

BY-LAWS

BYLAWS OF ENERGY SAFETY CANADA

Part 1 – Interpretation

1.1 Definitions

In these By-laws, unless the context otherwise requires:

- (a) **"Act"** means the *Canada Not-for-profit Corporations Act*, S.C. 2009, c. 23, including the regulations made pursuant to the Act and any statute or regulations that may be substituted, as amended from time to time;
- (b) **"Alternate Representative"** shall have the meaning set out in Section 2.10;
- (c) **"Annual General Meeting"** means the regular annual general meeting of the Members required by the Act;
- (d) **"Articles"** means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation;
- (e) **"Board"** means the Directors acting as authorized by the Articles and these By-laws in managing or supervising the management of the affairs of the Corporation and exercising the powers of the Corporation;
- (f) **"Board Resolution"** means:
 - (i) a resolution passed at a duly constituted meeting of the Board by a simple majority of the votes cast by those Directors who are present and entitled to vote at such meeting; or
 - (ii) a resolution that has been consented to in writing by every Director who would have been entitled to vote on the resolution in person at a meeting of the Board;
- (g) **"By-laws"** means these by-laws of the Corporation, as amended from time to time;
- (h) **"Chair"** means the chair of the Board of Directors appointed pursuant to Article 8.3;
- (i) **"Corporation"** means Energy Safety Canada;
- (j) **"Directors"** means those persons who have become directors of the Corporation in accordance with these By-laws;
- (k) **"Electronic Means"** means a telephonic, electronic or other communication facility that, in accordance with the Act, permits all participants to communicate adequately with each other;
- (l) **"Income Tax Act"** means the *Income Tax Act*, R.S.C. 1985 (5th Supp.), c.1 as amended from time to time;
- (m) **"Meeting of Members"** means any Annual General Meeting and any special meeting of Voting Members;
- (n) **"Members"** means the Voting Members and the Non-Voting Members;

- (o) **"Ordinary Resolution"** means:
 - (i) a resolution passed by the Members at a Meeting of Members by a majority of the votes cast on that resolution; or
 - (ii) a resolution in writing that has been submitted to the Members and signed by all of the Members entitled to vote on that resolution at a Meeting of Members, and a resolution so consented to is deemed to be an Ordinary Resolution as if it had been passed at a Meeting of Members;
- (p) **"Non-Voting Members"** means those members who become non-voting members of the Corporation pursuant to Section 2.4(b);
- (q) **"Person"** means an individual, legal personal representative, corporation, society partnership, trust, unincorporated association, trustee or other entity or organization;
- (r) **"Public Accountant"** means a Person with the qualifications described in section 180 of the Act who is appointed in accordance with these By-laws or otherwise under the Act;
- (s) **"Registered Address"** of a Person means the address of that Person as recorded in the Register of Members or Directors, as the case may be, and will, if provided by that Person, include that Person's facsimile number and electronic mail address;
- (t) **"Representative"** shall have the meaning set out in Section 2.10;
- (u) **"Secretary"** means the secretary of the Corporation appointed pursuant to Section 8.1;
- (v) **"Special Resolution"** means:
 - (i) a resolution passed;
 - (1) at a meeting of which not less than 10 days' notice specifying the intention to propose the resolution has been duly given; and
 - (2) by a vote of not less than 70% of the votes of the Members who, entitled to do so, vote in person or by proxy;
 - (ii) a resolution proposed and passed as a Special Resolution at a meeting duly constituted and held, if all the Members entitled to attend and vote at the meeting so agree; or
 - (iii) a resolution consented to in writing by all the Members who would have been entitled at a meeting to vote on the resolution in person or, where proxies are permitted, by proxy;
- (w) **"Unanimous Resolution"** means:
 - (i) a resolution passed;
 - (1) at a meeting duly constituted and held; and
 - (2) by a vote of not less than all of those Members who, if entitled to do so, vote in person or by proxy;

- (ii) a resolution proposed and passed as a Unanimous Resolution at a meeting of which less than 10 days' notice has been given, if all the Members entitled to attend and vote at the meeting so agree; or
 - (iii) a resolution consented to in writing by all the Members who would have been entitled at a meeting to vote on the resolution in person or, where proxies are permitted, by proxy;
- (x) **"Voting Member"** includes the following:
- (i) Canadian Association of Geophysical Contractors (CAGC);
 - (ii) Canadian Association of Energy Contractors (CAOEC);
 - (iii) Canadian Association of Petroleum Producers (CAPP);
 - (iv) Oil Sands CEO Council (OSC);
 - (v) Petroleum Services Association of Canada (PSAC);
 - (vi) Explorers and Producers Association of Canada (EPAC); and
 - (vii) Any other Person accepted as a voting member pursuant to Section 2.4(a).

1.2 Definitions in the Act

Other than as provided in these By-laws, the definitions in the Act on the date these By-laws become effective apply to these By-laws and will have the same meaning as in the Act.

1.3 General Rules of Interpretation

Words importing the singular include the plural and vice versa and words importing a male person include a female person.

The headings used throughout these Bylaws are inserted for reference purposes only, and are not to be considered or taken into account in construing the terms of provisions of any article nor to be deemed in any way to qualify, modify or explain the effect of any such terms or provisions.

Part 2 – Membership

2.1 Members

The Members are those Persons who are Members on the date these By-laws came into force and those Persons who subsequently have become Members in accordance with these By-laws and, in either case, have not ceased to be Members.

