

## BY-LAWS

A by-law relating generally to the conduct of the affairs of the  
CANADIAN INTERNATIONAL FREIGHT FORWARDERS' ASSOCIATION INC.  
(the "Corporation")

Amended by the Annual General Meeting May 16, 2019

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

### MEMBERSHIP

#### 1) Membership Classes and Conditions

- a) Class A voting membership shall be available to persons carrying on business as a freight forwarder in Canada who have applied for Class A membership in the form prescribed and meet the qualifications for Class A membership as determined by the board, have paid the dues set by the Corporation for Class A membership, and have been accepted by the board for Class A voting membership in the Corporation.
  - i) No person whose business is related to, subsidiary to, or owned in whole or in part by any shipper, exporter, or importer of goods nor any person who buys or sells goods or acts as a buying or selling agent on behalf of merchants or shippers in any manner shall be eligible for Class A membership unless the person submits materials with their application that persuades the board, in its sole discretion, that the applicant freight forwarding business is operated independently and at arm's length from the related shipper.
  - ii) No person whose business is related to, subsidiary to, or owned in whole or in part by any carrier may be accepted for Class A membership unless the person submits materials with their application that persuades the board, in its sole discretion, that the applicant freight forwarding business is operated independently and at arm's length from the related carrier.
  - iii) The term of membership of a Class A voting member shall be annual, subject to renewal in accordance with the policies of the Corporation.

- iv) Each Class A voting member is entitled to receive notice of, to attend, and to be heard at all meetings of members and shall be entitled to one (1) vote at all meetings of members.
- v) **Class A members may be called “Regular Members”.**
- b) Class B non-voting membership shall be available to persons who do not carry on business as freight forwarders, and who have applied for Class B non-voting membership in the form prescribed and meet the qualifications for Class B membership as determined by the board, have paid the dues set by the Corporation for Class B membership, and have been accepted by the board for Class B non-voting membership in the Corporation.
  - i) The term of membership of a Class B non-voting member shall be annual, subject to renewal in accordance with the policies of the Corporation.
  - ii) Subject to the Act and the articles, a Class B non-voting member shall not be entitled to receive notice of, to attend, to be heard, or to vote at meetings of the members of the Corporation.
  - iii) **Class B non-voting members may be called “Associate Members”.**
- c) Class C non-voting membership shall be available to natural persons who have applied for Class C non-voting membership in the form prescribed and meet the qualifications for Class C membership as determined by the board, have paid the dues set by the Corporation for Class C membership, and have been accepted by the board for Class C non-voting membership in the Corporation.
  - i) The term of a Class C non-voting membership shall be annual, subject to renewal in accordance with the policies of the Corporation.
  - ii) Subject to the Act and the articles, a Class C non-voting member shall not be entitled to receive notice of, attend, to be heard, or to vote at meetings of the members of the Corporation.
  - iii) **Class C non-voting members may be called “Professional Freight Forwarders”.**
- d) Class D non-voting membership shall be available to natural persons who by resolution of the board have distinguished themselves by exceptional service to the profession and the objects of the Corporation.
  - i) Class D non-voting memberships shall not expire or require renewal and shall not be subject to dues.
  - ii) Subject to the Act and the articles, a Class D non-voting member shall not be entitled to receive notice of, to attend, to be heard, or to vote at meetings of the members of the Corporation.
  - iii) **Class D non-voting members may be called “Honorary Members”.**
- e) The acceptance of a new Member of any class requires the support of at least simple majority of board members entitled to vote.

2) Membership Transferability

Membership in the Corporation is non-transferable.

A change to this section is a fundamental change requiring a special resolution of members pursuant to Section 197(1) of the Act.

3) Membership Dues

a) Dues shall be set by majority vote at a meeting of members, and shall be payable annually in advance. Members shall be notified in writing of the membership dues at any time payable by them and, if they are not paid in full within sixty (60) days of the invoice date the member shall be subject to discipline in accordance with the By-Laws.

b) On receipt of dues payable Members shall be entitled to receive from the Corporation a Certificate of Membership showing the class and term of Membership duly signed by the President and Secretary.

c) The members may by a two thirds vote of the members attending, in person or by proxy, approve a resolution of the Board of Directors for a special assessment on the members to advance the interest of the forwarding industry.

