

By-laws of the Heating, Refrigeration and Air Conditioning Institute of Canada
(revisions made to comply with the new Canada Not For Profit Corporations Act)

1. Name

The association shall be known as the Heating, Refrigeration and Air Conditioning Institute of Canada / L'Institut Canadien du Chauffage, de la Climatisation et de la Refrigeration.

2. Corporate Seal

The seal of the association shall be in such form as shall be prescribed by the HRAI Board of Directors and shall have the words "Heating, Refrigeration and Air Conditioning Institute of Canada / L'Institut Canadien du Chauffage, de la Climatisation et de la Refrigeration" endorsed thereon.

The Treasurer of the association or any officer appointed by resolution of the HRAI Board of Directors shall be authorized to certify documents issued by the association.

3. Purposes

The purposes of the association shall be to provide services to sole proprietorships, companies, partnerships or corporations who manufacture, wholesale or contract products and services for the Canadian heating, refrigeration, air conditioning and ventilation industry.

4. Relationship Between Association Divisions

There shall be a fundamental and binding relationship between the association divisions that recognizes the following:

a) The association shall be responsible for providing a central source of service and administration for the entire membership including governance over the association's funds and staffing of the association, leadership in the overall industry and a forum for common industry programs, issues management and interdivisional dialogue.

b) The divisions shall be responsible for services specific to their respective members' needs and meeting the financial obligations of both common and division-specific association programs and services. The divisions' responsibilities shall be accomplished within the annual budget approved by the HRAI Board of Directors, utilizing the staff and services of the association.

5. Membership

5.1 The membership structure of the association shall consist of three (3) divisions known as

- (a) the HRAI Manufacturers Division,
- (b) the HRAI Wholesalers Division, and
- (c) the HRAI Contractors Division

which respectively represent the manufacturing, wholesaling and contracting sectors of the Canadian heating, refrigeration, air conditioning and ventilation industry.

The membership structure also includes non-voting members known as Associates.

5.2 Voting members of the association shall consist of sole proprietorships, companies, partnerships or corporations who regularly carry on the business of manufacturing, wholesaling or contracting in the Canadian heating, refrigeration, air conditioning and ventilation industry, as determined by the following divisional membership criteria:

(a) HRAI Manufacturers Division

Members of the HRAI Manufacturers Division shall consist of sole proprietorships, companies, partnerships or corporations who manufacture heating, refrigeration, air conditioning and ventilation products for the Canadian market.

(b) HRAI Wholesalers Division

Members of the HRAI Wholesalers Division shall consist of sole proprietorships, companies, partnerships or corporations who (a) have an established place of business; (b) take title to the products they handle; carry an adequate stock; and assume credit risk; (c) sell to dealer-contractors for resale or to industrial users; and (d) who purchase at wholesale from original manufacturers and provide services to the trade and products for resale.

(c) HRAI Contractors Division

Members of the HRAI Contractors Division shall consist of sole proprietorships, companies, partnerships or corporations engaged in the business of contracting equipment, parts, accessories and services for heating, refrigeration, air conditioning and/or ventilation for the market in Canada.

The membership criteria of each Division shall be defined by the respective Divisional Board of Directors from time to time.

5.3 The Associate members of the association shall consist of sole proprietorships, companies, partnerships, corporations or government agencies that do not qualify as voting members as stated in 5.2 above but have involvement with the heating, refrigeration, air conditioning and ventilation industries in Canada. Associate members shall be eligible for all rights and privileges of membership with the exception of voting or holding office in HRAI or the Divisions.

5.4 Individuals who have made a significant contribution to HRAI and the industry for 20 years or more may be recognized as life members. Life members shall not be required to remit membership dues and shall receive all benefits and privileges of full membership with the exception of voting and holding office. Life members shall be appointed by the HRAI Board of Directors.

5.5 To qualify as a member in good standing of the association, members shall have all membership dues paid and for membership renewal, such renewal shall be paid within seventy five (75) days of the start of the association's fiscal year.

Members who have not renewed their membership in accordance with the above will be reported to the respective governing body and a letter advising the member company that they are not members in good standing shall be sent with the signature of the Chair of the respective governing body or the President & CEO.

5.6 Applications for membership in the association and the Divisions shall be made in writing to the association office. A copy of the membership criteria shall be made available to each applicant. Applications shall be considered and ruled on as promptly as possible by the Directors of the appropriate division.

