

## BY-LAW NO. 1

A by-law relating generally to the transaction of the business and affairs of

### **CANADIAN CLEANERS AND LAUNDERERS ALLIED TRADES ASSOCIATION**

(hereinafter called the "Association")

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

#### HEAD OFFICE

1.01 The head office of the Association shall be in the City of Toronto, in the Province of Ontario, at such place therein as the Board (as hereinafter defined) may from time to time by resolution determine.

1.02 The Association may establish such other offices elsewhere within Canada as the Board may by resolution deem expedient.

#### SEAL

2.01 The corporate seal of the Association shall be such as the Board may by resolution from time to time adopt, and shall be entrusted to the Secretary of the Association for its use and safekeeping. The first seal of the Association shall have the words "CANADIAN CLEANERS AND LAUNDERERS ALLIED TRADES ASSOCIATION" endorsed thereon.

#### DIRECTORS

3.01 Board of directors. The affairs of the Association shall be managed by a board of directors (herein referred to as the "Board") of nine directors, who may exercise all such powers and do all such acts and things as may be exercised or done by the Association and are not by the by-laws or any resolution of the Association or by statute expressly directed or required to be done by the Association at a meeting of members.

3.02 Qualification of directors. Directors shall be individuals, eighteen (18) or more years of age and shall, at the time of their election or within ten (10) days thereafter and throughout the term of their office, be members in good standing of the Association for duly authorized representatives of a corporation, partnership or other legal entity which is a member of the Association.

3.03 Election of directors and term of office.

(a) The applicants for incorporation shall be the first directors of the Association whose term of office on the board of directors shall continue until their successors are elected or appointed.

(b) The directors' term of office (subject to the provisions, if any, of the letters patent or any supplementary letters patent issued to the Association) shall be from the date of the meeting at which they are elected or appointed until the annual meeting next following or until their successors shall have been duly elected or appointed whichever comes first.

(c) Directors shall be elected by the members in a general meeting on a show of hands unless a poll is demanded and if a poll is demanded such election shall be by ballot. Subject to the provisions of this by-law, directors shall be eligible for re-election.

(d) From time to time in the event of any vacancy however caused occurring in the Board (except through an increase in the number of directors), such vacancy may, as long as there is a quorum of directors then in office, be filled by the directors from among the members of the Association if they shall see fit to do so; otherwise such vacancy may be filled at the next meeting of members; and any director appointed or elected to fill any such vacancy shall hold office for the unexpired term of the director who ceased to be a director and who caused such vacancy.

3.04 Vacation of office. A person ceases to be a director of the Association:

- (a) if he becomes a bankrupt;
- (b) if he is found by a court to be mentally incompetent or of unsound mind;
- (c) if by notice in writing to the Secretary of the Association he resigns his office;
- (d) if a resolution is passed by the Board that he be removed from office; or
- (e) if he ceases to be a member of the Association or if the corporation, partnership or other legal entity of which such person is a duly authorized representative ceases to be a member of the Association.

3.05 Removal of directors. The members of the Association may, by resolution passed by at least two-thirds of the votes cast at a general meeting of which notice specifying the intention to pass such resolution has been given, remove any director before the expiration of his term of office and may, by majority of the votes cast at such meeting, elect any member in his stead for the remainder of his term.

3.06 Remuneration of directors. The directors of the Association shall serve without remuneration and no director shall directly or indirectly receive any profit from his position as such; provided that a director may be paid reasonable expenses incurred by him in the performance of his duties.

#### MEETINGS OF DIRECTORS

4.01 Place of meeting and notice.

(a) Meetings of the Board may be held either at the head office of the Association or at any place within Canada. A meeting of the Board may be convened by the Chairman of the Board, the President, Vice President or any two directors at any time, and the Secretary by direction of the Chairman of the Board, the President, Vice President or any two directors shall convene a meeting of directors.