2.2 Membership Classes

There will be the following two class of Members:

- (a) Voting Members; and
- (b) Non-Voting Members.

Each Voting Member will be entitled to receive notice of, attend and vote at all meetings of Voting Members and any meetings of Non-Voting Members. Each Voting Member shall have one (1) vote at any meeting of Voting Members. Each Non-Voting Member will be entitled to receive notice of, attend and vote at all Meetings of Non-Voting Members.

2.3 Eligibility for Membership

- (a) A Person may be eligible for admission as a Voting Member if such Person is a representative of an association (whether an incorporated association or an unincorporated association) in the energy industry in Canada of similar stature to the other Voting Members;
- (b) A Person may be eligible for admission as a Non-Voting Member if such Person is interested in furthering the Corporation's purposes.

2.4 Admission to Membership

- (a) An eligible Person may apply in writing to the Directors to be a Voting Member of the Corporation. Upon approval of a written application for membership by the Board of Directors, an eligible Person may be nominated by the Directors to be a Voting Member. Upon a Special Resolution of the Voting Members being passed approving the admission of the applicant as a Voting Member, the applicant will be admitted as a Voting Member of the Corporation; and
- (b) An eligible Person who qualifies under the standards to be established by the Board of Directors may become a Non-Voting Member.

The Directors may, in their discretion, accept or refuse a written application for membership either as a Voting Member or a Non-Voting Member.

2.5 Application for Membership

Applications for membership in the Corporation must:

- (a) be in writing and, if applicable, on a form approved by the Directors from time to time;
- (b) include the full name, address, telephone number of the applicant, and if the applicant wishes to receive notices from the Corporation by facsimile or electronic mail, the facsimile number and electronic mail address of the applicant;
- (c) specify whether the applicant is applying for membership as a Voting Member or a Non-Voting Member; and
- (d) be received by the Corporation at least 30 days in advance of the next annual general meeting.

2.6 Compliance with Articles, By-laws and Policies

Every Member will, at all times, comply with the Articles, these By-laws and any policies of the Corporation adopted by the Directors from time to time as amended from time to time. Every Member shall further and not hinder the purposes, aims and objects of the Corporation.

2.7 Membership Dues

There will be no dues or fees payable by Members except as otherwise determined by a Special Resolution of the Voting Members. In the absence of a Special Resolution of the Voting Members to

determine membership dues in any given year, the annual membership dues from the previous year are deemed to continue until changed by a Special Resolution of the Voting Members.

2.8 Transferability of Membership

Membership in the Corporation is not transferable.

2.9 Membership Terms

- (a) The term of membership for Voting Members is unlimited; and
- (b) The term of membership for Non-Voting Members shall be determined by the Board of Directors from time to time.

2.10 Representatives

A Member, other than a Member who is an individual Person, shall appoint an individual to act as its representative ("Representative") at meetings of the Members of the Corporation. Such Member may appoint an alternative Representative ("Alternate Representative") to attend any meeting its Representative cannot attend. The authorized Representative or Alternative Representative of a Member is entitled to speak and vote and in all other respects exercise the rights of that Member for all purposes at a meeting of the Members. Each Member appointing a Representative or Alternative Representative shall notify the Secretary and the other Members, in writing, of the name, address, telephone number and occupation of the Representative and the Alternate Representative (if applicable). Each Member may change or withdraw its Representative or Alternate Representative from time to time by written notice to the Secretary and the other Members. Such notice shall be effective upon the latter of the date of delivery to the Secretary and all other Members or such effective date as may be set out in the written notice.

2.11 Renewal of Membership Terms

A Member who remains eligible will continue to be a Member of the Corporation unless such membership is terminated pursuant to these Bylaws.

2.12 Discipline and Expulsion of Members

- (a) The Voting Members may by Special Resolution discipline or expel any Member for any one or more of the following grounds:
 - (i) violating Section 2.6;
 - (ii) carrying out any conduct which may be detrimental to the Corporation as determined by the Voting Members in their sole discretion; or
 - (iii) for any other reason that the Voting Members in their sole discretion consider to be reasonable or necessary having regard to the purpose and goals of the Corporation.
- (b) At least 10 days' written notice of the proposed Special Resolution to discipline or expel a Member will be provided to that Member together with a brief statement of the reason or reasons for the proposed discipline or expulsion.
- (c) A Member who is the subject of the proposed discipline or expulsion may, within 5 days of receiving the reason or reasons for the proposed discipline or expulsion either:

- (i) respond in writing to such statement by delivering such written response to all Voting Members; or
 - (ii) request in writing by way of a notice to all Voting Members to appear at the meeting at which the Member's discipline or expulsion will be considered to make oral submissions.
- (d) If the Voting Members do not receive a written response or a written request to make oral submissions pursuant to Section 2.12(c), the Voting Members will proceed to vote on the discipline or expulsion at the meeting.
 - (e) When considering the Special Resolution to discipline or expel a Member, the Voting Members will take into account any submissions (whether written or oral) received from that Member.
 - (f) The Member who is the subject of the decision with respect to discipline or expulsion shall not be entitled to vote on such decision.
 - (g) The Member who is the subject of the discipline or expulsion shall receive notice of the decision of the Voting Members within 10 days of the decision.
 - (h) The Special Resolution regarding the discipline or expulsion of a Member will be final and binding on that Member, with no right of review or appeal.

