to act as the corporate secretary of SGI Canada for purposes of the Act;
- (ii) to attend meetings of the Board and the Executive Committee of the Board, if applicable;
- (iii) to keep minutes of all Board, Executive Committee of the Board and Corporate Membership Meetings, and present the minutes of previous Corporate Membership Meetings when called upon to do so;
- (iv) to conduct all correspondence on behalf of SGI Canada arising out of such meetings;
- (v) to publish the time and place for all Corporate Members' meetings with due notice;
- (vi) to be the custodian of the seal of SGI Canada which he or she shall deliver only when authorized by the Board to do so and to such Individual or Individuals as may be named in the said resolution;
- (vii) to be the custodian of all papers and documents of SGI Canada;
- (viii) to keep copies of all testamentary documents and trust instruments by which benefits are given to the use of SGI Canada;
- (ix) to keep the records of the SGI Canada Corporate Membership, including admissions, resignations, removals, deaths and deletions therefrom;
- (x) to carry out such other duties as directed from time to time by the Board; and
- (xi) in the absence of the Secretary, the duties of the Secretary shall be performed by the Assistant Secretary, if applicable, or by another Director who is temporarily assigned the duties of the Secretary by the Board.

(g) Treasurer

The duties of the Treasurer shall be as follows:

- (i) to be the custodian of the books of account and accounting records of SGI Canada required to be kept by the provisions of the Act or otherwise by law;
- (ii) to deposit all monies, securities and other valuable effects in the name and to the credit of SGI Canada at such chartered bank or trust company or in the case of securities, in such registered dealer in securities as may be designated by the Board from time to time;
- (iii) to disburse the funds of SGI Canada as may be directed by proper authority taking proper vouchers for such disbursements;
- (iv) to submit a financial report on a timely basis at each regular meeting of the Board indicating the financial position of SGI Canada;
- (v) to submit an annual budget for SGI Canada to the Board and to the Corporate Members;
- (vi) to submit an annual audited financial report to the Board and to the Corporate Members of SGI Canada of the financial operations of SGI Canada;
- (vii) to ensure that no Director receives any remuneration from SGI Canada, except where specifically permitted by law, unless such monies are for purposes of reimbursing such Individual for such expenses incurred on behalf of SGI Canada determined to be reasonable in the circumstances in accordance with any Board Policy established by the Board;
- (viii) not to be the Public Accountant or the spouse of any of the same;
- (ix) to carry out such other duties as directed from time to time by the Board; and
- (x) in the absence of the Treasurer, the duties of the Treasurer shall be performed by the Assistant Treasurer, if applicable, or by another Director who is temporarily appointed by Consensus Resolution of the Board.

4.03 Qualifications for Officers

(a) Qualifications

An Individual may be considered for election or appointment as an Officer of SGI Canada if he or she fulfills all of the following qualifications:

- (i) the Individual must be thirty (30) years of age or older;
 - (ii) the Individual must be a Director of SGI Canada, save and except for the General Director, which position shall specifically provide that such Officer shall not be a Director of SGI Canada. Where an Individual serving as the Vice General Director or Executive Advisor is a paid Employee of SGI Canada, such Individual shall not be a Director of SGI Canada;
 - (iii) the Individual has not been found by a court in Canada or elsewhere to be mentally incompetent;
 - (iv) the Individual does not have the status of a bankrupt;
 - (v) the Individual complies with all of the duties and restrictions of their respective Officer positions as set out in this General Operating By-law;
 - (vi) the appointment of the General Director by the Board of Directors must be approved in writing by SGI Japan in order to ensure the candidate's suitability from the perspective of Soka Gakkai Nichiren Buddhism and to ensure coordination with the international SGI religious operations; and
 - (vii) as much as possible, the election of the Chair of the Board, the Vice-Chair of the Board, the Secretary, the Treasurer, Executive Advisor and Vice General Directors must have been reviewed on a non-binding consultative basis with SGI Japan.
- (b) Multiple Officer Positions

An Individual may hold more than one Officer position at the same time, with the exception of Chair of the Board, the Vice-Chair of the Board, the General Director, the Vice General Director(s) and the Executive Advisor.

4.04 Election and Appointment of Officers

- (a) The Directors shall elect from among themselves the Officer positions of the Chair of the Board, Vice-Chair of the Board, Secretary, Treasurer, and/or Secretary-Treasurer. As much as possible, where the Chair of the Board is male, the Vice Chair of the Board shall be female and where the Chair of the Board is female, the Vice Chair of the Board shall be male in order to reflect gender parity among the Officers.
- (b) The General Director and the Vice General Director(s) shall be appointed by the Board of Directors in accordance with its approved selection process outlined in an applicable Governance Policy. The Executive Advisor may be appointed by the Board of Directors in accordance with the approved selection process outlined

in an applicable Governance Policy, when determined necessary in the sole discretion of the Board.

- (c) The Board may at any time revoke or suspend the appointment of the General Director or the Vice General Director(s) by Consensus Resolution of the Board of Directors, provided that the exercise of such discretion does not derogate from the obligation imposed upon SGI Canada at law to deal with the General Director and the Vice General Director(s) as Employees, if applicable, in a fair and equitable manner.

4.05 Delegation of Duties of Officers

Unless otherwise provided for by the Board, the Officers of SGI Canada shall be responsible for the duties set forth in this By-law but are not necessarily required to perform such duties personally, and as such may delegate to other Individuals the performance of any or all of such duties, provided that such Officer remains accountable to the Board in relation to the duties that have been so delegated.

4.06 Term and Maximum Term of Officers

- (a) Term of Officers

The term of office for all Officers is one (1) year and expires at the first Board meeting after the annual Meeting of Corporate Members every year, save and except the Vice General Director(s) and the Executive Advisor, when appointed, who shall hold office at the discretion of the Board. The one (1) year term of the General Director shall renew automatically unless otherwise determined by the Board by Consensus Resolution.