When applying for membership in one of the divisions or as an associate member, applicants must meet the membership criteria outlined in clause 5.2 or 5.3.

The membership dues for any new member shall be the annual rate for the applicable division. When a new member is accepted during a fiscal year, the dues applicable for that fiscal year shall be the annual rate prorated to the months remaining in the fiscal year. The balance of the dues remitted by the new member shall be applied to the next fiscal year's dues. If a member chooses to pay their annual dues on a monthly basis, the monthly payments will be for a period of no less than 12 months.

5.7 A member may resign providing all applicable dues and assessments have been paid, giving thirty (30) days notice in writing to the President & CEO of the association.

5.8 Any member company may be expelled for any cause upon a two-thirds (2/3) affirmative vote of the entire Board of Directors of the applicable Division, or the HRAI Board of Directors for associate members, provided a representative of the member company has had an opportunity to be heard orally, in writing or both, by the applicable Board of Directors prior to the taking of the vote. No accusing or accused member or representative shall be entitled to vote on the question of any such expulsion, and any member of the applicable Board of Directors subject to disqualification under this bylaw shall not be counted as a member of the applicable Board of Directors when arriving at the two-thirds (2/3) majority.

Any former member who has been expelled under this section may be reinstated upon application made, as provided by these bylaws, upon payment of any indebtedness to the association at the time of expulsion and upon approval of two-thirds (2/3) of the applicable Board of Directors.

6. Membership Dues

6.1 The annual membership dues for the members of the association shall be established by the appropriate Divisional Board of Directors for each of the voting Divisions and,

b) the Association Board of Directors for associate members prior to the start of the next fiscal year of the association.

6.2 Membership dues are payable on the first (1) day of the fiscal year and it will be the responsibility of the association to collect all dues from the members.

6.3 Individual dues paid by members shall be maintained as confidential information to the President & CEO and staff of the association only.

7. Governing Bodies

7.1 HRAI Board of Directors

7.1.1 The HRAI Board of Directors shall be constituted of eight (8) Directors and shall include

- a) two (2) Directors from each voting division,
- b) two (2) Directors appointed by the HRAI Board of Directors.

7.1.2 Each division shall be responsible annually for electing two (2) representatives to the HRAI Board of Directors. These nominees shall be elected by the divisions' membership at their annual meeting.

The HRAI Board shall be responsible for appointing two (2) Directors to the HRAI Board of Directors.

7.1.3 All Directors shall be representatives of a voting member in good standing. No member, or group of members owned by a single corporation, shall have more than two (2) directors on the HRAI Board of Directors.

7.1.4 All Director terms shall be for a one (1) year term and divisions may reappoint Directors.

7.1.5 Any Director on the HRAI Board of Directors elected by and representing a Division may be removed by the applicable Divisional Board of Directors provided such removal is based on a resolution of the members of the applicable Division. A Director on the HRAI Board of Directors who was appointed by the Board of Directors may be removed by resolution of the HRAI Board of Directors.

7.1.6 The HRAI Board of Directors shall provide oversight for the affairs of the association in cooperation with the Divisional Boards of Directors based on the relationship outlined in section 4. The HRAI Board of Directors shall act as the representative of the association when the latter is not in session. It shall be responsible for co-ordination and guidance in those areas of common interest among members and Divisions,

7.1.7 The association officers shall include a Chair of the Board, a Past Chair, Vice Chair, a Treasurer, a President & CEO, if appointed.. The positions of Chair, Vice Chair and Treasurer be filled by one board member from each Division.

7.1.8 For the next ensuing fiscal year, the Vice Chair of the HRAI Board of Directors shall automatically become Chair of the Board. If for any reason, the Vice Chair cannot

or will not act, then the Treasurer shall automatically become Chair of the Board, failing which the Directors shall elect a Chair from the HRAI Board of Directors.

The Vice Chair and Treasurer shall be elected from the HRAI Board of Directors by the Directors.

The President & CEO shall be appointed by the HRAI Board of Directors.

7.1.9 A nominating committee shall be established prior to the association annual meeting to bring forth nominations for officers and committee/task team chairs. The committee shall consist of the Chair, Past Chair and Vice Chair and if all three (3) divisions are not represented on the committee, an additional Director shall be added.