2.13 Membership Standing

All Members are in good standing except:

- (a) a Member who has failed to pay his or her current annual membership fee (if any) or any other debt due and owing by such Member to the Corporation and such Member is not in good standing so long as the debt remains unpaid; and
- (b) a Member who is subject to discipline for breaching his or her obligations as a Member.

2.14 Cessation of Membership

A Person will cease to be a Member upon:

- (a) delivering a resignation in writing to the Secretary of the Corporation or mailing or delivering it to the address of the Corporation, which resignation will be effective on the later of (i) the effective date of resignation stated therein and (ii) the date on which the resignation is received by the Secretary or Corporation, as the case may be;
- (b) on dissolution of the Member as a corporation (if applicable);
- (c) in the case of a Non-Voting Member, the expiry of the Non-Voting Member's membership term;
- (d) ceasing to be qualified as a Member pursuant to these By-laws;
- (e) being expelled from membership in the Corporation pursuant to Section 2.12; or
- (f) having been a Member not in good standing for 12 consecutive months.

2.15 Effect of Termination of Membership

Subject to the Articles, the rights of a Member cease to exist, upon the occurrence of any of the events described in Section 2.14

Part 3 – Meetings of Members

3.1 Time and Place of Meetings of Members

Meetings of Members will be held at a time and at a place in Canada that the Directors determine.

3.2 Special Meeting of Members

Every Meeting of Members, other than an annual general meeting, is a special Meeting of Voting Members.

3.3 Convening Special Meetings of Members

The Directors may, when they deem fit, convene a special Meeting of Voting Members. The Board will convene a special Meeting of Voting Members on the written requisition of at least five percent of the votes of the Voting Members and if the Board does not convene a special Meeting of Voting Members within 10 days of receiving such a requisition, any Voting Member who signed the requisition may convene the meeting.

3.4 Notice of Meeting of Members

Notice of the time and place of a Meeting of Members will be given to each Member entitled to vote at the meeting by the following means:

- (a) by mail, courier or personal delivery addressed to the Member's address at least 10 days and not more than 60 days before the day on which the meeting is to be held; or
- (b) by electronic mail to the Member's electronic address or facsimile number, at least 5 days and not more than 35 days before the day on which the meeting is to be held,

provided that the Corporation will give notice as set out in paragraph (a) if a Member requests that notices be given by non-electronic means.

3.5 Contents of Notice of Meeting of Members

Notice of a Meeting of Members will specify the location, date and time of the meeting and, if applicable, the special business to be transacted at such meeting, and will include the text of any Special Resolution to be considered at that meeting.

3.6 Waiver or Reduction of Notice Period

Members entitled to notice of a Meeting of Members may waive or reduce the notice period for a meeting by unanimous consent in writing.

3.7 Entitlement to Notice

- (a) Notice of a Special Meeting of Voting Members will be given to:
 - (i) every Person shown on the register of Members as a Voting Member on the day notice is given;

- (ii) the Directors; and
- (i) the Public Accountant,

and no other Person will be entitled to receive a notice of a Meeting of Members.

(b) Notice of an Annual General Meeting will be given:

- (i) to every Person shown on the register of Members as a Voting Member on the day notice is given;
- (ii) by way of publication on the Corporation's website or sent by electronic means to the Non-Voting Members;
- (iii) to the Directors; and
- (iv) to the Public Accountant.

3.8 Omission of Notice

The non-receipt of a notice by any of the Members entitled to receive notice will not invalidate proceedings at that meeting.

3.9 Annual General Meetings

An Annual General Meeting will be held at least once in every calendar year and not more than 15 months after the preceding Annual General Meeting.

Part 4 – Proceedings at Meetings of Members

4.1 Special Business

Special business is:

- (a) all business at a special Meeting of Members; and
- (b) all business transacted at an Annual General Meeting, except,
 - (i) the receipt of the financial statements;
 - (ii) the report of the Directors;
 - (iii) the report of the Public Accountant, if any;
 - (iv) the election of Directors;
 - (v) the appointment of the Public Accountant, if required; and
 - (vi) the other business that, under these By-laws, ought to be transacted at an Annual General Meeting or which is brought under consideration by the report of the Directors issued with the notice convening the meeting.

4.2 Quorum

A quorum is the majority of the total number of votes of the Voting Members in good standing of the Corporation.

4.3 Requirement for Quorum

No business, other than the election of a person to chair the meeting and the adjournment or termination of the meeting, will be conducted at a Meeting at a time when a quorum is not present.

4.4 Failure to Achieve Quorum

If within 30 minutes from the time appointed for a Meeting a quorum is not present, the meeting, if convened on the requisition of Voting Members, will be terminated; but in any other case, it will stand adjourned to the same day in the next week, at the same time and place, and if, at the adjourned meeting, a quorum is not present within 30 minutes from the time appointed for the meeting, the Voting Members present constitute a quorum. No business shall be transacted at the adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

4.5 Loss of Quorum

If at any time during a Meeting of Voting Members there ceases to be a quorum present, business then in progress will be suspended and no further business conducted until there is a quorum present.

4.6 Participating in a Meeting of Members by Electronic Means

The Board may determine that any Meeting may, in accordance with the Act, be held so as to facilitate participation by Electronic Means. Any Person entitled to attend a Meeting that the Board has determined to hold by Electronic Means may, in accordance with the Act, participate in such meeting by Electronic Means and a Person so participating in such a meeting will be deemed to be present at the meeting.

