

MORTGAGE BROKERS ASSOCIATION OF BRITISH COLUMBIA

BYLAWS

ARTICLE 1 – INTERPRETATION

1.01 In these Bylaws, unless the context otherwise requires:

- i. “Board” or “Board of Directors” means the Directors and Officers of the Society;
- ii. “Director” means a person elected or appointed to serve on the Board pursuant to these Bylaws;
- iii. “Member” means a person approved to be a Member of the Mortgage Brokers Association of British Columbia pursuant to these Bylaws who has not ceased to be a Member or who has not become disqualified from being a Member;
- iv. “Mortgage Broker or Sub-Mortgage Broker” shall mean a person or company defined as such pursuant to the Mortgage Brokers Act;
- v. “Mortgage Brokers Act” shall mean the Mortgage Brokers Act, R.S.B.C. 1996, chapter 313 as amended from time to time and any regulations pursuant thereto;
- vi. “Officers” means the President, Vice-President and Secretary/Treasurer of the Society;
- vii. “Registered Address” of a member means the Member’s address as recorded in the register of Members;
- viii. “Society” shall mean the Mortgage Brokers Association of British Columbia;
- ix. “Society Act” means the Society Act, R.S.B.C. 1996, ch. 433, as amended from time to time and any regulations pursuant;

1.02 The definitions in the Society Act and the Mortgage Brokers Act on the date these Bylaws become effective apply to these Bylaws

1.03 Words importing the singular include the plural and visa-versa; and words importing a male person include a female person and/or a corporation

ARTICLE 2 – APPLICATION FOR MEMBERSHIP

2.01 A person may apply to the Board for Membership in the Society and on acceptance by the Board shall be a Member. The Board of Directors shall review the application and use its discretion in deciding whether or not to admit the applicant as a member. The Board of Directors shall consider, among other things, whether the prospective member is, in the opinion of The Board of Directors, likely to conduct himself or herself, with integrity, honesty, and in accordance with the Code of Ethics of the Society.

2.02 Applications to become a Member shall be in writing on such application forms as may be from time to time approved by the Board. All applications shall be signed by two members in good standing of the Society as an indication of their endorsement of the candidate for membership in the Society.

ARTICLE 3-MEMBERSHIP CATEGORIES

3.01 The Membership of the Society shall consist of the following classes of Members, who shall have the privileges hereinafter set out:

- a) **“Corporate Members”** shall be corporations or persons who are sole proprietors who are registered to practice mortgage brokerage in accordance with the Laws of the Province of British Columbia and who are an active mortgage brokerage company. Each Corporate Member through its nominee shall be entitled to vote at any general meeting and serve as a Director of the Society. If the Corporate Member has more than one registered individual operating under its brokerage registration, each such registered individual must also become a Member of the Society. It shall be the responsibility of the Corporate Member to enforce this Membership requirement.
- b) **“Individual Members”** shall be employees of a Corporate Member registered in accordance with the laws of the Province of British Columbia to practice mortgage brokerage and shall be an active sub-mortgage broker.
- c) **“Voting Associate Member”** shall be those entities whom are registered as a mortgage broker or sub-mortgage broker in accordance with the laws of the Province of British Columbia to practice mortgage brokerage but are not active mortgage brokers. This Membership category is designed for members whose primary occupation is not as mortgage brokerage; examples of which are lenders or lawyers.
- d) **“Non-Voting Associate Member”** shall be all Members who are not registered as mortgage brokers or sub-mortgage brokers in accordance with the laws of the Province of British Columbia. Non-Voting Associate Members shall not carry on the business of a mortgage broker or sub-mortgage broker.
- e) **“Honorary Membership”** – shall be a member of the Society that the Board of Directors has seen fit to honor for outstanding service to the industry. An honorary member shall not be required to pay any membership dues.

3.02 All Members shall be entitled to notice of and to attend all general meetings of the Society. All Members, except for Non-Voting Associate Members, shall be entitled to vote at any general meeting of the Society. All Members shall be entitled to be elected as a Director of the Society but Non-Voting Associate Members standing for election will be subject to the requirements of Section 3.03 herein.

3.03 A Non-Voting Associate member shall be entitled to be elected as a Director of the Society provided that the total of Non-Voting Associate Members on the Board does not exceed a total of two. If more than two Non-Voting Associate Members wish to run for the office of Director, there shall be a separate election in compliance with Articles 7, and 17 to 21 of these Bylaws. From those wishing to serve, the Members shall elect up to two Non-Voting Associate Members to hold the office of Director.