(b) Notice of any meeting of the Board shall be delivered or mailed or sent by telecopier or otherwise communicated to each director not less than seven (7) days if mailed and not less than two (2) days if delivered, sent by telecopier or otherwise communicated (exclusive of the day on which the notice is delivered or mailed or sent by telecopier or otherwise communicated but inclusive of the day for which notice is given) before the meeting is to take place; provided always that meetings of the Board may be held at any time without formal notice if all the directors are present or those absent have waived notice or have signified their assent in writing to such meeting being held in their absence. Notice of any meeting or any irregularity in any meeting or in the notice thereof may be waived by any director. The Statement of the Secretary or the President that notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of the giving of such notice. The Board may appoint a day or days in any month or months for regular meetings at an hour to be named and of such regular meeting no notice need be sent. No error or omission in giving notice for a meeting of the Board shall invalidate such meeting or invalidate or make what any proceedings taken or had at such meeting.

(c) For the first meeting of the Board to be held immediately following the election of directors at an annual or general meeting of the members or for a meeting of the Board at which a director is appointed to fill a vacancy in the Board, no notice of such meeting need be given to the director or directors so elected or appointed in order for the meeting to be duly constituted, provided that a quorum of the directors is present.

4.02 Chairman. From time to time the Board shall elect from among its members a Chairman of the Board. The Chairman of the Board shall, when present, preside at all meetings of the Board and of the members. In the absence of the Chairman of the Board at a meeting of the Board, the directors present shall choose one of their number to be Chairman of the meeting.

4.03 Quorum. A quorum at any meeting of the Board shall be the presence in person of at least five-ninths (5/9) of the directors.

4.04 Voting.

(a) Questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes, the Chairman of the meeting, in addition to his original vote, shall have a second or casting vote.

(b) At any meeting unless a poll is demanded a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the motion. In the absence of the Chairman his duties may be performed by the President or the Vice President or such other director as the Board may from time to time appoint for that purpose.

OFFICERS

5.01 Officers. The Board shall annually or as often as may be required appoint a President, one or more Vice Presidents and a Secretary, and if deemed advisable may appoint annually or as often as may be required a Treasurer and one or more Assistant Secretaries. None of the said officers, other than the President, Vice President(s) and the Chairman, need be members of the Board. The offices of Secretary and Treasurer may, in the discretion of the Board, be held by the same person who may but need not be known as the Secretary-Treasurer. The Board may appoint such other officers and agents as it shall deem necessary who shall have such authority and shall perform such duties as may from time to time be prescribed by the Board.

5.02 Remuneration and removal of officers. The directors may fix the remuneration (if any) to be paid to officers of the Association. All officers in the absence of agreement to the contrary shall be subject to removal by resolution of the Board at any time with or without cause.

5.03 Delegation of duties of officers. In the case of absence or inability to act of the President, a Vice President or any other officer of the Association or for any other reason that the directors may deem sufficient, the directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

5.04 President.

(a) The President shall sign such contracts, documents or instruments in writing as require his signature. The President shall be the chief administrative officer of the Association and shall be responsible to the Board for the coordination of all affairs of the Association. In all matters affecting the Association, the President shall be deemed to be an agent of the Association acting under the authority and at the express intention and express direction of the Board or any committee thereof, as the case may be.

(b) In addition to any other authority or duties conferred by direction of the Board, the President shall exercise general and active supervision over:

- (i) the selection, employment, supervision and discharge of all employees, subject to ratification of same by the Board;
- (ii) the formation of a special *ad hoc* committee, from year to year, comprised of himself and two other officers of the Association, for the establishment of salaries and any other administrative matters affecting the establishment and maintenance of the head office of the Association and the personnel employed therein;
- (iii) the preparation and submission of such reports and statements as the Board may from time to time direct be prepared and submitted to the Board, to any director or officer of the Association, or to any meeting of the members of the Association;
- (iv) the preparation of the annual budget for the Association, showing expected revenues and expenditures, if any; and
- (v) the safe-keeping and good state of repair of all physical properties of the Association.