4.7 Chair of Meetings of Voting Members

The Chair of the Board, will chair a Meeting of Voting Members, provided that if at a Meeting of Voting Members the Chair is not present within 15 minutes after the time appointed for holding the Meeting, the Voting Members present will choose one of their number to chair the meeting.

4.8 Adjourning a Meeting of Members

A Meeting of Members may be adjourned from time to time and from place to place, but no business will be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

4.9 Notice of Adjournment

It is not necessary to give notice of an adjournment or of the business to be transacted at an adjourned Meeting of Members, provided that when a meeting is adjourned for ten days or more, notice of the adjourned meeting will be given as in the case of the original meeting.

4.10 Proposing a Resolution

No resolution proposed at a meeting needs be seconded and the Chair of a meeting may move or propose a resolution.

4.11 Ordinary Resolutions

Any issue to be decided at a Meeting of Members which is not required either by these By-laws or the Act to be decided by Special Resolution will be decided by Ordinary Resolution.

4.12 Entitlement to Vote

- (a) Each Voting Member in good standing on the date of the Meeting of Members is entitled to one vote; and
- (b) In case of an equality of votes the Chair will have a casting vote in addition to the vote to which such person may be entitled as a Representative or Alternate Representative of a Member if the Chair is a Representative or Alternative Representative. If the Chair is not a Representative or Alternative Representative, then the Chair shall only have a casting vote in the event of an equality of votes.

4.13 Voting

Voting will be by show of hands or by such other means permitted by the Act as would enable all Persons present at that meeting (whether by Electronic Means or in person) who are entitled to vote to submit their vote.

4.14 Proxy Voting

Voting by proxy is permitted. The instrument appointing a proxy shall be in written form.

4.15 Absentee Voting by Mail-In Ballot

- (a) The Board may determine to allow Voting Members to vote by mail-in ballot at one or more Meetings of Members.
- (b) If the Board exercises its discretion under paragraph (a) to permit absentee voting by mail-in ballot, the Corporation will prepare a mail-in or electronic ballot and distribute a ballot to each Member together with the notice of the applicable meeting.
- (c) Upon receipt from the Corporation of a mail-in ballot, a Member may cast his or her vote to be counted at the corresponding Meeting of Members provided that the Member signs and dates the ballot and returns it to the Corporation at least two days before the Meeting of Members to which it relates.
- (d) Mail-in ballots will be counted by scrutineers appointed by the Board and the ballot votes will be announced by the person chairing the Meeting following the vote by those Voting Members present at the Meeting of Members.

4.16 Absentee Voting by Electronic Means

The Board may determine to hold a Meeting of Members in such a manner that a Voting Member may vote by Electronic Means, provided votes can be gathered in a manner that permits their subsequent verification.

Part 5 – Directors

5.1 Power of Directors

The Directors may exercise all the powers and do all the acts and things that the Corporation may exercise and do, and which are not by these By-laws or by statute or otherwise lawfully directed or required to be exercised or done by the Corporation in a Meeting of Members, but subject, nevertheless, to

- (a) all laws affecting the Corporation; and
- (b) these By-laws and the Articles.

5.2 Management of Property and Affairs

The property and the affairs of the Corporation will be managed by the Board.

5.3 Invalidation of Director Acts

- (a) No rule made by the Corporation in a Meeting of Members, invalidates a prior act of the Directors that would have been valid if that rule had not been made.
- (b) No act or proceeding of the Directors is invalid only by reason of there being less than the prescribed number of Directors in office.

5.4 Composition of the Board and Number of Directors

- (a) The number of Directors will be as set out in the Articles, namely not be less than 8 and not more than 20, each of whom will be elected by the Voting Members in accordance with the Act and these Bylaws. The number of Directors may be amended from time to time by a Unanimous Resolution.
- (b) The Board of Directors shall be made up of:
 - (i) the following appointed Directors:
 - (1) One (1) Director appointed by each Voting Member in good standing.

In the event any Voting Member chooses not to appoint a Director to the Board, the position on the Board will remain vacant until the next Annual General Meeting or until the Voting Member entitled to fill such vacancy appoints a Director in accordance with these Bylaws;
 - (ii) the following elected by the Voting Members:
 - (1) Two (2) directors who are current or retired executives of owner/operator producing (conventional) entities (including pipelines);
 - (2) Two (2) directors who are current or retired executives from the service provider/contractor industry;
 - (3) One (1) director who is a current or retired executive from the oil sands sector; and
 - (4) Any director who has the requisite knowledge necessary to be on the Board;

- (iii) The Chair (who shall be a non-voting Board member except that in the event of a tie, the Chair shall have a casting vote); and
- (iv) The Chief Executive Officer of the Corporation (who shall be a non-voting Board member).

5.5 Director Qualifications

In order to be eligible to be elected or serve as a Director, a Person must:

- (a) be at least 18 years of age;
- (b) not be an undischarged bankrupt;
- (c) not have been declared incapable by a court in Canada or elsewhere; and
- (d) be appointed or elected in accordance with these Bylaws.

5.6 Election of Directors

Directors who are to be elected by the Voting Members will be elected by Ordinary Resolution by the Voting Members at a Meeting of Members at which an election of Directors is required and will take office at the conclusion of such meeting.