- (b) Maximum Term

No Officer, with the exception of the General Director, the Vice General Director(s) and the Executive Advisor, shall be elected or appointed for more than ten (10) terms in the same Officer position unless the Corporate Membership votes to permit an Officer to be elected or appointed for one (1) additional consecutive term in the same Officer position where the Corporate Membership believes that extraordinary circumstances warrant such extension of the maximum term, provided that no further extension of the consecutive term for the same Officer position shall be permitted, provided further that such Officer continues to meet the qualification requirements to be an Officer. Upon the completion of the maximum term for the same Officer position, a minimum of a one (1) year absence is required before eligibility for re-election or re-appointment to the same Officer position is restored.

4.07 Resignation and Removal of Officers

(a) Resignation of Officers

If, for any reason, any Officer other than the Chair of the Board chooses to resign from his or her position, a letter of resignation shall be directed to the Chair of the Board, who in turn shall call it to the attention of the Board of Directors, which resignation shall be deemed to have been accepted as of the effective date stated in the resignation. Where the Chair of the Board chooses to resign, then his or her letter of resignation shall be directed to the Secretary, who shall call it to the attention of the Board of Directors.

(b) Vacancy of Officers

(i) The position of an Officer, other than the General Director, shall be automatically vacated if any of the following situations occur (with the exception that sub-sections 4.07(b)(i)(1) shall not apply to the Vice General Director(s) and the Executive Advisor, when appointed):

- (1) the Officer is no longer a Director;
- (2) such Officer resigns his or her office by delivery of a written resignation to the Board;
- (3) such Officer no longer fulfills all the qualifications of an Officer as set out in Section 4.03;
- (4) the Board of Directors adopts a Consensus Resolution to remove an Officer for any reason at a Board meeting duly called for that purpose, provided that such Officer is first offered an opportunity to be heard; or
- (5) such Officer's death.

(ii) If any vacancies should occur for any reason as set out in Section 4.07(b) above, the Board may fill the vacancy during the remaining term.

(iii) When an Officer position is vacated in accordance with Section 4.07(b), SGI Canada shall not be required to take any further action other than the sending of written notification to the Officer that he or she is no longer an Officer effective as of a certain date as determined by the Board

4.08 Disclosure (Conflict of Interest)

(a) An Officer who is a Director shall have the same duty to disclose such Officer's interest in a material contract or transaction or proposed material contract or

transaction with SGI Canada, as is imposed upon Directors pursuant to the provisions of the Act and the By-laws set out in Section 3.07.

- (b) An Officer who is not a Director shall have the same duty to disclose such Officer's interest in a material contract or transaction or proposed material contract or transaction with SGI Canada, as is imposed upon Directors pursuant to the provisions of the Act and the By-laws set out in Section 3.07(b)(i), Section 3.07(c) and Section 3.07(d).
- (c) In all cases, any such contract or proposed contract may be referred to the Board or Corporate Members for approval in accordance with the Act, even if such contract is one that in the ordinary course of SGI Canada's affairs would not require approval by the Board or Corporate Members.

4.09 Terms of Employment for Employees and Volunteers

All Employees of SGI Canada (which shall be deemed to include all full-time and part-time Employees), and all Volunteers who perform services on behalf of SGI Canada, shall be required to agree with the authority of SGI Canada as expressed in its Constitutional Documents and to be committed to furthering the Purposes and Statement of Faith as contained in the Constitutional Documents of SGI Canada. All Employees and Volunteers of SGI Canada whose employment or volunteer duties involve programs directly connected to Soka Gakkai Nichiren Buddhism shall be required to give evidence that they are personally committed to Soka Gakkai Nichiren Buddhism. All of the above requirements are to be reflected in any employment or Volunteer agreement that may be utilized from time to time with such Employees or Volunteers.

4.10 Remuneration of Employees and Agents

The reasonable remuneration and/or allowances of the Employees or Agents of SGI Canada shall be determined or fixed by the Board by Consensus Resolution, or by a Committee thereof with the approval of the Board by Consensus Resolution.

SECTION V **COMMITTEES**

5.01 Standard Terms of Reference

(a) Application

These standard terms of reference shall apply to all Committees of SGI Canada unless specifically stated otherwise in the Sections of this General Operating Bylaw regarding each specific Committee.

(b) Qualification for Membership on Committees

Membership on any Committee of SGI Canada shall be restricted to the Leaders of SGI Canada.

(c) Appointment of Members to Committees

The Board may, in its sole discretion, appoint Individuals to be members of a Committee.

(d) Ex Officio Committee Members

The Chair of the Board and the General Director, if any, have the right, in their sole discretion, to be *ex officio* members of any Committee subject to the following terms:

- (i) the Chair of the Board shall be included in the calculation of the authorized number of Committee Members and shall have the right to vote and participate in all meetings of a Committee; and
- (ii) the General Director shall have the right to receive notice of, attend and participate at meetings of the Executive Committee of the Board and the Finance and Audit Committee, but shall not be a member of those Committees nor have the right to vote thereat. For greater certainty, the General Director shall have the right to be an *ex officio* member on all other Committees.

(e) Term of Office of Committee Members

The term of office for any appointed member of a Committee is one (1) year to expire at the first Board meeting after the annual Meeting of Corporate Members each year.

(f) Maximum Term of Committee Members

There shall be no maximum term of office for membership on a Committee and as such, a Committee Member will be eligible for re-election to membership on the Committee at the end of his or her term on a consecutive basis thereafter, provided that such Committee Member continues to meet the qualification requirements to be a Committee Member.

(g) Removal of Committee Members

The Board may remove any member of a Committee by Consensus Resolution and may also fill any vacancy on any Committee by Consensus Resolution.

(h) Quorum

A majority of the members of the Committee, but not less than (2) members, constitutes a quorum for the transaction of business at any meeting of such Committee. Only those Committee Members present in person (and where permitted by Section 5.01(n) by telephone or electronically) shall be counted in determining whether or not a quorum is present.