4) Discipline of Members

a) The board shall have authority to reprimand, suspend, or expel any member from the Corporation for violating any provision of the articles, by-laws, written policies, or Code of Ethics of the Corporation, including failure to pay dues, or for any conduct which may be detrimental to the Corporation as determined by the board in its sole discretion, or for any other reason that the board in its sole and absolute discretion considers to be reasonable, having regard to the purpose of the Corporation.

b) Only members not under disciplinary action may exercise the rights and privileges of membership.

c) The board may require any member subject to disciplinary action to return their Certificate of Membership.

d) A member may only be suspended or expelled by majority vote at a meeting of the board of directors, and provided that the Corporation shall provide twenty-one (21) days notice of such meeting to the member and shall provide reasons for the proposed suspension or expulsion. The member may make written submissions to the board prior to such a meeting and is entitled to be heard by the board at such a meeting.

e) The board's decision shall be final and binding on the member, without any further right of appeal.

5) Termination of Membership

A membership in the Corporation is terminated when:

a) The member dies, or, in the case of a member that is a corporation, the corporation is dissolved;

- b) the member resigns by delivering a written resignation to the Secretary of the Corporation in which case such resignation shall be effective on the date specified in the resignation;
  - c) the member fails to maintain any qualifications for membership described in the section on membership conditions of these by-laws or as set by the Board of Directors;
  - d) the member is expelled or their membership is otherwise terminated in accordance with the articles or by-laws;
  - e) the member becomes bankrupt;
  - f) the member's term of membership expires and is not renewed; or
  - g) the Corporation is liquidated or dissolved under the Act.
- 6) **Effect of Termination of Membership**  
 Subject to the articles, upon any termination of membership, the rights of the member, including any rights in the property of the Corporation, automatically cease to exist, and any debts or obligations of the member to the Corporation immediately become payable and survive termination.

### **MEMBERS' MEETINGS**

- 7) **Calling a Members' Meeting**  
 Member's meetings shall be held:
- a) Annually within six months of December 31st;
  - b) at the discretion of the President; and
  - c) on written request of members carrying not less than 5% of the voting rights in accordance with Section 167 of the Act.
- 8) **Place of Members' Meeting**  
 Meetings of the members may be held at any place within Canada determined by the President or, if all of the members entitled to vote at such meeting so agree, outside Canada (subject to s 159 of the Act).
- 9) **Persons Entitled to be Present at Members Meetings**  
 The only persons entitled to be present and heard at a meeting of the Corporation shall be:
- a) those entitled to vote at the meeting,
  - b) the board of directors and secretariat;
  - c) the public accountant of the Corporation;
  - d) the Corporation's legal counsel;
  - e) persons invited by the chair; and
  - f) persons invited by resolution of the members.
- 10) **Notice of Members Meeting**  
 Notice of the time and place of a meeting of members shall be given to each member entitled to vote at the meeting by telephonic, electronic, written, or other communication facility to the last co-ordinates for the member registered with the Corporation at least 21 days before the day on which the meeting is to be held. The notice will contain sufficient information for the Regular Member to form a reasonable judgment about the business to be transacted at the meeting.

A change to this section is a fundamental change requiring a special resolution of members pursuant to Section 197(1) of the Act.