5.7 Appointment of Directors

The appointed Directors shall be appointed at the first meeting of the Voting Members and subsequently, subject to an appointment occurring upon the admission to the Corporation of a new Voting Member, or, subject to an appointment occurring on a vacancy as set out in these Bylaws, at each succeeding Annual General Meeting of the Corporation. Appointments for the Directors appointed in accordance with Section 5.4(b)(i), shall, in the case of an appointment to be made at an Annual General Meeting of the Corporation, be delivered in writing to the Secretary by each Voting Member prior to the Annual General Meeting.

Directors appointed upon the entry into the Corporation of a new Voting Member shall be appointed at a special meeting of the Voting Members called in accordance with these Bylaws. Appointments for the Directors appointed in accordance with Section 5.4(b)(i), shall, in the case of an appointment to be made at a special meeting of the Members upon the admission to the Corporation of a new Voting Member, be delivered in writing to the Secretary by each new Voting Member prior to the special meeting of the Members.

5.8 Director Terms

Each Director (whether elected or appointed) will hold office for a term of three (3) years.

5.9 Term Limits

Upon expiry of a Director's term of office, such Director is eligible to be re-elected or re-appointed for an unlimited number of additional terms of office.

5.10 Removal of Director

The Voting Members may by Ordinary Resolution remove a Director elected pursuant to Section 5.4(b)(ii) before the expiration of his or her term of office, and may by Ordinary Resolution elect a successor to complete the term of office.

With respect to the Directors appointed pursuant to Section 5.4(b)(i), any vacancy occurring during the course of the year shall be filled by an individual appointed by the Voting Member who appointed the Director who has vacated his or her position. The applicable Voting Member shall notify the Secretary and other Voting Members in writing as to who will fill the vacant Director's position. A person appointed to fill a vacant Director's position shall complete the term of the vacating Director.

5.11 Ceasing to be a Director

A person will automatically cease to be a Director upon:

- (a) ceasing to meet the qualifications set out in these Bylaws;
- (b) delivering his or her resignation in writing to the Secretary of the Corporation or by mailing or delivering it to the address of the Corporation, which resignation will be effective on the later of (i) the effective date of resignation stated therein and (ii) the date on which the resignation is received by the Secretary or Corporation, as the case may be;
- (c) his or her death;
- (d) the expiry of his or her term of office as Director;
- (e) being absent without reasonable excuse from three successive meetings of the Board;
- (f) his or her removal from office as Director by a Special Resolution; or
- (g) in the case of a Director appointed pursuant to Section 5.4(b)(i), upon the Voting Member who appointed such Director providing written notice to such Director, the Secretary and the Voting Members that such Voting Member is requiring the removal of its appointee.

5.12 Vacancies on the Board

If there has been a failure to elect the minimum number of Directors required by the Articles or if there is otherwise a vacancy position on the Board, the Directors then in office will as soon as practicable call a special Meeting of Members to fill the vacancy or vacancies on the Board.

5.13 Support of Corporation Purposes

Every Director will unreservedly subscribe to and support the purposes of the Corporation.

5.14 Reimbursement for Expenses

Subject to any policies established by the Corporation from time to time a Director is entitled to be reimbursed for all expenses necessarily and reasonably incurred by him or her while engaged in the discharge of his or her duties and responsibilities as a Director.

5.15 Indemnification and Insurance

- (a) Subject to the Act, no Director or Officer shall be liable for:
 - (i) the acts, negligence or defaults of any other Director, Officer or employee;
 - (ii) any loss, damage or expense resulting from the insufficiency or deficiency of title to any property acquired on behalf of the Corporation;
 - (iii) the insufficiency or deficiency of any security in which the Corporation is invested;

- (iv) any loss resulting from an error in judgment or oversight on their part, unless due to the gross negligence or wilful misconduct of such Director or Officer;
- (v) any loss or damage arising from the bankruptcy, insolvency or wrongful acts of any other Person with whom the funds of the Corporation are deposited or invested; or
- (vi) any other loss, damage or misfortune resulting from the execution of such Director or Officer's duties,

provided that:

- (i) the Director or Officer exercised the care, diligence and skill that a reasonably prudent person would have exercised in comparable circumstances, including reliance in good faith on (a) financial statements of the Corporation presented to the Director or Officer or in a written report of a Public Accountant of the Corporation; or (b) a report of a Person whose profession lends credibility to a statement made by such Person; and
 - (ii) any such loss, damage or expense does not result from the Director or Officer's wilful act or omission, neglect, fraud or gross negligence.
- (b) the Corporation will indemnify and save harmless every Director and officer and every past Director and officer, and their heirs, executors, administrators and estates from and against all costs, charges, damages, expenses (including all reasonable legal fees and expenses and all amounts paid to settle an action or satisfy a judgment, incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved by reason of being a Director or Officer of the Corporation if:
- (i) The person acted honestly and in good faith with a view to the best interests of the Corporation;
 - (ii) In the case of a criminal or administrative act or proceeding enforced by monetary penalty, they had reasonable grounds for believing their conduct was lawful; and
 - (iii) In connection with costs, charges and expenses reasonably incurred by the individual in the defence of any civil, criminal, administrative, investigative or other proceeding to which the individual is subject by reason of being or having been a Director or Officer of the Corporation if the individual seeking indemnity was not judged by the court or other authority to have committed any gross negligence or any wilful act, neglect or omission or fraud;
 - (iv) The person seeking indemnity has given the Corporation prompt written notice of any such claim, law suit or action; and
 - (v) The person seeking indemnity has cooperated in a reasonable manner with the Corporation and its agents and professional advisors in defending the claim, lawsuit or action.
- (c) The Corporation will purchase and maintain appropriate liability insurance for the benefit of the Corporation, the Directors and the Officers.