The Committee shall select nominees from the list of divisional appointments and give consideration to rotation within the divisions and years of service. The nominees shall be submitted to the HRAI Board of Directors at the meeting following the annual meeting, for acceptance, rejection or amendment and subsequent election.

7.1.10 The duties of the officers of the HRAI Board of Directors shall be as follows:

The Chair of the Board shall preside at all meetings of the association membership and of the HRAI Board of Directors.

The Vice Chair shall assist the Chair of the Board in the discharge of the Chair's duties and in the Chair's absence, officiate in the Chair's stead, and shall carry out such duties as shall be assigned from time to time by the HRAI Board of Directors.

The Treasurer shall carry out such duties as shall be assigned from time to time by the HRAI Board of Directors and in the absence of the Chair and Vice Chair, officiate in their stead.

The President & CEO be the chief staff person, and shall carry out such duties as shall be assigned from time to time by the HRAI Board of Directors..

7.2 Divisional Boards of Directors

7.2.1 Each Division shall have a Divisional Board of Directors with a matrix that includes four (4) officer positions as follows: chair, past chair, vice chair and treasurer. The constitution and election/duties of directors and officers for each Divisional Board of Directors shall be established by the membership of the respective division.

7.2.2 Each Divisional Board of Directors shall manage and conduct the affairs of its respective Division in cooperation with the HRAI Board of Directors based on the relationship outlined in section 4. Each Divisional Board of Directors shall act as the representative of the respective division when it is not in session.

Without limiting the foregoing, each Divisional Board of Directors shall deal with questions specific to its respective membership relating to public relations, marketing, finance, government affairs, and membership promotion.

7.3 Removal of Officers

Governing bodies of the association may remove and replace any officer provided that such removal is based upon a petition signed by at least three (3) Directors from the applicable governing body.

7.4. Indemnification of Directors

Every Director of the association's governing bodies and their heirs, executors, administrators, estate and effects, respectively be and the same hereby indemnified and saved harmless out of the funds of the association from and against:

a) All costs, charges and expenses whatever which such Director sustains or incurs in or about any action, suit or proceedings that is brought, commenced or prosecuted against them for or in respect of any act, deed, matter or thing whatever made, done or permitted by him/her in or about the execution of the duties of their office, and

b) All other costs, charges and expenses he/she sustains or incurs or about in relation to the affairs thereof, except such costs, charges and expenses are occasioned by their own neglect or default.

7.5 Committees

The governing bodies of the association may create committees or task teams from time to time. These committees and task teams along with their respective chairs should be appointed by the governing bodies at their first meeting.

8. Meetings

8.1 The annual meetings of the association and the Divisions shall be held at the head office of the association, or elsewhere as the governing bodies of the association may designate, and on such a date as the said governing bodies shall appoint based on the relationship outlined in section 4.

8.2 Special meetings of the members of the association or the Divisions shall be called at such time and at such places as the respective governing bodies may decide or by the President & CEO at the written signed request of at least 5% of the voting members in good standing.

8.3 Notice of the time and place of a meeting of members shall be given to each member entitled to vote at the meeting by the following means:

- a. by mail, courier or personal delivery to each member entitled to vote at the meeting, during a period of 21 to 60 days before the day on which the meeting is to be held; or
- b. by telephonic, electronic or other communication facility to each member entitled to vote at the meeting, during a period of 21 to 35 days before the day on which the meeting is to be held.

8.4 All notices of meetings of members shall state the reason and objects of the meeting.

8.5 To be legally constituted, any annual or special meeting of the members of the association or the HRAI Contractors Division must be attended by at least five (5) per cent of the voting members in good standing of the association or the HRAI Contractors Division respectively, on record at the date of the notice of meeting. This percentage includes proxies.

To be legally constituted, any annual or special meeting of the members of the Manufacturers or Wholesalers Divisions must be attended by at least twenty (20) per cent of the voting members in good standing of the Manufacturers Division or Wholesalers Division respectively, on record at the date of the notice of meeting. This percentage includes proxies.

8.6 Meetings of the governing bodies of the association shall be called by the President & CEO on instruction of the Chair of the respective governing body alone or from the Vice-Chair of the respective governing body together with at least one other Director.

8.7 Notice for any meeting of the governing bodies shall normally be seven (7) days. Notice of meeting may be waived by a unanimous vote of the governing body Directors.