(i) Chair

The Committee shall by Consensus Resolution appoint an interim chair from among the Committee Members, other than *ex officio* Committee Members, if any. The Board of Directors may by Consensus Resolution appoint the interim chair as chair of the Committee or may direct the Committee to appoint another interim chair.

(j) Notice of Meeting

Meetings of the Committee shall be held at such times determined by the chair, but not less than once a year and provided that 24 hours' written, telephone or electronic, including facsimile transfer and e-mail, notice of such meeting shall be given, other than by mail, to each Committee Member. Notice by mail shall be sent at least ten (10) days prior to the meeting.

(k) Waiver of Notice

Whenever any notice of a Committee meeting is required to be given under the provisions of the Act, or in accordance with this General Operating Bylaw, a waiver thereof in writing signed by the Individual or Individuals entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance at a Committee meeting by an Individual entitled to notice shall constitute a waiver of notice of such meeting, except where attendance is for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

(l) Omission of Notice

The accidental omission to give notice of any Committee meeting or any irregularity in the notice of any such meeting of the Committee or the non-receipt of any notice by any Committee Member shall not invalidate any resolution passed or any proceedings taken at any Committee meeting, provided that no Committee Member objects in writing to the Chair of the Board or the Committee chair of such omission or irregularity within thirty (30) days of the relevant meeting.

(m) Place of Meetings

Meetings of the Committee shall be held at the head office of SGI Canada or at any other place as designated by the chair in the notice calling the meeting.

(n) Meetings by Telephone or Electronic Means

If a majority of the Committee Members consent, either at a Committee meeting by Ordinary Resolution or by consents signed individually by a majority of the Committee, a meeting of the Committee may be held by telephone conference or by other electronic means that permits each Committee Member to communicate adequately with each other, provided that:

- (i) the Committee has passed an Ordinary Resolution addressing the mechanics of holding such Committee meeting and dealing specifically with how security issues should be handled, the procedure for establishing quorum and recording votes;
- (ii) each Committee Member has equal access to the specific means of communication to be used;
- (iii) each Committee Member has consented in advance to meeting by telephone or electronic means using the specific means of communication proposed for the Committee meeting.

(o) Voting Rights

All Committee Members shall have one (1) vote on every question put to the meeting unless the Act or the Bylaws otherwise provide. For greater certainty, Committee Members who are not Corporate Members will not have any voting rights as Corporate Members at Meetings of the Corporate Membership.

(p) Voting Procedures

Questions arising at any meeting of a Committee shall be decided by Consensus Resolution unless otherwise stated in this By-law or applicable Policy. A Committee Member shall be considered to be present at a meeting of a Committee if such Individual attends the meeting either in person, by telephone conference call or by other electronic means (where permitted by Section 5.01(n)).

(q) Co-opted Members

Any Committee may, within the limits prescribed by the Board of Directors from time to time, co-opt Individuals with expertise that may be required by the Committee. The role of any co-opted Committee Member is to be advisory in nature and to provide observations and recommendations concerning the mandate

of the Committee on which he serves. A co-opted Committee Member is not to be provided with the right to vote on a Committee.

(r) Confidentiality

Every Committee Member shall respect the confidentiality of matters brought before the Committee.

(s) Meetings in Camera

Where matters confidential to SGI Canada are to be considered at a Committee meeting, the part of the meeting concerning such matters may be held *in camera*. In addition, where a matter of a personal nature concerning an Individual may be considered at a Committee meeting, the part of the meeting concerning such Individual shall be held *in camera*, unless there is mutual agreement to the contrary by the Committee and such Individual.

(t) Secretary of the Committee

The secretary of the Committee shall be determined by Consensus Resolution of the Committee Members.

(u) Minutes of Meeting

Minutes shall be kept of all Committee meetings and a summary report of such meetings shall be presented to the Board at the next meeting of the Board.

(v) No Remuneration

The members of the Committee, save and except where such members are Employees of SGI Canada, shall serve as such without remuneration and no member of the Committee shall directly or indirectly receive any profit from his or her position as such, nor shall any member of the Committee receive any direct or indirect remuneration from SGI Canada, except where approved by a Consensus Resolution of the Board, provided that Committee Members may be reimbursed for Reasonable Expenses incurred by them in the performance of their duties.

(w) Delegation of Committees

Unless otherwise provided for by the Board of Directors, the members of the Committee shall be responsible for the duties set forth in this Bylaw but are not necessarily required to perform such duties personally, and as such may delegate to Employees, Volunteers and other Individuals the performance of any or all of such duties, provided that such Committee Members remain accountable to the Board in relation to the duties that have been so delegated.

5.02 Executive Council

(a) Establishment of Executive Council

SGI Canada shall have an Executive Council composed of the following:

- (i) The General Director;
- (ii) The Executive Advisor;
- (iii) The Senior Vice General Director; and
- (iv) All National Level Leaders, including the National Men's Division Leader, the National Women's Division Leader, the National Young Men's Division Leader, the National Young Women's Division Leader, the National Future Division Leader and any other National Level Leaders positions established by SGI Canada, from time to time. For greater certainty, Assistant National Leaders shall not be included as members of the Executive Council.

(b) Terms of Reference to Apply

The Standard Terms of Reference for Committees as detailed in Section 5.01 shall apply to the Executive Council except as modified by this Section.

(c) Duties of the Executive Council

The Executive Council shall have the following duties:

- (i) providing spiritual direction to the Board of Directors on a consultative basis;
- (ii) making recommendations to the Board of Directors concerning the overall long-term directions of SGI Canada in achieving its Purposes and Statement of Faith;
- (iii) approving Leadership appointments at the Area, Regional and National Levels in accordance with the provisions of an applicable Governance Policy on Leaders, which Leadership appointments shall be subject to final ratification by the Board of Directors, as well as non-binding consultation with SGI Japan, as much as possible; and
- (iv) performing such other duties as may be determined by the Board from time to time.

