

BY-LAWS OF BCNET

Canada Not-for-Profit Corporations Act

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BY-LAW

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

BCNET
(the "Corporation")

Canada Not-for-Profit Corporations Act

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

1. SECTION 1 - General

1.1 Definitions

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

- (a) "Act" means Canada Not-for-profit Corporations Act S.C. 2009, c.23 including the Regulations made pursuant to the Act, and any statute or regulations that may be substituted, as amended from time to time; and
- (b) "Articles" means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation;
- (c) "board" means the board of directors of the Corporation and "director" means a member of the board;
- (d) "by-law" means this by-law and any other by-law of the Corporation as amended and which are, from time to time, in force and effect;
- (e) "College" means a public post-secondary institution in British Columbia that is not classified as a University and Institute;
- (f) "College Member" means any College that has been accepted for membership in the Corporation in accordance with By-law 2.2(e);
- (g) "Founding Member" means any person that has been accepted for membership in the Corporation in accordance with By-Law 2.2(a);
- (h) "Meeting of Members" includes an annual meeting of Members or a special meeting of Members; "special meeting of Members" includes a meeting of any class or classes of Members and a special meeting of all Members entitled to vote at an annual meeting of Members;

- (i) “Member” means any Founding Member, University and Institute Member, College Member or Research and Higher Education Member;
- (j) “ordinary resolution” means a resolution passed by a majority of not less than 50% plus 1 of the votes cast on that resolution;
- (k) “Regulations” means the regulations made under the Act, as amended, restated or in effect from time to time;
- (l) “Research and Higher Education Member” means any person that has been accepted for membership in the Corporation in accordance with By-Law 2.2(g);
- (m) “special resolution” means a resolution passed by a majority of not less than two-thirds (2/3) of the votes cast on that resolution;
- (n) “Universities and Institutes” means any person that is a member of the Research Universities Council of British Columbia (RUCBC) or the BC Association of Institutes and Universities (BCAIU), or any successor organizations; and
- (o) “University and Institute Member” means any University or Institute that has been accepted for membership in the Corporation in accordance with By-Law 2.2(c).

1.2 Interpretation

In the interpretation of this by-law and in all other by-laws of the Corporation hereafter passed unless the context otherwise requires, words in the singular include the plural and vice-versa, the words “they”, “them” and “their” will be deemed to refer inclusively to all genders and gender-identities, and “person” includes an individual, body corporate, partnership, trust and unincorporated organization.

Other than as specified in 1.1 above, words and expressions defined in the Act have the same meanings when used in this by-law.

1.3 Head Office

Until changed in accordance with the Act, the head office of the Corporation shall be in the City of Vancouver, in the Province of British Columbia.

1.4 Execution of Documents

Deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring execution by the Corporation may be signed by the Chair or delegate, and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The directors shall have power from time to time by resolution to appoint an officer or officers on behalf of the Corporation to sign specific contracts, documents and instruments in writing. The

directors may give the Corporation's power of attorney to any registered dealer in securities for the purposes of the transferring of and dealing with any stocks, bonds, and other securities of the Corporation.

1.5 Financial Year End

The financial year end of the Corporation shall be determined by the board of directors.

1.6 Audit

The Members shall, at each annual meeting, appoint a public accountant to conduct an audit engagement of the annual financial statements of the Corporation for report to the Members at the next annual meeting. The public accountant shall hold office until the next annual meeting provided that the directors may fill any casual vacancy in the office of public accountant.

The remuneration of the public accountant shall be determined by the board.

A public accountant may be removed by ordinary resolution of the Members. A public accountant shall be promptly informed in writing of appointment or removal.

1.7 Annual Financial Statements

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

1.8 Borrowing Powers

The directors of the Corporation may:

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

2. SECTION 2 - Membership

2.1 Classes of Members

Subject to the Articles, there shall be four classes of members in the Corporation, namely (a) Founding Members, (b) University and Institute Members, (c) College

Members and (d) Research and Higher Education Members.

2.2 Membership Conditions

Membership in the Corporation shall be limited to universities, colleges, institutes, or incorporated or unincorporated non-profit organizations that are interested in furthering the purposes of the Corporation. The Members will abide by this by-law and uphold the objects of the Corporation. Without limiting the generality of the foregoing, each Member will, to the greatest extent that is commercially practical, purchase the advanced network services required for its operations from the Corporation.