5.16 Transitional Provisions

On the coming into force of these By-laws, the Directors will be those Persons who are listed as directors on the most recent document filed with Corporations Canada. Such Directors shall have all the powers and duties ascribed in these By-laws to the Directors.

Part 6 – Proceedings of Directors

6.1 Directors' Meetings

The Directors may meet together at such places as they think fit to conduct business and may adjourn and otherwise regulate their meetings and proceedings, as they see fit.

6.2 Quorum of Directors' Meetings

The quorum will be a majority of the Directors then in office.

6.3 Chair of Directors' Meetings

The Chair will chair all meetings of the Directors, but if at a meeting the Chair is not present within 30 minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to chair the meeting.

6.4 Calling Directors' Meetings

A Director may at any time, and the Secretary, on the request of a Director, will, convene a meeting of the Directors.

6.5 Notice of Directors' Meetings

At least seven (7) days' notice of a Board meeting will be provided to each Director, provided that for a first meeting of Directors held immediately following the appointment or election of a Director or Directors at an annual or other Meeting of Members, or for a meeting of the Directors at which a Director is appointed to fill a vacancy in the Directors, it is not necessary to give notice of the meeting to the newly elected or appointed Director or Directors for the meeting to be constituted, if a quorum of the Directors is present.

A Director may send or deliver to the address of the Corporation a waiver of notice of any meeting of the Directors and may at any time withdraw the waiver, and until the waiver is withdrawn:

- (a) no notice of meeting of Directors will be sent to that Director; and
- (b) any and all meetings of the Directors of the Corporation, notice of which has not been given to that Director will, if a quorum of the Directors is present, be valid and effective.

6.6 Participation by Electronic Means

Any and all Directors may, in accordance with the Act, participate in a meeting of Directors or of a committee of Directors by Electronic Means. A Director so participating in a meeting will be deemed to be present at that meeting for the purposes of determining quorum.

6.7 Board Resolutions

Unless otherwise required under these By-laws or under the Act, questions arising at a meeting of the Directors will be decided by Board Resolution.

6.8 Entitlement to Vote

Each Director will be entitled to one vote. In case of an equality of votes, the Chair will have a casting vote. In the event the Chair is absent and the individual acting as chair of such meeting is a Director, in the case of an equality of votes, such individual acting as chair will have a second vote in addition to the vote to which such person is entitled as a Director.

6.9 Procedure for Voting

- (a) Voting will be by show of hands or by such other means permitted by the Act as would enable all Persons present at that meeting (whether by Electronic Means or in person) who are entitled to vote to submit their vote.
- (b) No resolution proposed at a meeting of Directors or committee of Directors need be seconded and the chair of a meeting may move or propose a resolution.

6.10 Resolutions in Writing

A resolution in writing, signed by all the Directors and placed with the minutes of the Directors is as valid and effective as if regularly passed at a meeting of Directors.

Part 7 – Committees

7.1 Formation of Committees

The Corporation shall have a Governance Committee and a Finance and Audit Committee. The Board may create such other committees as may from time to time be required or as the Board may deem appropriate. 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. Unless specifically designated as a standing committee, any special committee so created must be created for a specified time period only. Upon completion of the earlier of the specified time period or the task for which it was appointed, a special committee will automatically be dissolved.

7.2 Delegation to Committees

The Board may delegate any, but not all, of its powers to committees consisting of one or more Directors as it thinks fit.

7.3 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 on it 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.

7.4 Composition

Every committee shall be composed of a chair and such other members who shall all be Directors.

7.5 Meetings

Meeting shall take place at such time and place in Canada as determined by the committee. Any and all committee members may participate in a meeting of a committee by Electronic Means. A Director so participating in a meeting will be deemed to be present at that meeting for the purposes of determining quorum.

7.6 Notice

Notice of the time and place of each meeting of the committee members shall be sent to each committee member by regular mail addressed to the committee member at his or her latest address as shown in the records of the Corporation not less than ten days before the meeting or by telephone, fax, email, delivered

personally or any other means of communication not less than three days before the meeting. If mailed, such notice shall be deemed to have been received on the third day following the date of mailing, if delivered by telephone, fax or email or any other means of communication, such notice shall be deemed to have been received on the date of transmission, and if delivered personally, on the date of delivery. A committee member who participates in a committee meeting shall be deemed to have received notice thereof.

7.7 Quorum

Unless otherwise determined from time to time by the Directors, each committee shall have the power to fix its quorum at not less than the majority of its members, to elect its chair and to regulate its procedures.

7.8 Termination of committee membership

Any member of a committee who ceases for any reason to be a Director shall, upon ceasing to be a Director, thereupon also cease to be a member of a committee.

7.9 Governance Committee

The Governance Committee shall be responsible for the following:

- (a) Nominating Directors to be elected to the Board subject to the following:
 - (i) the nominees meeting any of the criteria set out in Section 5.4(b)(ii); and
 - (ii) any nominations from the Voting Members are to be considered by the Governance Committee, but the Governance Committee shall not be obligated to accept such nomination from such Voting Member.
- (b) Considering the roles of the Board, the Chair and management;
- (c) Reviewing the effectiveness of the Board, Committees, Chair and management;
- (d) Considering and recommending changes to the governance structure of the Board and each Committee;
- (e) Considering and recommending the Terms of Reference for all Committees; and
- (f) Such other responsibilities and duties as are determined from time to time by the Board.