#### 11) Members' Proposals

- a) A member entitled to vote at an annual meeting of members may, during the period 90-150 days prior to anniversary of last AGM, submit to the corporation notice of any matter that the member proposes to raise at the meeting and may discuss at a meeting any matter with respect to which the member would have been entitled to submit a proposal.
- b) The Corporation shall include the proposal in the Notice of the meeting and, if so requested by the member making it, a statement in favour of the proposal, the total of which shall not exceed 500 words.
- c) The cost of the notice and statement shall be borne by the member making the proposal unless by majority vote at the meeting the members determine otherwise.
- d) Subject to the Regulations under the Act, a proposal may include nominations for the election of directors if the proposal is signed by not less than 5% of members entitled to vote at the meeting at which the proposal is to be presented.
- e) The Corporation shall not be obligated to comply with these provisions if
  - i) the proposal is not submitted to the corporation within the prescribed period;
  - ii) it clearly appears that the primary purpose of the proposal is to enforce a personal claim or redress a personal grievance against the corporation or its directors, officers, members or debt obligation holders;
  - iii) it clearly appears that the proposal does not relate in a significant way to the activities or affairs of the corporation;
  - iv) **in the last two years, the member had submitted a member's proposal that was included in the notice of meeting but then failed to present that proposal to the members;**
  - v) substantially the same proposal was submitted to members in a notice or notices of a meeting of members held within the preceding five years and did not receive the prescribed minimum amount of support at the meeting(s); or
  - vi) the rights conferred by this section are being abused to secure publicity.

#### 12) Quorum at Members Meetings

A quorum at any meeting of the members shall be 8 members entitled to vote at the meeting. If a quorum is present at the opening of a meeting the business of the meeting may proceed even if a quorum is not present throughout the meeting.

13) Votes to Govern at Members Meetings

At any meeting of the members every question shall be determined by a majority of the votes cast on the questions unless otherwise provided by the articles or by-laws or by the Act. In case of an equality of votes the chair of the meeting in addition to an original vote shall have a second or casting vote.

14) Absentee Voting at Members' Meetings

A Regular Member entitled to vote at a meeting of members may vote by proxy in the form prescribed by the Board of Directors. Proxies may only pass between Regular Members entitled to vote at the meeting, and must clearly state the authority and limitations on the proxy. A proxy is only valid for the single meeting for which it is issued and in respect of the issues and subject to the limitations with which it is given. Where proxies are solicited, the solicitation shall include sufficient information for the member to form a reasoned judgment about the business for which the proxy is sought. A proxy is revocable by the member giving it in writing any time prior to the casting of the vote, provided that for the purposes of this section only notice of the revocation is only received when actually received by the chair of the meeting.

A change to this section is a fundamental change requiring a special resolution of members pursuant to Section 197(1) of the Act.

15) Participation by Electronic Means

If the Corporation chooses to make available a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during a meeting of members, any or all persons entitled to attend such meeting may participate in the meeting by means of such means, and is deemed to be present and may vote by that means at the meeting.

**BOARD OF DIRECTORS**

16) Election of Directors

The board shall consist of fifteen directors who shall each be authorized representatives of Regular Members nominated by at least five (5) members authorized to vote at a meeting of members, who accept the nomination, and who are elected by a majority vote of members. Directors shall serve without remuneration but be entitled to reimbursement of reasonable expenses incurred carrying out the business of the corporation.

Three of the fifteen directors shall be nominated and elected to hold the position of Regional Director, with one Regional Director responsible for representing each of the three Regions; Western, Central and Eastern Canada and for serving as chair of that Regional Committee.

17) Term of Office of Directors

The directors shall be elected to hold office for a term expiring not later than the close of the second annual meeting of members following the election.

The office of Director shall be immediately vacated:

- a) when the Director submits to the Secretary their intention to resign in writing,
- b) if the Director is found to be mentally incompetent or of unsound mind,
- c) if the Director becomes bankrupt;
- d) if the Director misses three consecutive meetings of the Board of Directors without having been excused by the President;
- e) if the Director is removed by special resolution of the Members;
- or
- f) on the death of the Director.

If for any other reason a Director ceases to have the qualifications of a Director during their term of office, the Director may continue to exercise the rights and duties of a Director until the commencement of the next meeting of Members.

18) Appointment of Additional Directors

The board may appoint additional directors not exceeding 1/3 of the number of directors elected at the last meeting who shall hold office for a term expiring not later than the close of the next annual meeting of members.

19) Calling of Meetings of the Board

The Board of Directors shall meet

- a) not less than four times a year at a time and place determined by the President; and
- b) on the written request of not less than four Directors.