The board may, by resolution, approve the admission of Members subject to the approval of each such Member by each of the Founding Members.

The following conditions of membership shall apply to the Founding Members:

- (a) The Founding Members will be the original Members of the Corporation, namely the University of British Columbia, the University of Victoria and Simon Fraser University;
- (b) As set out in the Articles, each Founding Member will be entitled to receive notice of and attend all Meetings of the Members and each such Founding Member shall be entitled to four (4) votes at such meetings.

The following conditions of membership shall apply to the University and Institute Members:

- (c) University and Institute membership shall be available to Universities and Institutes who have applied to the Corporation to be a University and Institute Member and have been accepted as a University and Institute Member; and
- (d) As set out in the Articles, the University and Institute Members will be entitled to receive notice of and attend all Meetings of the Members and collectively as a class shall be entitled to five (5) votes at such meetings..

The following conditions of membership shall apply to the College Members:

- (e) College membership shall be available to Colleges who have applied to the Corporation to be a College Member and have been accepted as a College Member; and
- (f) As set out in the Articles, the College Members will be entitled to receive notice of and attend all Meetings of the Members and collectively as a class shall be entitled to three (3) votes at such meetings.

The following conditions of membership shall apply to the Research and Higher Education Members:

- (g) Research and Higher Education membership shall be available to Canadian research labs, organizations, consortia and private post-secondary institutions who have applied to the Corporation to be a Research and Higher Education Member and have been accepted as a Research and Higher Education Member. Additional criteria for membership may be determined by the board from time to time; and
- (h) As set out in the Articles, the Research and Higher Education Members will be entitled to receive notice of and attend all Meetings of the Members and collectively as a class shall be entitled to one (1) vote at such meetings.

Pursuant to subsection 197(1) (Fundamental Changes) of the Act, a special resolution of the Members is required to make any amendments to this By-law 2.2 if those amendments affect membership rights and/or conditions described in paragraphs 197(1)(e), (h), (l) or (m).

2.3 Notice of Meetings of Members

Notice of Meetings of Members shall specify the place, the day and the hour of such meeting, and, in case of special business, shall contain sufficient information to permit the Members to form a reasoned judgement on the decision to be taken.

Notice shall be given by email to each Member entitled to vote at the meeting at least 21 days in advance of such meeting, or as otherwise specified under the Act.

No error or omission in giving notice of any annual or special general meeting or any adjourned meeting of the Members of the Corporation shall invalidate such meeting or make void any proceedings at such meeting and any Member may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had at such meeting.

2.4 Absentee Voting

Members not in attendance at a Meeting of Members either in person or in a manner specified under By-law 4.7, cannot vote. Voting by proxy is not permitted.

Pursuant to subsection 197(1) (Fundamental Changes) of the Act, a special resolution of the Members is required to make any amendment to the by-law of the Corporation to allow voting by Members not in attendance at a Meeting of Members.

3. SECTION 3 – Membership Termination

3.1 Termination of Membership

Any Member may resign from the Corporation by delivering to the Corporation a written notice of resignation and such resignation will be effective the date such notice is received by the Corporation, or such later date as may be specified thereon.

Any Member may be expelled from membership by a vote approved by at least three-quarters (3/4) of the votes held by the Members present at a Meeting of Members.

4. SECTION 4 - Meetings of the Members

4.1 Annual General Meeting

The first annual general meeting of the Corporation shall be held not more than eighteen (18) months after the incorporation of the Corporation and subsequently once at least in every calendar year and not more than fifteen (15) months after the holding of the last preceding annual general meeting, but not later than six months after the end of the corporation's preceding financial year.

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

4.2 Business Conducted

The Members may consider and transact any business either special or general at any Meeting of the Members. Special business is:

- (a) all business at a special general meeting except the adoption of rules of order; and
- (b) all business that is transacted at an annual general meeting, except:
 - (i) the adoption of rules of order,
 - (ii) the consideration of the financial statements,
 - (iii) the report of the directors
 - (iv) the report of the auditor,
 - (v) the election of directors,
 - (vi) the appointment of the auditor; and
 - (vii) the other business that, under this by-law, ought to be transacted at an annual general meeting, or business which is brought under consideration by the report of the directors issued with the notice convening the meeting.