5.05 Vice President. The Vice President or, if more than one, the Vice Presidents in order of seniority, shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or refusal to act of the President. The Vice President or, if more than one, Vice Presidents shall sign such contracts, documents or instruments in writing as require his or their signatures and shall have such other powers and duties as may from time to time be assigned to him or them by the Board.

5.06 Secretary. The Secretary shall, when present, act as secretary of all meetings of directors and members, shall have charge of the minute books of the Association and the documents and registers referred to in the *Corporations Act* (Ontario). The Secretary shall sign such contracts, documents or instruments in writing as require his signature and shall have such other powers and duties as may from time to time be assigned to him by the Board or as are incident to his office.

5.07 Treasurer. Subject to the provisions of any resolution of the Board, the Treasurer shall have the care and custody of all the funds and securities of the Association and shall deposit the same in the name of the Association in such bank or banks or with such depositary or depositaries as the Board may direct. The Treasurer shall sign such contracts, documents or instruments in writing as require his signature and shall have such other powers and duties as may from time to time be assigned to him by the Board or as are incident to his office. The Treasurer may be required to give such bond for the faithful performance of his duties as the Board in their uncontrolled discretion may require, but no director shall be liable for failure to require any bond or for the insufficiency of any bond or for any loss by reason of the failure of

the Association to receive any indemnity thereby provided.

5.08 Assistant Secretary. The Assistant Secretary or, if more than one, the Assistant Secretaries in order of seniority, shall perform all the duties of the Secretary in the absence or inability or refusal to act of the Secretary. The Assistant Secretary or, if more than one, the Assistant Secretaries shall sign such contracts, documents or instruments in writing as require his or their signatures and shall have such other powers and duties as may from time to time be assigned to him or them by the Board.

5.09 Vacancies. If the office of the President, Vice President, Secretary or Treasurer, shall be or become vacant by reason of death, resignation, disqualification or otherwise, the directors may elect or appoint an officer to fill such vacancy.

#### COMMITTEES

6.01 The Board may from time to time constitute such committees as it deems necessary to assist the directors in carrying on the affairs of the Association and shall prescribe the duties of any such committees.

#### INDEMNITIES TO DIRECTORS. OFFICERS AND OTHERS

7.01 Every director or officer of the Association or any other person who has undertaken or is about to undertake any liability on behalf of the Association and his heirs, executors and administrators, and estate and effects, respectively, shall from time to time and at all times, be indemnified and saved harmless out of the funds of the Association, from and against:

- (a) all costs, charges and expenses whatsoever which such director, officer or other person sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against him for or in respect of any act, deed, matter or thing whatsoever made, done or permitted by him in or about the execution of the duties of his office; and
- (b) all other costs, charges and expenses that he sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his own willful neglect or default.

#### FOR THE PROTECTION OF DIRECTORS AND OFFICERS

8.01 (a) No director or officer for the time being of the Association shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or for any loss, damage or expense happening to the Association through the insufficiency or deficiency of title to any property acquired by order of the Board or for or on

behalf of the Association or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Association shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or company with whom or which any moneys, securities or effects shall be lodged or deposited or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of such director's or officer's respective office or trust or in relation thereto unless the same shall happen by or through such director's or officer's own wrongful and willful act or through his or her own wrongful and willful neglect or default.

(b) The directors for the time being of the Association shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Association, except such as shall have been submitted to and authorized or approved by the Board. If any director or officer of the Association shall be employed by or shall perform services for the Association otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a company which is employed by or performs services for the Association, the fact of his being a director or officer of the Association shall not disentitle such director or officer or such firm or company, as the case may be, from receiving proper remuneration for such services.