20) Notice of Meetings of the Board

Notice of the time and place for the holding of a meeting of the board shall be given by electronic means not less than 21 days before the time when the meeting is to be held. Notwithstanding this section notice shall not be required:

- a) where all Directors attend and waive the notice requirement;
- b) for the re-convening of an adjourned meeting at a time and place announced at the adjourned meeting; or
- c) where the Directors have established by resolution a regular schedule of meetings.

21) Quorum at Meetings of the Board

A quorum at any meeting of the board shall be 8 members entitled to vote at the meeting. If a quorum is present at the opening of a meeting the business of the meeting may proceed even if a quorum is not present throughout the meeting.

22) Votes to Govern at Meetings of the Board

At meetings of the board, any question may be decided by consensus of the members entitled to vote or by a vote. A question shall be

decided by a vote at the request of any member entitled to vote. Every question decided by a vote shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the chair of the meeting in addition to an original vote shall have a second or casting vote.

23) Participation by Electronic Means

If the Corporation chooses to make available a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during a meeting of the Board or any Committee established under these bylaws, any or all persons entitled to attend such meeting may participate in the meeting by means of such means, and is deemed to be present and may vote by that means at the meeting.

24) Authority of the Board

Unless otherwise limited by the Act, the articles, or these by-laws, the board may by resolution exercise any power or authority or right of the Corporation and enter into any agreement or obligation on behalf of the Corporation, including the hiring or appointment of such agents or employees, as in their discretion is necessary for carrying out the objects of the Corporation.

## MANAGEMENT

25) Executive Committee

a) The Board of Directors shall meet within six weeks of the annual meeting of members and shall appoint the Immediate Past President as a Director of the corporation.

b) The Board of Directors shall meet within six weeks of the annual meeting of members and shall appoint from among themselves the Executive Committee, which shall consist of the:

- i) President;
- ii) First Vice President;
- iii) Second Vice President;
- iv) Third Vice President;
- v) Secretary;
- vi) Treasurer;
- vii) Immediate Past President

c) The terms of office of the President and Past President shall be two years, and of all other officers one year.

d) No person shall hold two offices on the executive committee simultaneously.

The executive officers shall serve without remuneration but are entitled to reimbursement for reasonable expenses incurred in the exercise of their duties.

e) An executive officer may be removed by 2/3 vote at a meeting of the board.

26) Duties of Executives

- a) The President (or their designate) shall preside at all meetings of the board and the members.
  - b) The Secretary shall have charge of the documents, books, and records of the Corporation, including the keeping of the roll of members and the minutes of meetings of the members and the board. The signature or electronic certification of the Secretary establishes any record or resolution as being a true copy of the resolution or record, as the case may be.
  - c) The Treasurer shall have custody of the funds of the Corporation and shall ensure annual reports are made to the Corporation in accordance with these By-Laws.
- 27) Limits on Authority
- a) Contracts, transfers, instruments, or obligations of any kind with a value not exceeding \$20,000 must be executed by any one (1) of the President, Treasurer, Secretary, and Executive Director (for the purposes of this section, “signing officers”).
  - b) Contracts, transfers, instruments, or obligations of any kind with a value greater than \$20,000 but not more than \$50,000 per annum must have the formal approval of the Executive Committee and be executed by any two signing officers.
  - c) Contracts, transfers, instruments, or obligations of any kind with a value greater than \$50,000 per annum but not more than \$100,000 per annum must be approved by resolution of the Board of Directors and be executed by any two signing officers.
  - d) Contracts, transfers, instruments, or obligations of any kind with a value greater than \$100,000 per annum must be approved by resolution of the Members and be executed by any two signing officers.
- 28) Vacancy
- If a position on the board or the office of any officer of the corporation is or becomes vacant for any reason, the directors may, by resolution, appoint a person to fill such vacancy to serve until the next annual meeting of members.

## **COMMITTEES**

- 29) Establishment of Committees
- The Board of Directors may, by regular resolution: establish such Regional Committees, Standing Committees and Ad Hoc Committees as, in the discretion of the Board, may be suitable for advancing the purposes of the Corporation; appoint or remove the Chair of any Committee; determine the membership of any Committee; establish rules and procedures for any Committee; and dissolve any Committee. Committees and their members shall, in addition to carrying out their mandate, observe and comply with all relevant laws of Canada and all By-Laws and policies of the Corporation. Members and Chairs of Committees shall serve without remuneration of any kind.