4.3 Member Representatives

Each Founding Member shall be represented at a Meeting of the Members by a single individual appointed by the respective Founding Member. All University and Institute Members shall be represented at a Meeting of the Members by a single individual approved by a majority of the University and Institute Members. All College Members shall be represented at a Meeting of the Members by a single individual approved by a majority of the College Members. All Research and Higher Education Members shall be represented at a Meeting of the Members by a single individual approved by a majority

of the Research and Higher Education Members. Each such representative shall vote at a Meeting of the Members on behalf of and as directed by their respective Member(s). The form and timing of the approval of representatives may be determined by the board from time to time.

4.4 Quorum

A quorum at any Meeting of the Members will be a number of members present in person or by electronic means who collectively hold at least a majority of the total votes held by all Members of the Corporation. No business, other than election of a chair and adjournment or termination of the meeting, shall be conducted at a Meeting of the Members at a time when a quorum is not present.

4.5 Calling a Meeting

The board shall have the power to call at any time a Meeting of the Members.

4.6 Votes to Govern

A majority of the votes cast by the Members present and carrying voting rights shall determine the questions in meetings except where the vote or consent of a greater number of Members is required by the Articles or a by-Law or by the Act.

4.7 Attending a Meeting

The Members may hold meetings by means of a telephonic, and electronic or other communications facility that permits all participants to communicate adequately with each other during the meeting.

4.8 Chair of the Meeting

The Chair of the Board or failing them, the Vice-Chair, shall preside as chairperson at each Meeting of the Members. If at a Meeting of the Members there is no Chair of the Board or Vice-Chair present within 15 minutes after the time appointed for holding the meeting, or the Chair of the Board and the Vice-Chair are unwilling to act as chairperson, the Members present shall choose one of their number to be chairperson..

The chairperson of a meeting may move or propose a resolution.

In case of an equality of votes the chairperson shall not have a casting or second vote in addition to the vote to which they may be entitled as a Member and the proposed resolution shall not pass.

5. SECTION 5 - Directors

5.1 Election

The board will be composed of a maximum of 18 directors, consisting of the following:

- (a) The Corporation's Chief Executive Officer;
- (b) One (1) nominee of each of the Founding Members;
- (c) Three (3) to six (6) nominees of the University and Institute Members, collectively, as determined by a majority of the University and Institute Members;
- (d) Three (3) or four (4) nominees of the College Members, collectively, as determined by a majority of the College Members;
- (e) One (1) nominee of the Research and Higher Education Members, collectively, as determined by a majority of the Research and Higher Education Members;
- (f) Two (2) or three (3) nominees of all of the Members, collectively, as such number is determined by the Members from time to time, each as determined by a majority of votes held by the Members.

5.2 Qualifications

Directors must be individuals, at least 18 years of age, with power under law to contract.

Directors appointed pursuant to By-law 5.1(b), (c) or (d) must be (and remain) an employee of:

- (a) the Member who nominated them, or
- (b) a Member in the same class of membership as the Member who nominated them.

Directors appointed pursuant to By-law 5.1(e) or (f) must be (and remain) employed within the BC post-secondary and research sector.

A director who ceases to be qualified will automatically be deemed to have resigned.

5.3 Term and Term Limits

A director elected at an annual general meeting shall normally hold office for a term of three (3) years unless sooner ceasing, provided that the board may, by resolution, determine that one or more director positions that will be available for election will be for a term of less than three (3) years.

Subject to the following exceptions; no director shall serve more than six (6) consecutive years, by any combination of terms. This term limit shall not apply to:

- (a) Directors appointed by a Founding Member; or
- (b) The Chair, Vice-Chair and Past-Chair, while they fill such position(s). On completion of their service in these positions, their total term as director shall be deemed to include their time in such positions.

The term of office of a director shall run from the end of the annual general meeting at which they are elected to the end of the annual general meeting in the year in which the term ends.