(d) Nature of Recommendations

All recommendations of the Executive Council shall be subject to the approval of the Board of Directors and any administrative decisions involving the operations of SGI Canada based upon any recommendations or observations of the Executive Council shall be made at the sole discretion of the Board of Directors.

(e) Term of Membership on Executive Council

The term of office for members of the Executive Council shall be the same as their respective terms as National Level Leaders or Officers, as applicable.

(f) Chair of the Executive Council

The General Director shall be the chair of the Executive Council.

5.03 National Planning Committee

(a) Establishment of National Planning Committee

SGI Canada shall have a National Planning Committee composed of the following:

- (i) All National Level Leaders, including Assistant National Leaders;
- (ii) All Regional Level Leaders, but not Assistant Regional Leaders;
- (iii) The Area Level Men's and Women's Leaders representing geographical parts of the country where there are Areas but not yet Regions;
- (iv) The General Director and all Vice General Directors; and
- (v) The Executive Advisor.

(b) Terms of Reference to Apply

The Standard Terms of Reference for Committees as detailed in Section 5.01 shall apply to the National Planning Committee except as modified by this Section.

(c) Duties of the National Planning Committee

The National Planning Committee shall have the following duties:

- (i) providing observations and recommendations concerning the current operations and programs of SGI Canada and to serve as a forum for national consensus building on decisions of SGI Canada in that regard;

- (ii) serving as a forum for Leaders to present and discuss regional or area interests, as applicable; and
- (iii) performing such other duties as may be determined by the Board from time to time.

(d) Nature of Recommendations

All recommendations of the National Planning Committee shall be subject to the approval of the Board of Directors and any administrative decisions involving the operations of SGI Canada based upon any recommendations or observations of the National Planning Committee shall be made at the sole discretion of the Board of Directors.

(e) Term of Membership on National Planning Committee

The term of office for members of the National Planning Committee shall be the same as their respective terms as Regional or National Leaders, or as Executive Council members, as applicable.

(f) Chair of the National Planning Committee

The General Director shall be the chair of the National Planning Committee.

5.04 Regional Personnel Committee

(a) Establishment of Regional Personnel Committees

SGI Canada shall have a Regional Personnel Committee for each Region of SGI Canada, composed of all Regional Level Leaders for the applicable Region, including the Regional Men's Division Leader, the Regional Women's Division Leader, the Regional Young Men's Division Leader, the Regional Young Women's Division Leader and any other Regional Level Leaders positions established by SGI Canada, from time to time. For greater certainty, Assistant Regional Leaders shall not be included as members of the Regional Personnel Committees.

(b) Terms of Reference to Apply

The Standard Terms of Reference for Committees as detailed in Section 5.01 shall apply to the Regional Personnel Committees except as modified by this Section.

(c) Duties of the Regional Personnel Committees

The Regional Personnel Committees shall have the following duties:

- (i) approving Leadership appointments at the District and Chapter Levels within the applicable Region, which Leadership appointments shall be subject to final ratification by the Board of Directors; and
 - (ii) performing such other duties as may be determined by the Board from time to time.
- (d) Nature of Recommendations

All recommendations of the Regional Personnel Committees shall be subject to the approval of the Board of Directors and any administrative decisions involving the operations of SGI Canada based upon any recommendations or observations of the Regional Personnel Committees shall be made at the sole discretion of the Board of Directors.

- (e) Term of Membership on Regional Personnel Committees

The term of office for members of the Regional Personnel Committees shall be the same as their respective terms as Regional Level Leaders.

- (f) Chair of the Regional Personnel Committees

The Regional Men's Division Leader or the Women's Division Leader who has been appointed as the Regional Coordinator for each Region shall serve as the chair for each Regional Personnel Committee.

5.05 Executive Committee of the Board

- (a) Establishment of Executive Committee of the Board

If deemed necessary, the Board may establish an Executive Committee of the Board from time to time, composed of the Chair of the Board, the Vice-Chair of the Board, the Treasurer, and the Secretary or the Secretary/Treasurer of SGI Canada. The General Director shall attend and participate at meetings of the Executive Committee of the Board, but shall not be a member of the Executive Committee of the Board thereof or have a vote thereat. The Standard Terms of Reference for Committees as detailed in Section 5.01 shall apply to the Executive Committee of the Board except as modified by this Section.

- (b) Duties of the Executive Committee of the Board

The Executive Committee of the Board shall have the following duties:

- (i) to exercise the full powers of the Board in respect of the management and affairs of SGI Canada in between meetings of the Board (save and except such acts which by law must be performed by the Board of Directors itself) in all cases in which specific direction has not been given by the

Board of Directors; for greater certainty, the Executive Committee of the Board shall not have the authority to do the following pursuant to section 138 of the Act:

- (A) submit to the Corporate Members any question or matter requiring the approval of Corporate Members;
 - (B) fill a vacancy among the Directors or in the office of Public accountant or appoint additional Directors;
 - (C) issue debt obligations except as authorized by the Directors;
 - (D) approve any annual audited financial statements for SGI Canada;
 - (E) adopt, amend or repeal By-laws; or
 - (F) establish payment of dues to be paid, by Corporate Members;
- (ii) subject to Section 5.05(b)(i)(C), to authorize expenditures up to such maximum dollar amount determined from time to time by the Board of Directors by Consensus Resolution (“Maximum Expenditure Amount”), on behalf of SGI Canada in furtherance of the SGI Canada Purposes and Statement of Faith. All such actions and expenditures authorized by the Executive Committee of the Board up to the Maximum Expenditure Amount shall be reported to the Board of Directors at the next meeting of the Board, but shall not require the approval or ratification of the Board of Directors;
 - (iii) to study, advise and make recommendations to the Board on any matter directed by the Board; and
 - (iv) to perform such other duties as may be determined by the Board from time to time.