7.10 Finance and Audit Committee

The Finance and Audit Committee shall be responsible for the following:

- (a) Reviewing the quarterly and annual financial statements;
- (b) Considering the ability of the Corporation to meet financial needs;
- (c) Reviewing and considering the Corporation's budget;
- (d) Carry out and ensure compliance with the budget;
- (e) Identify risks and mitigation with respect to the budget; and
- (f) Such other responsibilities and duties as are determined from time to time by the Board.

Part 8 – Officers

8.1 Election and Removal of Officers

The Board may designate the officers of the Corporation, elect the officers of the Corporation, specify their duties, determine any remuneration payable to such officers and may at any time remove an officer by Board Resolution.

8.2 Officer Duties

Subject to the Act, the Directors may, for each officer appointed, determine the powers and duties of each such officer, provided that, if appointed, the Chair, Chief Executive Officer and the President (who may be a different individual from the Chief-Executive Officer or may be the same individual as the Chief Executive Officer), one or more Vice-Presidents, and Secretary will have the powers, functions and duties set out in this Part 8.

8.3 Chair

- (a) The Board shall appoint a Chair of the Board;
- (b) The Chair shall preside at all meetings of the Corporation and the Board. The Chair shall also be an ex-officio member of all committees and shall not participate in any vote taken by the Board except to break a tie;
- (c) The Chair shall hold office for a term of three years and a retiring Chair shall be eligible for re-election;
- (d) The Chair shall receive such remuneration as is determined by the Directors from time to time;
- (e) The Chair shall be removed from office upon:
 - (i) Written notice of resignation to the Secretary;
 - (ii) Death of the Chair; or
 - (iii) Removal of the Chair by a resolution passed by a majority of the Directors.

8.4 Chief Executive Officer

- (a) The Board shall appoint a Chief Executive Officer of the Corporation who shall manage the business and affairs of the Corporation and perform such other duties as the Directors determine from time to time;
- (b) The Chief Executive Officer shall be a non-voting member of the Board;
- (c) The Chief Executive Officer shall hold office for such time as determined by the Directors from time to time;
- (d) The Chief Executive Officer shall be responsible for determining the terms of employment of all employees and the terms of agreement with all agents and independent contractors;
- (e) The Chief Executive Officer shall receive such remuneration as is determined by the Directors from time to time;

- (f) The Chief Executive Officer shall be removed from office upon:
 - (i) Written notice of resignation to the Secretary;
 - (ii) Death of the Chief Executive Officer; or
 - (iii) Removal of the Chief Executive Officer by a resolution passed by a majority of the Directors.

8.5 President

The Board may appoint a President and shall determine from time to time the duties and responsibilities of the President which may include, but not be limited to, carrying out the duties of the Chief Executive Officer (if the President is not the same person as the Chief Executive Officer) during his or her absence.

8.6 Duties of Vice-President

There may be appointed one or more Vice-Presidents as determined by the Board. The Board shall determine from time to time the duties and responsibilities of the Vice-President(s) which may include, but not be limited to, carrying out the duties of the President during his or her absence.

8.7 Duties of Secretary

The Secretary will be responsible for carrying out or making the necessary arrangements for:

- (a) the conduct of the correspondence of the Corporation;
- (b) the issuance of notices of meetings of the Corporation and Directors;
- (c) the keeping of minutes of all meetings of the Corporation and Directors and the entry of the same into the Corporation's minute book;
- (d) the custody of all records and documents of the Corporation except those required to be kept by the Treasurer;
- (e) the custody of the common seal of the Corporation; and
- (f) the maintenance of the register of Members.

8.8 Absence of Secretary

In the absence of the Secretary from a meeting, the Directors will appoint another person to act as secretary at that meeting.

Part 9 – Execution of Documents

9.1 Directors May Provide for Seal

The Corporation may have a corporate seal in the form approved from time to time by the Board. If the Corporation has a corporate seal, the Secretary will have custody of, or make the necessary arrangements for the custody of, the seal.

9.2 Use of Seal

The common seal will be affixed only when authorized by a resolution of the Directors and then only in the presence of the Persons prescribed in the resolution, or if no Persons are prescribed, in the presence of the Chief Executive Officer and Secretary or Chief Executive Officer and Secretary-Treasurer.

9.3 Execution of Documents

Contracts, document or instruments in writing requiring the signature of the Corporation may be signed in the manner directed by the Board from time to time by Board Resolution and in the absence of any such Board Resolution may be signed by:

- (a) the Chair and any other one Director or Officer of the Corporation; or
- (b) any two Directors or Officers of the Corporation.

Part 10 – Financial Matters

10.1 Financial Year End

The financial year end of the Corporation will be December 31 or as otherwise may be determined by the Voting Members by Special Resolution from time to time.

10.2 Borrowing Power of Directors

The Voting Members may by Special Resolution set a monetary limit for the Directors on behalf of and in the name of the Corporation to:

- (a) borrow money on the credit of the Corporation;
- (b) issue, reissue, sell, pledge or hypothecate debt obligations of the Corporation;
- (c) give a guarantee on behalf of the Corporation to secure performance of an obligation of any Person; and
- (d) 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.

10.3 Investments

The Board shall have the power to invest the funds of the Corporation not immediately required for the purposes of the Corporation in such manner and in such investments as from time to time deemed reasonable and prudent, if and so long as each such investment is one which is authorized by any applicable law relating to the investment of trust monies generally.