8.8 To be legally constituted, any meeting of the governing bodies must be attended by at least a simple majority of the Directors.

8.9 Failure to receive any mailed or electronically mailed notice of meetings by any member or Director shall not be deemed as failure of such notice being sent.

9. Voting

9.1 At all annual and special meetings of the association, every member in good standing is entitled to one (1) vote and resolutions shall be made, by-laws amended and decisions reached by a simple majority of voting delegates in attendance, including proxies as covered in section 9.4. Matters to be brought before the members of the association shall be restricted to those of general interest to the association as a whole. Items ruled by the Chair to be not of general interest to the association shall not be included, unless the Act provides otherwise.

Where more than one (1) delegate is in attendance from any member company in good standing, the member company shall designate their voting delegate.

9.2 At all annual and special Divisional meetings, every member in good standing is entitled to one (1) vote and resolutions shall be passed and other decisions reached by a simple majority of voting delegates in attendance, including proxies as covered in section 9.4. Where more than one (1) delegate is in attendance from any member company in good standing, the member company shall designate their voting delegate. Any voting delegate may request that voting be taken by secret ballot.

Member companies in attendance owned by a single corporation may vote as separate delegates provided that said companies comprise less than 15% of the voting delegates and proxies in attendance at the Divisional meeting.

9.3 At all meetings of the governing bodies, resolutions will be passed and other decisions reached by a simple majority vote of the Directors present. The Chair or the Vice-Chair, acting in their stead, will not vote, except when necessary to break a tie.

9.4 At all meetings of the association and the Divisions, members in good standing may vote by proxy, provided the proxy is a member in good standing in the same Division as the member in good standing who is voting by proxy. The proxy shall be an authorization in writing to vote as such proxy. The instrument of proxy authorized by a corporation must be signed by an officer or attorney authorized by the corporation.

9.5 Holders of proxies shall identify themselves and confirm their status with the association or Division prior to the meeting. They shall surrender the written documents to the Division or association for verification to meet the requirements of section 9.4.

9.6 Where it is impractical to hold a meeting, the Chair of the association or Division may call for a member vote by mail or electronically.

10. Affiliated Associations

10.1 From time to time, the HRAI Contractors Division Board of Directors may recognize a local or provincial contractor association as affiliated with the Division.

10.2 For a local or provincial contractor association to become affiliated with the HRAI Contractors Division, it must voluntarily comply with the standards of participation and practice as may be established from time to time by the HRAI Contractors Division Board of Directors.

10.3. The HRAI Contractors Division Board of Directors shall establish a geographic area of service for each affiliated association based on its ability to properly service its membership. The HRAI Contractors Division Board of Directors may change this geographic area from time to time at its discretion.

10.4. Contractor, wholesaler, manufacturer and associate members of affiliated associations shall be required to be national members of the appropriate HRAI division unless an affiliated association and the HRAI and divisional Boards agree to waive the provision of membership in whole or in part.

10.5 Within the geographic area of service for each affiliated association, national HRAI contractor members shall be required to be a member of the affiliated association unless

(a) they do not qualify for membership under the affiliated association's membership criteria or

(b) the affiliated association elects to waive the provision of membership and allow the contractor member to join the national HRAI Contractors Division without joining the affiliated association.

10.6 The prior written consent of the HRAI Contractors Division Board of Directors shall be obtained for use of the HRAI logo and the words "Heating, Refrigeration and Air

Conditioning Institute of Canada” as part of the name of any affiliated association either in the case of a change of name of an existing affiliated association or in the case of a new affiliated association.

By affiliating with the HRAI Contractors Division, each association shall agree that, in the event of disaffiliation, its name will be immediately amended to eliminate the words “Heating, Refrigeration and Air Conditioning Institute of Canada” (HRAI) and discontinue use of the HRAI logo.

10.7 The bylaws of affiliated associations shall conform in general with the bylaws of HRAI. They shall contain substantially the same standards of admission and expulsion as required of membership in the Contractors Division and shall clearly define the geographic area of service for the affiliated association.

10.8 The HRAI Contractors Division Board of Directors shall have authority to withdraw recognition from any affiliated association when, in its judgement, such affiliated association does not properly represent the industry within its jurisdiction or when its actions are considered detrimental to the interests or declared objectives of the Contractors Division, provided that such action shall not be taken without thirty (30) days written notice having been mailed to HRAI of such affiliated association.