#### MEMBERSHIP

9.01 Qualification. The members of the Association shall be those persons who are from time to time enrolled as members of the Association at its head office. There shall be maintained at the head office of the Association, a list of members in good standing enrolled at such office. Save as otherwise expressly herein provided, the fee for membership in the Association, for each class of member (as hereinafter provided for), shall be such sum per annum as may be fixed from time to time by the Board.

9.02 Classes of Membership. There shall be three (3) classes of membership in the Association, namely:

- (a) Ordinary members,
- (b) Life members, and
- (c) Honorary members.

9.03 Ordinary members. Ordinary members shall be those individuals, companies, corporations, partnerships, sole proprietorships and unincorporated associations who provide services to the textile care industry, have filed an application for such membership with the Association and have been appointed as Ordinary members by the Board.

9.04 Life members. Life members shall be those individuals who have filed an application for such membership with the Association and who have been unanimously appointed as life members by the Board. In recognition of such qualifications as years of service, membership in good standing, dedication to the Association and its principals, objectives and codes of ethics.

9.05 Honorary members. Honorary members shall be those individuals who have filed an application for such membership with the Association and who have been appointed as Honorary members by the Board.

9.06 Termination of Membership. The membership of any member shall be automatically terminated if such member fails to pay any fee within ninety (90) days after it is due. Such termination of membership shall not prejudice the member's right to apply for re-admission. The Board may, by a resolution passed by a two-thirds (2/3) majority vote, terminate any membership for just cause, provided, however, that the membership of any director of the Association shall not be terminated unless such director has first been removed as a director of the Association pursuant to Section 3.05 of this By-law. Provided further that before a membership is terminated, the member shall be given an opportunity, upon reasonable notice, to appear before the Board in person or to submit to the Board a written statement concerning the acts or conduct under consideration.

9.07 Resignation. Any member of the Association may resign as a member of the Association by letter addressed to the Secretary of the Association at the head office of the Association. The Board may, by resolution passed by a majority vote, request any member to resign.

9.08 The Board shall at their first meeting immediately following the annual meeting of the Association fix and determine the dues to be paid by members during the current year. Should the need arise whereby it is necessary to raise additional funds by means of special assessments made on the members from time to time, in such amount as may be determined by the Board, such special assessments may be levied by the Board.

#### MEETINGS OF MEMBERS

10.01 Annual meetings. The Association shall hold an annual meeting of its members not later than eighteen (18) months after its incorporation and subsequently not more than fifteen (15) months after the holding of the last preceding annual meeting. The annual meeting of the members shall be held at the head office of the Association within Canada, on such day in each year and at such time as the Board may by resolution determine. At annual meetings there shall be presented a report of the directors of the affairs of the Association for the previous year, a financial statement of the Association, the auditor's report and such other information or reports relating to the Association's affairs as the directors may determine.

10.02        General meetings. Other meetings of the members (to be known as "general meetings") may be convened by order of the Chairman of the Board, the President or by the Board to be held at any date and time and at any place within Canada. In addition, the Chairman of the Board or, failing him, the President shall call a general meeting of the members upon receipt of a written requisition to do so of not less than nine per cent (9%) of the members entitled to vote at such meeting.

10.03        Notice. A printed, written or typewritten notice stating the day, hour and place of meeting and the general nature of the business to be transacted shall be served either personally or by sending such notice to each member of such meeting and to the auditor of the Association through the post in a prepaid wrapper or letter not less than ten days nor more than fifteen (15) days (exclusive of the day of mailing but including the day for which notice is given) before the date of every meeting directed to such address of each such member and of the auditor as appears on the books of the Association, or if no address is given therein, then to the last address of each such member or auditor known to the Secretary; provided always that a meeting of members may be held for any purpose at any date and time and at any place within Canada without notice if all the members are present in person at the meeting or if all the absent members shall have signified their assent in writing to such meeting being held in their absence. Notice of any meeting or any irregularity in any meeting or in the notice thereof may be waived by any member or by the auditor of the Association.