30) Code of Ethics

CIFFA Members must discharge their duties with honesty and integrity. Members pledge a reasonable standard of competence towards their clients and undertake to perform the services executed on behalf of this client in a conscientious, diligent and efficient manner. Members pledge to hold in strict confidence all information acquired in the course of the relationship concerning the business and the affairs of their client. No such information is to be divulged unless authorized by the client or required by law.

Members agree to observe all relevant laws of Canada regarding the movement of goods entrusted to them.

As part of the duties they owe to clients, Members shall not withdraw their services, except for good cause, and in all cases upon appropriate notice.

31) Ethics and Standards Committee

The Ethics and Standards Committee shall be established for the purposes of:

- a) promoting knowledge of and compliance with the Code of Ethics;
- b) hearing allegations of non-compliance against Regular Members; and
- c) Recommending discipline of Regular Members where, in the view of the Committee, non-compliance by a Regular Member has been established.

**GENERAL**

32) Definitions

In this by-law and all other by-laws and policies of the Corporation, unless the context otherwise requires, words in the singular include the plural and vice-versa, words in one gender include all genders, and all words have their ordinary meaning unless specifically defined:

"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;

"financial statements" means the financial statements and other records referred to at subsection 172(1) of the Act.

"articles" means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation;

"board" means the board of directors of the Corporation and "director" means a member of the board;

"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;

"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;

"ordinary resolution" means a resolution passed by a majority of not less than 50% plus 1 of the votes cast on that resolution;

"proposal" means a members proposal pursuant to s. 163 of the Act;

"Regulations" means the regulations made under the Act, as amended, restated or in effect from time to time; and

"special resolution" means a resolution passed by a majority of not less than two-thirds (2/3) of the votes cast on that resolution.

33) Corporate Seal

The Corporation 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 the Corporation shall be the custodian of the corporate seal.

34) Financial Year

The financial year end of the Corporation shall be December 31 in each year.

35) Banking Arrangements

The banking business of the Corporation shall be transacted at such bank, trust company or other firm or corporation carrying on a banking business in Canada as the board of directors may designate by resolution. The banking business or any part of it shall be transacted by an officer or officers of the Corporation and/or other persons as the board of directors may by resolution from time to time designate by resolution in accordance with these By-Laws.

36) Annual Financial Statements

The board shall by resolution appoint a public accountant to audit the books and affairs of the Corporation and to prepare annual financial statements for the corporation and its members. In lieu of sending copies of financial statements to members the Corporation may publish a notice to its members stating that copies are available free of charge to members at the registered office of the Corporation or by prepaid mail.

37) Method of Giving Any Notice

Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the articles, the by-laws or otherwise to a member, director, officer or member of a committee of the board or to the public accountant shall be sufficiently given, unless otherwise specified, when sent by electronic means or regular mail to the last email or postal address registered with the Corporation.

38) Severability

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.

39) Errors and Omissions

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-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.

40) By-laws and Effective Date

Subject to the articles, the board of directors may, by resolution, make, amend or repeal any by-laws that regulate the activities or affairs of the Corporation. Any such by-law, amendment or repeal shall be effective from the date of the resolution of directors until the next meeting of members where it may be confirmed, rejected or amended by the members by special resolution. If the by-law, amendment or repeal is confirmed or confirmed as amended by the members it remains effective in the form in which it was confirmed. The by-law, amendment or repeal ceases to have effect if it is not submitted to the members at the next meeting of members or if it is rejected by the members at the meeting.

This section does not apply to a by-law that requires a special resolution of the members according to subsection 197(1) (fundamental change) of the Act because such by-law amendments or repeals are only effective when confirmed by members.

*CERTIFIED to be By-Law No. 1 of the Corporation, as enacted by the directors of the Corporation by resolution on the 21<sup>st</sup> day of February, 2013 and confirmed by the members of the Corporation by special resolution on the 9<sup>th</sup> day of May, 2013.*

Posted to CIFFA Website May, 2019