10.9 For the purpose of administration and representation on the HRAI Contractors Division Board of Directors, the Division shall be divided into six (6) regions.

At the discretion of the HRAI Contractors Division Board of Directors, a Regions Committee shall be appointed from time to time to recommend to the Board Directors geographical borders for each region and recommend the inclusion of an appropriate number of Directors on the national HRAI Contractors Division Board of Directors on a basis of percentage of members.

11. Registered Office

11.1 The registered office of the association shall be located in the City of Mississauga in the Province of Ontario, Canada at the place therein where the business of the association may be carried on from time to time.

11.2 The association may establish such other offices and agencies elsewhere as the governing bodies may deem expedient.

12. Fiscal Year

The financial year of the association and the Divisions shall be July 1 to June 30.

13. Auditors

An auditor shall be appointed each year by the HRAI Board of Directors, whose duties it shall be to audit the books, vouchers and accounts of the association to certify the correctness of the balance sheet, to examine the securities in its possession and to certify to the reasonableness of the valuation at which the association’s assets are carried.

14. Management and Finances of the Association

14.1 The affairs of the association and the Divisions shall be overseen by the governing bodies in accordance with the Articles and by-laws of the association, provided that the day to day operations and such other duties are appropriately assigned to the President & CEO.

14.2 No liability shall be incurred in the name of the association or the Divisions by any member or group of members without prior written authorization from the HRAI Board of Directors.

14.3 All elected members of the governing bodies or members of any committees or task teams shall, in anything that they may do for the association or the Divisions, service it gratis. It shall be permissible for the HRAI Board of Directors to authorize payment of necessary expenses in such cases and under such circumstances as may be deemed advisable.

14.4 The HRAI Board of Directors may from time to time pass policies and procedures to carry out the objectives of the association, and to manage and conduct the affairs of the association.

14.5 The authority for opening bank accounts, , entering into financial commitments and other financial obligations shall be approved by the HRAI Board of Directors and all funds of the association and the Divisions shall be deposited in the association's accounts.

14.6 All cheques or electronic payments, other than those drawn on any specified impressed bank account authorized by the HRAI Board of Directors shall be signed by any two (2) of the signing officers authorized by the HRAI Board of Directors, up to a maximum limit determined from time to time by HRAI Board of Directors resolution. Cheques in excess of this amount shall require that at least one of two (2) signatures be that of an elected officer (see 7.1.7).

14.7 All contracts, documents or any instruments in writing requiring the signature of the association shall be signed by the President & CEO with written approval of any one (1) of the Board signing officers of the HRAI Board of Directors. In the event the association does not have a President & CEO, the signatures shall be another signing officer of the association.

The HRAI Board of Directors shall have power to appoint an officer or signing officer(s) on behalf of the association either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents and instruments in writing.

The seal of the association, when required, may be affixed to contracts, documents, and instruments in writing signed aforesaid by the Treasurer or any officer appointed by resolution of the HRAI Board of Directors.

14.8 Without limiting borrowing powers to the association as set forth in the *Canada Not-for-profit Corporations Act*, the HRAI Board of Directors may, without authorization of the members, from time to time:

- (a) Borrow money upon the credit of the association
- (b) Issue, re-issue, sell or pledge obligations of the association
- (c) Subject to the Act, give a guarantee on behalf of the association to secure performance of an obligation of any person.
- (d) Mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the association, owned or subsequently acquired, to secure any obligation of the association.

Nothing in this section limits or restricts the borrowing of money by the association on bills or exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the association.

14.9 The HRAI Board of Directors may from time to time by resolution, delegate to Directors, a committee of Directors, or an officer of the association as may be designated by the HRAI Board of Directors, all or any of the powers conferred on the HRAI Board of Directors by clause 14.7 or by the Act to such extent and in such manner as the HRAI Board of Directors shall determine at the time of each delegation.

15. Amendment to the By-laws

Subject to the Act, the by-laws of the association may be amended upon a majority vote of the HRAI Board of Directors following consideration of comments received from previous referral to each voting Division of the association. No amended by-law shall remain in effect after the date of the next annual meeting of the association following HRAI Board of Directors' action unless ratified thereat, or at a special meeting called to consider such amendment with due notice given pursuant to these by-laws.

Repeal and Replacement

These by-laws come into force on the date the Certificate of Continuance is issued for the association.