(c) Term of Membership on Executive Committee of the Board

The term of office for members of the Executive Committee of the Board shall be the same as their respective terms as Officers.

(d) Chair

The Chair of the Board shall be the chair of the Executive Committee of the Board or in his or her absence, the Vice-Chair of the Board may serve as the chair.

(e) Secretary of the Executive Committee of the Board

The Secretary, or in lieu thereof, the Secretary/Treasurer, shall be the secretary of the Executive Committee of the Board, failing which the members of the Executive Committee of the Board shall by Consensus Resolution appoint one of its own members to be the secretary of the meeting of the Executive Committee of the Board.

5.06 Audit and Finance Committee

(a) Establishment of the Audit and Finance Committee

The Board may appoint an Audit and Finance Committee each year consisting of five (5) to eleven (11) members appointed by Consensus Resolution of the Board, provided that a majority of the members must be Directors (a majority of whom are not Officers of SGI Canada or any of SGI Canada's affiliates), the Treasurer shall be a member of the Audit and Finance Committee in an *ex officio* capacity, and provided that no member shall be related as defined for the purposes of the *Income Tax Act* (Canada) to any other member of such Audit and Finance Committee. The Standard Terms of Reference for Committees as detailed in Section 5.01 shall apply to the Audit and Finance Committee except as modified in this Section. The General Director will not be an *ex officio* member of the Audit and Finance Committee, but shall receive notice of, attend at and participate at meetings of the Audit and Finance Committee. The General Director shall not be present when the Audit and Finance Committee is discussing his or her position, salary or benefits, but may in the discretion of the Committee be present when the Audit and Finance Committee is discussing other aspects of his or her position.

(b) Duties of the Audit and Finance Committee

The Audit and Finance Committee shall have the following duties:

- (i) to review the Auditor's plan to review the system of internal controls and to receive a report from the Auditor on the results of such review;
- (ii) to review the annual financial statements of SGI Canada, together with the Auditor's report thereon, and to discuss those financial statements and the Auditor's report with the Treasurer and the Auditor; and
- (iii) to make recommendations to the Board with respect to the financial statements of SGI Canada and the fees, if any, paid for audit services.

5.07 Nominating Committee

(a) Establishment of Nominating Committee

The Board of Directors shall establish a Nominating Committee consisting of a minimum of six (6) and a maximum of ten (10) Individuals. The Standard Terms of Reference for Committees as detailed in Section 5.01 shall apply to the Nominating Committee except as modified by this Section.

(b) Duties of the Nominating Committee

The Nominating Committee shall have the following duties:

- (i) preparing and submitting a slate of nominations for the election of Directors in accordance with the Director qualification requirements outlined at Section 3.01(c) of this Bylaw;
- (ii) in preparing the slate of nominations for the election of Directors, the Nominating Committee shall take into consideration any difficult personal circumstances of each candidate including, but not limited to, personal illness, family members with special needs or any other extenuating circumstances that could disqualify the said candidate from being presented for election as a Director out of concern for the personal situation of the said candidate, as determined in the sole discretion of the Nominating Committee and with the consent of the said candidate; and
- (iii) as much as possible, in preparing the slate of nominations for the election of Directors the Nominating Committee shall engage in non-binding consultations with SGI Japan in relation to the said Director candidates.

(c) Nature of Recommendations

All recommendations of the Nominating Committee shall be subject to the approval of the Board of Directors.

(d) Composition of Nominating Committee

The composition of the Nominating Committee shall be made up as follows, as determined in the sole discretion of the Chair and the Vice-Chair of the Nominating Committee:

- (i) a minimum of two (2) and a maximum of four (4) Directors;
- (ii) a minimum of two (2) and a maximum of four (4) Executive Council members;
- (iii) the General Director, in an *ex officio* capacity; and

(iv) the Chair of the Board, in an *ex officio* capacity.

(e) Chair and Vice-Chair of Nominating Committee

The Chair of the Board shall serve as the chair of the Nominating Committee in an *ex officio* capacity and the General Director shall serve as the vice-chair of the Nominating Committee in an *ex officio* capacity.

5.08 Standing Committees

The Board of Directors may by Consensus Resolution establish such Standing Committees as it determines necessary from time to time in accordance with the applicable Governance Policy. The number of members on each Standing Committee and the mandate of such Standing Committee may be determined by Consensus Resolution of the Board of Directors from time to time, provided that all of the members of each Standing Committee shall be Leaders of SGI Canada. The Standing Committees are expected to have a continuing existence from year to year but the Board of Directors shall review on an annual basis the continuing need for each Standing Committee. The Standard Terms of Reference for Committees as detailed in Section 5.01 shall apply to the Standing Committees except as modified by this Section.

5.09 Ad Hoc Committees

The Board of Directors by Consensus Resolution may establish such Ad Hoc Committees as it determines necessary from time to time in accordance with the applicable Governance Policy. The mandate and numbers of members on each Ad Hoc Committee shall be determined by the Board of Directors from time to time, provided that all of the members of each Ad Hoc Committee shall be Leaders of SGI Canada. Ad Hoc Committees are formed for a specific purpose and are automatically dissolved once they submit their final report to the Board of Directors. However, the Board shall review on an annual basis the continuing need for each Ad Hoc Committee. The Standard Terms of Reference for Committees as detailed in Section 5.01 shall apply to the Ad Hoc Committees except as modified by this Section.

SECTION VI
PRACTITIONERS AND JUNIOR PRACTITIONERS OF SGI CANADA

6.01 Practitioners and Junior Practitioners

Individuals may be admitted as Practitioners and Junior Practitioners in accordance with the terms of the applicable Governance Policies on Practitioners and Junior Practitioners, respectively. Gohonzons may be given to qualifying Practitioners and Junior Practitioners in accordance with the terms of the applicable Board Policy on Gohonzons and the Governance Policies on Practitioners and Junior Practitioners. For greater certainty, Practitioners are not Corporate Members and as such Practitioners have no voting rights.