5.4 Transition of Terms for Directors

Each person who is a director on the day the date this By-Law and the foregoing By-law 5.3 comes into effect will continue as a director for the term of office to which they were elected.

Any terms of office served by directors and completed prior to that date will not count towards the term limit set out in By-law 5.3. However, any years served in the current term in effect on that date will count towards that term limit.

5.5 Re-appointment

Directors are eligible for re-appointment or re-election.

5.6 Vacancy

In a case of vacancy in the board:

- (a) if the vacancy is in respect of a director appointed by a Member or a class of Members, such Member or class of Members may appoint another person to fill the vacancy, and such replacement director shall hold office for the remainder of the term for which the predecessor was appointed; and
- (b) if the vacancy is in respect of a director elected by more than one class of Members, the directors may appoint another person to fill the vacancy, and such replacement director shall hold office until the next annual general meeting.

5.7 Cessation of Directors

A director shall automatically cease to be a director and a vacancy created in any of the following circumstances:

- (a) at the expiry of the director's term;
- (b) on the date the director ceases to be qualified in accordance with the Act and this bylaw;
- (c) on the date the director is removed by ordinary resolution;
- (d) on the date the director provides a resignation or such later date as may be specified thereon; or
- (e) on death.

5.8 Remuneration

The directors shall serve as such without remuneration and no director shall directly or indirectly receive any profit from their position as such; provided that a director may be paid reasonable expenses incurred by them in the performance of their duties. Nothing herein contained shall be construed to preclude any director from serving the Corporation as an officer or in any other capacity and receiving compensation therefor.

5.9 Liability and Indemnification

The directors shall not be relieved from the duty to act in accordance with the Act and this by-law nor from liability that by virtue of any rule of law would otherwise attach to a director in respect of negligence, default, breach of duty or breach of trust, but the directors are hereby exonerated from any loss which may arise through any bona fide application of the funds, property and assets of the Corporation for the objects of the Corporation as set forth in its Articles.

The Corporation may, subject to the provisions of the Act, indemnify a director or former director of the Corporation and their heirs and personal representatives, against all costs, losses, damages, charges and monetary claims suffered or incurred by such director acting in their capacity as director, if they acted honestly and in good faith with a view to the best interests of the Corporation and exercised the care, diligence and skill of a reasonably prudent person, and with respect to any criminal or administrative proceedings, they had reasonable grounds for believing that their conduct was lawful. The indemnity authorized by this by-law shall be applicable only to the extent that such indemnity shall not duplicate any indemnity or reimbursement which a director seeking indemnity hereunder has received or shall receive otherwise than by virtue of this by-law.

The directors may from time to time, subject to the provisions of the Act, cause the Corporation to enter into a contract to indemnify any director or former director, officer, employee, agent or other person who has undertaken or is about to undertake any liability on behalf of the Corporation or any corporation controlled by it.

The directors may cause funds to be expended by the Corporation for the purchase and maintenance of insurance for the benefit of any person who is, or was a director, officer, employee or agent of the Corporation or is, or was serving at the request of the directors as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise in which the Corporation has had an interest, against any liability incurred by such person as such director, employee or agent.

6. SECTION 6 – Meetings of Directors

6.1 Calling of Meetings

Meetings of the board may be called by the chair of the board or any two (2) directors at any time.

The board shall meet as often as is necessary to transact the business of the board and in any event no less than once every six months.

6.2 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 By-law 9.1 to every director of the Corporation at least forty-eight (48) hours in advance of the meeting. Notice of a meeting shall not be necessary if all of the directors are present, and none objects to the holding of the meeting, or if those absent have waived notice of or have otherwise signified their consent to the holding of such meeting. Notice of an adjourned meeting is not required if the time and place of the adjourned meeting is announced at the original meeting.

All notices of meetings of directors shall include an agenda identifying the matters to be considered at the meeting. With the consent of the directors, matters may be added to an agenda at a meeting and considered by the directors.

6.3 Quorum

A majority of directors appointed pursuant to By-law 5.1 at least two (2) of whom have been appointed pursuant to By-law 5.1(b), constitute a quorum for the transaction of business.

6.4 Attending a Meeting

The board may hold meetings by means of a telephonic, and electronic or other communications facility that permits all participants to communicate adequately with each other during the meeting.