10.04        Omission of notice. The accidental omission to give notice of any meeting or the non-receipt of any notice by any member or by the auditor of the Association shall not invalidate any resolution passed or any proceedings taken at any meeting of members.

10.05        Contents of Notice. Notice of any meeting of members shall include a statement of the right of such member to appoint a proxy, who need not be a member, to exercise the same voting rights that the member appointing such proxy would be entitled to exercise if present at the meeting. The notice of such meeting shall contain sufficient information concerning such business to permit the member to form a reasoned judgment on the decision to be taken.

10.06        Proxies. At any meeting of members, a proxy duly and sufficiently appointed by a member shall be entitled to exercise, subject to any restrictions expressed in the instrument appointing such proxy, the same voting rights that the member appointing him or her would be entitled to exercise if present at the meeting. A proxy need not be a member of the Association.

10.07        Chairman. In the absence of the Chairman of the Board, the members present at any meeting of members shall choose another director to act as Chairman of the meeting and if no director is present or if all the directors present decline to act as Chairman the members present shall choose one of their number to be Chairman of the meeting.

10.08 Voting.

(a) Every question submitted to any meeting of members shall be decided by a majority of votes given on a show of hands unless otherwise specifically provided by statute or by these by-laws. In case of an equality of votes, the Chairman of the meeting shall, both on a show of hands and on a poll, have a second or casting vote. Each member in good standing shall be entitled to one vote if present at a meeting in person or by proxy.

(b) At any meeting, unless a poll is demanded, a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the motion.

10.09 Polls. If at any meeting a poll is demanded on the election of a Chairman or on the question of adjournment, it shall be taken forthwith without adjournment. If a poll is demanded on any other question it shall be taken in such manner and either at once or later at the meeting or after adjournment as the Chairman directs. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A demand for a poll may be withdrawn.

10.10 Adjournments. The Chairman may with the consent of any meeting adjourn the same from time to time and no notice of such adjournment need be given to the members. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

10.11 Quorum. A quorum for the transaction of business at any meeting of members shall consist of not less than nine (9) of members present in person or represented by proxy.

ENACTMENT, REPEAL AND AMENDMENT OF BY-LAWS

11.01 (a) By-laws of the Association may be enacted, and the by-laws of the Association repealed or amended, by by-law enacted by a majority of the Board at a meeting of the Board and sanctioned by an affirmative vote of a majority of the members at a meeting of members duly called for the purpose of considering such by-law;

(b) A copy of any by-law to be sanctioned at an annual or general meeting of members (including a by-law which amends or repeals an existing by-law) shall be sent to every member of the Association with the notice of such meeting.

AUDITORS

12.01 The members shall at each annual meeting appoint an auditor to audit the accounts of the Association to hold office until the next annual meeting provided that the directors may fill any casual vacancy in the office of the auditor. The remuneration of the auditor shall be fixed from time to time by the Board.

NOTICES

13.01 Service. Any notice to be given to any member or director or auditor shall be served either personally or by sending it through the mail in a prepaid envelope or wrapper addressed to such member, director or auditor at his address as the same appears in the books of the Association or, if no address be given therein, then to the last address of such member, director or auditor known to the Secretary of the Association. With respect to every notice sent by mail, it shall be sufficient to prove that the envelope or wrapper containing the notice was properly addressed and put into a Post Office or into a Post Office letter box.

13.02 Signatures to notices. The signature to any notice may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

13.03 Computation of time. Where a given number of days' notice or notice extending over any period is required to be given, the day of service or posting of the notice shall, unless it is otherwise provided herein, be counted in such number of days or other period.

13.04 Proof of service. A certificate of the President, a Vice-President, the Secretary or the Treasurer or of any other officer of the Association in office at the time of the making of the certificate as to facts in relation to the mailing or delivery of any notice to any member, director, officer or auditor or publication of any notice shall be conclusive evidence thereof and shall be binding on every member, director, officer or auditor of the Association, as the case may be.