6.02 Standards for Practitioners

All Practitioners are required to adhere to the Practitioner Standards outlined in the Governance Policy on Practitioners.

6.03 Status Review for Practitioners

Where a Practitioner is suspected of having breached a Practitioner Standard outlined in the applicable Governance Policy on Practitioners, the Practitioner may be subject to Practitioner Status Review, which would be prefaced by informal discussions with the Leaders of SGI Canada in an attempt to informally resolve the matter, followed by a hearing to be carried out by a committee composed of senior Leaders of SGI Canada as outlined in greater detail within the applicable Governance Policy on Status Review for Practitioners.

**SECTION VII
LEADERS**

7.01 Leaders

Practitioners of SGI Canada may be admitted as Leaders in accordance with the terms of the applicable Governance Policy on Leaders.

7.02 Standards for Leaders

All Leaders are required to adhere to the Leadership Standards outlined in the applicable Governance Policy on Leaders.

7.03 Status Review for Leaders

Where a Leader is suspected of having breached a Leadership Standard outlined in the Governance Policy on Leaders, the Leader may be subject to Leadership Status Review, which would be prefaced by informal discussion with senior Leaders of SGI Canada in an attempt to informally resolve the matter and if unsuccessful, is to be followed by a hearing carried out by a committee composed of senior Leaders of SGI Canada as outlined in greater detail within the applicable Governance Policy on Status Review for Leaders.

SECTION VIII
LEVELS AND DIVISIONS OF GOVERNANCE

8.01 Levels of Governance

The governance of SGI Canada shall be carried out according to the geographic levels of governance, which shall be described in greater detail in an appropriate Governance Policy.

8.02 Divisions of Governance

The activities and programs of SGI Canada shall be carried out according to the Divisions of Governance which shall be described in greater detail in an appropriate Governance Policy.

SECTION IX
DUTIES, PROTECTION AND INDEMNITY

9.01 Duties of Directors and Officers

Every Director and Officer in exercising such Individual's powers and discharging such Individual's duties shall act honestly and in good faith with a view to the best interests of SGI Canada and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Every Director and Officer of SGI Canada shall comply with the Act, the Regulations, Articles, By-laws, Board Policies and By-law Policies of SGI Canada.

9.02 Limitation of Liability

No Director, Officer, Corporate Member, General Director, Committee Member, Employee, Volunteer, Leader or Practitioner shall be liable for the acts, receipts, neglects or defaults of any other Director, Officer, Corporate Member, Committee Member, Employee, Volunteer, Leader or Practitioner of SGI Canada, or for joining in any receipt of other act for conformity, or for any loss, damage or expense happening to SGI Canada through the insufficiency or deficiency of title to any property acquired by SGI Canada for or on behalf of SGI Canada or for the insufficiency or deficiency of any security in or upon which any of the moneys, securities or effects of or belonging to SGI Canada shall be placed or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any Individual including any Individual with whom or which any moneys, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to SGI Canada or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of the Director's, Officer's, General Director's, Committee Member's, Employee's, Volunteer's,

Leader's or Practitioner's respective office or trust or in relation thereto unless the same shall happen by or through such Individual's wilful neglect or default or otherwise result from the Director's, Officer's, General Director's, Committee Member's, Employee's, Volunteer's, Leader's or Practitioner's failure to act in accordance with the Act and the Regulations.¹

9.03 Indemnity to Directors, Officers and Others

Subject to the Act, SGI Canada shall indemnify a Director or Officer of SGI Canada, a former Director or Officer of SGI Canada or another individual who acts or acted at SGI Canada 's request as a Director or Officer or in a similar capacity of another entity, and such Individual's heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by such Individual in respect of any civil, criminal, administrative or investigative action or other proceeding in which the individual is involved because of that association with SGI Canada or other entity if,

- (a) the individual acted honestly and in good faith with a view to the best interests of SGI Canada or, as the case may be, to the best interests of the other entity for which the individual acted as Director or Officer or in a similar capacity at SGI Canada's request; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that their conduct was lawful.

SGI Canada may indemnify such Individual in all such other matters, actions, proceedings and circumstances as may be permitted by the Act or the law. Nothing in this by-law shall limit the right of any Individual entitled to indemnity to claim indemnity apart from the provisions of this By-law.

9.04 Indemnity to Others

SGI Canada may also indemnify such other Individuals in such other circumstances as the Act or the law permits or requires. Nothing in this By-law shall limit the right of any Individual entitled to indemnity to claim indemnity apart from the provision of this By-law to the extent permitted by the Act or the law.

¹ Sections 9.02, 9.03 and 9.04 contain technical legal language which has been included to protect people who carry out responsibilities and programs on behalf of SGI Canada. In this regard, SGI wishes to protect its Directors, Officers, Corporate Members, Committee Members, Practitioners, Leaders, Employees and Volunteers from potential claims and legal costs, in the event of a lawsuit or legal action against SGI Canada involving the duties carried out by those persons on behalf of SGI Canada. However, the protections would not apply where the liability arose as a result of the person's wilful neglect or default, as the statute does not permit the protections where that occurs.

9.05 Insurance

Subject to the Act, SGI Canada may purchase and maintain insurance for the benefit of any Individual entitled to be indemnified by SGI Canada pursuant to the immediately preceding Section as the Board may determine from time to time against any liability incurred by the individual:

- (a) in the individual's capacity as a Director or an Officer of SGI Canada; or
- (b) in the individual's capacity as a Director or an Officer, or in a similar capacity, of another entity, if the individual acts or acted in that capacity at SGI Canada's request;

provided that due consideration is first given to the requirements under the *Charities Accounting Act* (Ontario) for the purchase of directors and officers liability insurance.

9.06 Advances

SGI Canada may advance money to a Director, an Officer or other individual for the costs, charges and expenses of a proceeding for which indemnity is provided by SGI Canada pursuant to the Act or this By-law. The individual shall repay the money if the individual does not fulfil the conditions set out in Section 9.03(a) and Section 9.03(b).