10.4 Restrictions on Directors' Borrowing Powers

The Voting Members may by Special Resolution restrict the borrowing powers of the Directors, or change (by way of an increase or decrease) the monetary limit referred to in Section 10.2.

10.5 Annual Financial Statements

The Corporation will send copies of the annual financial statements and other documents referred to in subsection 172(1) (Annual Financial Statements) of the Act to the Voting Members. In addition, the Corporation will publish the annual financial statements on the Corporation's website.

10.6 Banking Arrangements

The banking business of the Corporation will 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 by Board Resolution. The banking business or any part of it will be transacted by an officer or officers of the Corporation and/or other persons as the Board may by Board Resolution from time to time designate, direct or authorize.

Part 11 – Public Accountant

11.1 Appointment of Public Accountant

- (a) Subject to the Act, the Members will by Ordinary Resolution at each annual general meeting, appoint a Public Accountant to hold office until the close of the next annual general meeting.
- (b) A complete and proper statement of the standing of the books for the previous year shall be submitted by the Public Accountant at the next Annual General Meeting.

11.2 Removal of Public Accountant

A Public Accountant may be removed by Ordinary Resolution, except where such Public Accountant is appointed by the court in accordance with the Act. A vacancy created by the removal of the Public Accountant may be filled by Ordinary Resolution at the special or annual general meeting at which the prior Public Accountant was removed, provided that if not so filled at that meeting, the vacancy will be filled by Board Resolution following the meeting.

11.3 Notice of Appointment and Removal

A Public Accountant will be promptly informed in writing of his or her appointment or removal.

11.4 Public Accountant Qualifications

No Director, officer or employee of the Corporation will act as the Public Accountant.

11.5 Ceasing to Act as Public Accountant

The Public Accountant will cease to hold office upon:

- (a) ceasing to meet the qualifications set out in By-law 11.4;
- (b) delivering his or her resignation in writing to the Corporation or by mailing or delivering it to the address of the Corporation, which resignation will be effective on the later of (i) the effective date of resignation stated therein and (ii) the date on which the resignation is received by the Corporation, as the case may be;
- (c) his or her death;
- (d) his or her removal in accordance with these By-laws; or

- (e) the date on which a replacement Public Accountant is appointed in accordance with these By-laws.

11.6 Attendance at Annual General Meetings

The Public Accountant may, and if so requested by a Member or Director in accordance with the Act, will attend Meeting of Members and advise on matters related to his or her duties as Public Accountant.

11.7 Audit of Financial Statements

The Public Accountant will conduct an annual audit engagement in accordance with the Act; provided however, that if permitted under the Act and any other applicable laws, the Public Accountant will conduct a review engagement.

11.8 Report to Members

After conducting an audit engagement or review engagement, as the case may be, the Public Accountant will report to the Members in the manner required by the Act.

Part 12 – Notices to Members

12.1 Method of Giving Notices

A notice may be given to a Member, a Director or the Public Accountant by any one or more of the following methods:

- (a) personally;
- (b) by mail to him or her at his or her Registered Address;
- (c) by facsimile; or
- (d) by electronic mail.

12.2 Notice Deemed to Have Been Given

A notice sent by mail will be deemed to have been given on the second day following that on which the notice is posted, and in proving that notice has been given it is sufficient to prove the notice was properly addressed and put in a Canadian post office receptacle with adequate postage affixed. Any notice delivered personally, by facsimile or by electronic mail will be deemed to have been given on the day it was so delivered or sent.

12.3 Days to be Counted in Notice

If a number of days' notice or a notice extending over any other period is required to be given, the day the notice is given or deemed to have been given and the day on which the event for which notice is given will not be counted in the number of days required.

Part 13 – By-Laws

13.1 Repeal of Existing By-laws

On the date that these By-laws are adopted by Special Resolution, all prior By-laws, resolutions and other enactments of the Corporation that are inconsistent with the provisions of these By-laws are, to that same extent, repealed.

13.2 Amendment and Repeal of By-laws

Subject to the Act, the Articles and these By-laws, the Voting Members may by Special Resolution make, amend or repeal any By-laws to regulate the activities or affairs of the Corporation.

13.3 Effective Date of Alteration by Special Resolution

Any amendment, addition to or repeal of these By-laws by Special Resolution is effective on the later of:

- (a) the date on which the Special Resolution authorizing the alteration was passed; and
- (b) such later date as may be set out in writing in the Special Resolution authorizing the alteration.

Part 14 – Miscellaneous

14.1 Registered Office

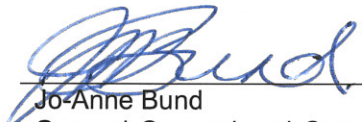
The registered office of the Corporation will be in such province of Canada as may be set out in the Articles, at a location in such province as may be determined by the Board from time to time.

Part 15 – Dissolution

15.1 Dissolution of the Corporation

The Corporation may be dissolved by Special Resolution of the Voting Members. Upon dissolution of the Corporation, the Corporation shall disburse any property remaining on liquidation to one or more qualified donees within the meaning of the *Income Tax Act*.

Confirmed by Jo-Anne Bund, General Counsel and Corporate Secretary, on behalf of the Board of Directors and Members of Energy Safety Canada as of the 23rd day of June, 2022.



Jo-Anne Bund
General Counsel and Corporate
Secretary