6.5 Chair

The Chair of the Board shall be chair of all meetings of the directors, but if at a meeting the Chair of the Board is not present, the Vice-Chair shall chair the meeting. If neither the Chair of the Board or the Vice-Chair are present within 15 minutes after the time appointed for holding the meeting, the directors present may choose one of the directors present to be chair at the meeting.

6.6 Voting

Questions arising at a meeting of the directors shall be decided by a majority of votes. Each director is authorized to exercise one (1) vote. In case of an equality of votes the chair does not have a second or casting vote.

The chair of a meeting may move or propose a resolution.

7. SECTION 7 - Officers

7.1 Officers

The officers of the Corporation are:

- (a) the Chair, the Vice-Chair, the Past-Chair, the Secretary, and the Treasurer, all of whom must be directors; and
- (b) the President/Chief Executive Officer.

The board may create any other officer(s) of the Corporation and create any policies regarding the officers, including but not limited to their position descriptions, as may from time to time be required.

7.2 Removal of Officer

Any officer may be removed by board resolution.

8. SECTION 8 - Committees of Directors

8.1 Creation and Delegation to Committees

The board may create such standing and special committees as may from time to time be required. Any such committee will limit its activities to the purpose or purposes for which it is appointed and will have no powers except those specifically conferred by the board.

The board may delegate any, but not all, of its powers to committees which may be in whole or in part composed of directors as it thinks fit.

8.2 Standing and Special Committees

Unless specifically designated as a standing committee in its terms of reference, a committee is deemed to be a special committee and any special committee so created must be created for a specified time period.

A special committee will automatically be dissolved upon the earlier of the following:

- (a) the completion of the specified time period; or
- (b) the completion of the task for which it was created.

8.3 Terms of Reference

In the event the board decides to create a committee, it must establish terms of reference for such committee. A committee, in the exercise of the powers delegated to it, will conform to any rules that may from time to time be imposed by the board in the terms of reference or otherwise, and will report every act or thing done in exercise of

those powers at the next meeting of the board held after it has been done, or at such other time or times as the board may determine.

8.4 Meetings

Subject to any policies or procedures established by the board from time to time, the members of a committee may meet and adjourn as they think proper.

8.5 Dissolution of Committees

The board may dissolve any committee by board resolution.

9. SECTION 9 - Notices

9.1 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 Members or a meeting of the board of directors, pursuant to the Act, the Articles, this by-law or otherwise to a Member, director, officer or member of a committee of the board or to the public accountant shall be sufficiently given:

- (a) if delivered personally to the person to whom it is to be given or if delivered to such person's address as shown in the records of the Corporation or in the case of notice to a director to the latest address as shown in the last notice that was sent by the Corporation in accordance with section 128 (Notice of directors) or 134 (Notice of change of directors) of the Act; or
- (b) if mailed to such person at such person's recorded address by prepaid ordinary or air mail; or
- (c) if sent to such person by telephonic, electronic or other communication facility at such person's recorded address for that purpose; or
- (d) if provided in the form of an electronic document in accordance with Part 17 of the Act.

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

notice. The signature of any director or officer of the Corporation to any notice or other document to be given by the Corporation may be written, stamped, type-written or printed or partly written, stamped, type-written or printed.

9.2 Invalidity of any provisions of this by-law

The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.

9.3 Omissions and Errors

The accidental omission to give any notice to any Member, director, officer, member of a committee of the board or public accountant, or the non-receipt of any notice by any such person where the Corporation has provided notice in accordance with the by-law 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.

10. SECTION 10 - By-Law

On being admitted to membership, each Member is entitled to and the Corporation shall give or provide electronic access to such Member, without charge, a copy of the by-law of the Corporation.

This by-law supersedes and replaces any other by-law of the Corporation. The by-law of the Corporation may be repealed or amended by by-law, or a new by-law may be enacted by an affirmative vote of Members holding at least two-thirds (2/3) of the votes held by the Members present at a meeting duly called for the purpose of considering the said by-law.

11. SECTION 11 – Effective Date

11.1 Effective Date

Subject to matters requiring a special resolution of the Members, this by-law shall be effective when made by the board.