SECTION X

POLICIES

10.01 Governance Policies

The Board may, from time to time, prescribe, amend or repeal Governance Policies on governance matters or such other matters that the Board considers necessary to require the approval of Corporate Members. Governance policies may be prescribed, amended or repealed by Consensus Resolution of the Board of Directors, but any such Governance Policy, amendment thereto or repeal thereof, shall have force and effect only after it has been confirmed by Consensus Resolution of the Corporate Members present and voting at a meeting called for that purpose. A list of all Governance Policies and the effective dates and/or status of each Governance Policy, as amended from time to time, will be kept with the Bylaw.

10.02 Board Policies

The Board may adopt, amend, or repeal by Consensus Resolution Board Policies in accordance with the Bylaws of SGI Canada relating to the management and operation of Board of Directors including Board Policies on privacy, child protection, conflicts of interest and other non-governance matters, as the Board may deem appropriate from time

to time. Any Board Policy adopted by the Board shall continue to have force and effect until amended, repealed, or replaced by a subsequent Consensus Resolution of the Board. A list of all Board Policies and the effective date and/or status of each Board Policy, as amended from time to time, will be kept with the Bylaw.

SECTION XI **WAIVER OF LEGAL ACTION**

11.01 Waiver of Legal Action

Notwithstanding anything else contained herein, and without prejudice to or in any other way derogating from the rights of such Individuals as set out in the Act, Regulations, Articles, By-laws or the Constitutional Documents, Corporate Membership Directorship, Officer positions, Committee Membership, status as a Practitioner or Leader or Volunteerism in SGI Canada is given upon the strict condition that removal of such Individual as a Corporate Member, Director, Officer, Committee Member, Practitioner, Leader or Volunteer in accordance with the Bylaws, Policies or any other proceedings contained thereon and any other proceedings or matters arising out of the Constitutional Documents shall not give such Individual any cause for any legal action against either SGI Canada, or its or its Directors, Officers, Corporate Members, Committee Members, Practitioners, Leaders, Employees or Volunteers, and the acceptance of Corporate Membership, Directorship, Committee Membership, status as a Practitioner or Leader or Volunteer shall constitute conclusive and absolute evidence of a waiver by the Corporate Member of all rights of action, causes of action, and all claims and demands against SGI Canada, and its Corporate Members, Directors, Officers, Committee Members, Practitioners, Leaders, Employees and Volunteers in relation to disciplinary proceedings and the results thereof and any other proceedings or matters carried out in accordance with the Constitutional Documents or involving SGI Canada in any manner whatsoever and this provision may be pleaded as a complete estoppel (i.e., the prevention of an action) in the event that such action is commenced in violation hereof.

SECTION XII **FINANCIAL MATTERS**

12.01 Financial Year

Unless otherwise changed by Consensus Resolution of the Board, the financial year end of SGI Canada shall be the 31st day of December in each year.

12.02 Banking Arrangements

The banking business of SGI Canada 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 may designate, appoint or authorize from time to time. The banking business or

any part thereof shall be transacted by any two (2) Officers of SGI Canada and/or other Individuals as the Board may from time to time designate, direct or authorize.

12.03 Public Accountant and Audited Financial Statements

Unless otherwise permitted by the Act, the Corporate Members shall, by Consensus Resolution at each annual meeting, appoint a Public Accountant to hold office until the next following annual meeting to conduct an audit of SGI Canada's financial statements in accordance with the Act. The Public Accountant must meet the qualifications in the Act, including being independent of SGI Canada and its affiliates, as well as the Directors and Officers of SGI Canada and its affiliates. The Directors may fill any casual vacancy in the office of the Public Accountant to hold office until the next following annual meeting. The remuneration of the public accountant may be fixed by Consensus Resolution of the Corporate Members, or if not so fixed, shall be fixed by the Board.

12.04 Annual Financial Statements and Budget

- (a) The Finance Committee shall prepare each year prior to the annual Meeting of Corporate Members the following:
 - (i) financial statements for the preceding year prepared in accordance with the financial reporting standards of the Canadian Institute of Chartered Accountants for Charitable and Non-Profit Organizations as may be in place from time to time; and
 - (ii) an annual budget for the upcoming year prepared in consultation with the chairperson of each Standing and Special committee, and to include the budget and expenditures of at least the previous year.
- (b) The financial statements and the annual budget shall be forwarded to the Board for approval at least four (4) weeks prior to the annual Meeting of Corporate Members and shall thereafter be made available to the Corporate Members for review at least twenty-one (21) days prior to the annual Corporate Members' meeting.
- (c) The financial statements, the annual budget and any other documents required by the Act shall be presented at the annual Meeting of Corporate Members for approval by the Corporate Members.
- (d) SGI Canada shall send copies of the annual financial statements and other documents referred to in subsection 172(1) of the Act to the Corporate Members between twenty-one (21) to sixty (60) days before the day on which an annual Meeting of Corporate Members is held or before the day on which a written resolution in lieu of an annual meeting is signed, unless a Corporate Member declines to receive them. Alternatively, SGI Canada may publish a notice to the Corporate Members stating that such documents are available at the registered

office of SGI Canada and any Corporate Member may request a copy free of charge at the registered office or by prepaid mail.

12.05 Borrowing

(a) Borrowing Powers

Subject to the limitations set out in the Act, the Articles and this By-law, the Board may:

- (i) borrow money on the credit of SGI Canada;
- (ii) issue, reissue, sell, pledge or hypothecate debt obligations of SGI Canada; and
- (iii) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of SGI Canada, owned or subsequently acquired, to secure any debt obligation of SGI Canada.

(b) Authorization

From time to time, the Board may authorize any Director or Officer or other Individuals of SGI Canada to make arrangements with reference to money borrowed or to be borrowed as to the terms and conditions of the loan thereof, and as to the security to be given therefor, with power to vary or modify such arrangements, terms and conditions and to give such additional security as the Board may authorize and generally to manage, transact and settle the borrowing of money by SGI Canada.