CHEQUES. DRAFTS. NOTES. ETC.

14.01 All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers or person or persons, whether or not officers of the Association, and in such manner as the Board may from time to time designate by resolution.

EXECUTION OF CONTRACTS. ETC.

15.01 (a) Contracts, documents or instruments in writing requiring the signature of the Association may be signed by the Chairman, President or a Vice-President together with the Secretary or Assistant Secretary, and all contracts, documents or instruments in writing so signed shall be binding upon the Association without any further authorization or formality. The Board

is authorized from time to time by resolution to appoint any officer or officers or any person or persons on behalf of the Association either to sign contracts, documents or instruments in writing generally or to sign specific contracts, documents or instruments in writing.

(b) The corporate seal of the Association may when required be affixed to contracts, documents or instruments in writing signed as aforesaid, by any officer or officers, person or persons, appointed as aforesaid by resolution of the board of directors.

(c) The term "contracts, documents or instruments in writing" as used herein shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, bonds, debentures or other securities and all paper writings.

(d) In particular, without limiting the generality of the foregoing, the Chairman, President or Vice President, together with the Secretary or Assistant Secretary, are authorized to sell, assign, transfer, exchange, convert or convey any and all shares, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the Association and to sign and execute (under the corporate seal of the Association or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, bonds, debentures, rights, warrants or other securities.

#### FINANCIAL YEAR

16.01 The Board may by resolution fix the financial year end of the Association and the Board may from time to time by resolution change the financial year end of the Association.

#### DEPOSIT OF SECURITIES FOR SAFEKEEPING

17.01 The securities of the Association shall be deposited for safekeeping in a safety box or boxes rented from one or more bankers, trust companies or other financial institutions to be elected by the Board. Any and all securities so deposited may be withdrawn, from time to time, only upon the written order of the Association signed by such officers of the Association and in such manner as shall, from time to time, be determined by resolution of the Board and such authority may be general or confined to specific instances. The institutions which may be so selected as custodians by the Board shall be fully protected in acting in accordance with the directions of the Board and shall in no event be liable for the due application for the securities so withdrawn or the proceeds thereof.

18.01 Upon the dissolution of the Association, any assets remaining after the payment and satisfaction of the debts and liabilities shall be transferred to the government agency or to one or more non-profit organizations in Canada which, in the opinion of the directors of this

Corporation, is considered truly representative of the plant owners in the textile care industry of Canada and which shall be engaged in activities intended to promote the best interests of the textile care industry.

#### AMENDMENT OF BY-LAWS

19.01 The by-laws of the Association may be repealed or amended by by-law enacted by a majority of the directors at a meeting of the Board and sanctioned by an affirmative vote of the majority of the members present at a meeting duly called for the purpose of considering the said by-law, provided that the enactment, repeal or amendment of such by-law shall not be enforced or acted upon until the approval of the Board have been obtained.

#### RULES AND REGULATIONS

20.01 The Board may prescribe such rules and regulations not inconsistent with these bylaws relating to the management and operation of the Association as they deem expedient, provided that such rules and regulations shall have force and effect only until the next annual meeting of the members of the Association when they shall be confirmed, and in default of confirmation at each annual meeting of members shall at and from that time cease to have force and effect.

#### COMBINE

21.01 The Association shall not directly or indirectly attempt to deal with any combine, merger, trust, monopoly or other practice within the meaning of the *Combines Investigation Act*.

#### INTERPRETATION

18. In all by-laws and special resolutions of the Association, the singular shall include the plural and the plural the singular; the word "person" shall include firms and corporations, and the masculine shall include the feminine and the neuter. Whenever reference is made in any by-law or any special resolution of the Association to any statute or section thereof, such reference shall be deemed to extend and apply to any amendment or re-enactment of such statute or section thereof, as the case may be.

ENACTED the \_\_\_\_\_ day of February, 1998.  
WITNESS the corporate seal of the Association.

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President

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Secretary