SECTION XIII GENERAL

13.01 Registered Office

The registered office of SGI Canada shall be situated in the province or territory specified in the Articles at such address as the Board may determine from time to time. The Directors may change the registered office to another place within the province or territory specified in the Articles.

13.02 Corporate Seal

SGI Canada may have a corporate seal in the form approved from time to time by the Board. If a corporate seal is approved by the Board, the Secretary of SGI Canada shall be the custodian of the corporate seal.

13.03 Execution of Documents

Deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring execution by SGI Canada may be signed by any two (2) of its Officers or Directors. Notwithstanding the foregoing, the Board may from time to time direct the manner in which and the Individual or Individuals by whom a particular document or type of document shall be executed. Any Individual authorized to sign any document may affix the corporate seal thereto. Any signing Officer or Director may certify a copy of any instrument, resolution, By-law or other document of SGI Canada to be a true copy thereof.

SECTION XIV
NOTICES

14.01 Method of Giving Notices

Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served), other than notice of a Meeting of Corporate Members or a meeting of the Board, pursuant to the Act, the Articles, the By-laws or otherwise to a Corporate Member, Director, Officer, member of a committee of the Board, or the Public Accountant shall be sufficiently given:

- (a) if delivered personally to the Individual to whom it is to be given or if delivered to such Individual's address as shown in the records of SGI Canada or in the case of notice to a Director to the latest address as shown in the last notice that was filed by SGI Canada in accordance with the Act and received by Corporations Canada; or
- (b) if mailed to such Individual at such Individual's recorded address by prepaid ordinary or air mail; or
- (c) if sent to such Individual by telephonic, electronic or other communication facility at such Individual's recorded address for that purpose; or
- (d) if provided in the form of an electronic document in accordance with the Act.

A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any facsimile, email or other electronic means, shall be deemed to have been given when it is received by the addressee or when the notice enters the information system designated by the addressee, whichever is earlier. The Secretary may change or cause to be changed the recorded address of any Corporate Member, Director, Officer, Public Accountant, or member of a committee of the Board in accordance with any information believed by the Secretary to be reliable. The declaration by the Secretary that notice has been given pursuant to this By-law shall be sufficient and conclusive evidence of the giving of such

notice. The signature of any Director or Officer of SGI Canada to any notice or other document to be given by SGI Canada may be written, stamped, type-written or printed or partly written, stamped, type-written or printed.

14.02 Computation of Time

Where a given number of days' notice or notice extending over a period is required to be given under the By-laws, the day of service, posting or other delivery of the notice shall not, unless it is otherwise provided, be counted in such number of days or other period.

14.03 Undelivered Notices

If any notice given to a Corporate Member is returned on two (2) consecutive occasions because such Corporate Member cannot be found, SGI Canada shall not be required to give any further notices to such Corporate Member until such Corporate Member informs SGI Canada in writing of his or her new address.

14.04 Omissions and Errors

The accidental omission to give any notice to any Corporate Member, Director, Officer, member of a committee of the Board or the Public Accountant, or the non-receipt of any notice by any such Individual where SGI Canada has provided notice in accordance with the By-laws or any error in any notice not affecting its substance shall not invalidate any action taken at any meeting to which the notice pertained or otherwise founded on such notice

14.05 Waiver of Notice

Any Corporate Member, Director, Officer, member of a committee of the Board or the Public Accountant may waive or abridge the time for any notice required to be given to such Individual, and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a Meeting of Corporate Members or of the Board or of a committee of the Board, which may be given in any manner.

SECTION XV
AMENDMENTS

15.01 Amendment of Articles

As set out in the Articles, the Articles of SGI Canada may only be amended by a Consensus Resolution of the Board voting at a meeting duly called for that purpose and sanctioned by a Special Resolution of the Corporate Members. Any amendment to the Articles is effective on the date shown in the certificate of amendment.

15.02 Amendment of By-laws

As set out in the Articles, the Board may from time to time enact By-laws relating in any way to SGI Canada or to the conduct of its affairs, and may from time to time by By-law amend, repeal or re-enact the By-laws but no By-law shall be effective until sanctioned by a Consensus Resolution of the Board voting at a meeting duly called for that purpose and sanctioned by a Special Resolution of the Corporate Members.

15.03 Non-binding Consultation required

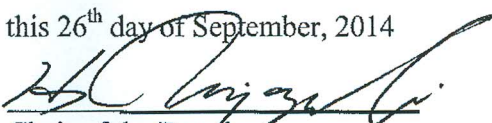
Notwithstanding Sections 15.01 and 15.02 above, as much as possible, neither the Articles of SGI Canada nor the Bylaws of SGI Canada shall be amended or in the case of the Bylaws be repealed or adopted without first seeking non-binding consultation with SGI Japan.

SECTION XVI
IDENTIFICATION AND REPEAL OF FORMER BY-LAWS

16.01 Repeal of Former General Operating By-law

- (a) General Operating By-law No. 7 is hereby repealed and replaced by General Operating By-law herein effective immediately upon the issuance of certificate of continuance by the federal Government under the *Canada Not-for-Profit Corporations Act*.
- (b) The said repeal of By-law No. 7 shall not affect the previous operations of such By-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under the validity of any contract or agreement made pursuant to any such By-law prior to its repeal. All Officers and Individuals acting under such By-law so repealed shall continue to act as if appointed under the provisions of this By-law. All Board or Corporate Members' resolutions, with continuing effect, passed under such repealed By-law shall continue to be valid, except to the extent inconsistent with this By-law, and until amended or repealed.

ENACTED by the Directors of SGI Canada this 26th day of September, 2014


Chair of the Board


Secretary

16.01 Repeal of Former General Operating By-law

CONFIRMED by the Corporate Members of SGI Canada this 27th day of September, 2014.


Secretary