3.04 The Board has the sole responsibility to designate the class of Membership of any applicant to the Society. Any Member of the Society can request a change of class of his/her Membership if his/her employment status changes at any time by providing the Board with a written request.

ARTICLE 4-ENTRANCE FEES AND DUES

4.01 There shall be an annual Membership fee payable by each Member, the amount of which and the date payable to be determined by the Board.

4.02 All Members are in good standing except a Member who has not paid the annual membership fee or who is found by the Ethics Committee to be in default of any provision of these Bylaws or the Code of Ethics and that Member shall remain not in good standing as long as the default continues.

4.03 A Member shall cease to be a Member of the Society:

- a) by forwarding his or her resignation in writing to the address of the Society by mail or delivery; or
- b) on his or her death; or
- c) on being expelled; or
- d) on having been a Member not in good standing for 90 days

4.04 If a Member has his/her mortgage broker's or sub-mortgage broker's registration suspended or revoked by the registrar under the Mortgage Broker's Act, his/her Membership in the Association may be suspended or terminated by the Board and reinstatement of Membership, if any, will require the approval of the Board.

4.05 If a registered firm, partnership or incorporated company has its mortgage broker's registration suspended or revoked by the registrar under the Mortgage Brokers Act, the Membership of the active Members representing that firm or incorporated company in the Association, may be suspended or terminated by the Board and reinstatement of Membership, if any, will require approval by the Board.

ARTICLE 5-MEETINGS OF MEMBERS

5.01 General meetings of the Society shall be held at such time and place, in accordance with the Society Act, as the Board shall decide.

5.02 Every general meeting, other than an annual general meeting, is an extraordinary general meeting.

5.03 The Board may, whenever it thinks fit, convene an extraordinary general meeting.

5.04 Notice of a general meeting shall specify the place, the day and hour of the meeting, and, in case of special business, the general nature of that business. The accidental omission to give notice of a meeting to, or the non-receipt of a notice by, any of the Members entitled to receive notice does not invalidate proceedings at that meeting.

ARTICLE 6-PROCEEDINGS AT GENERAL MEETINGS

6.01 Any general meeting is a meeting of the Membership and includes the annual general meeting. The business to be conducted at the annual general meeting of the Society shall be:

- a) to receive reports and statements required by the Society Act to be placed before the meeting;
- b) the appointment of auditors, if required; and
- c) the transaction of such other business as may be properly brought before the meeting.

6.02 Proceedings to be conducted at all general meetings, whether extraordinary general meetings or the annual general meeting, require a quorum to be present. A quorum at any general meeting requires a minimum of twenty Members to be present and proxies will not be included in this minimum quorum requirement. No business, other than the election of a Chairperson and the adjournment or closing of the meeting shall be conducted at a general meeting at a time when a quorum is not present. If at any time

during a general meeting there ceases to be a quorum present, business then in progress shall be suspended until there is a quorum present or until the meeting is adjourned or closed.

6.03 If a quorum is not present within 30 minutes from the time appointed for a general meeting, the meeting, if convened at the requisition of Members, shall be closed. In any other case, it shall 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 Members present constitute a quorum.

6.04 Subject to Article 6.05, the President of the Society, the Vice-President, or in the absence of both one of the Directors present shall preside as Chairperson of a general meeting.

6.05 If at any general meeting:

a) there is no President, Vice-President, or other Director present within 15 minutes after the time appointed for holding the meeting; or

b) if the President and all other Directors present are unwilling to act as Chairperson, the Members present shall choose one of their number to be Chairperson.

6.06 A general meeting may be adjourned, but no business shall be transacted at the resumption of the adjourned meeting other than business left unfinished at the meeting from which the adjournment took place. Where a general meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given as in the case of the original meeting. Except as provided in these Bylaws, it is not necessary to give notice of an adjournment or of other business to be transacted at an adjourned general meeting.

6.07 Every resolution proposed at a general meeting shall be seconded and the Chairperson of a meeting may move or propose a resolution as long as the motion has been seconded. Except as provided for in Article 7.07, in the case of an equality of votes the Chairperson shall not have a casting or second vote in addition to the vote to which he or she may be entitled as a Member and the proposed resolution shall not pass.

6.08 Voting by proxy is permitted provided the proxy is received at the business address of the Society not less than two (2) business days prior to the annual general meeting for which notice is given. The form of proxy must be substantially in the following form:

The undersigned, being a Member of Mortgage Brokers Association of British Columbia, hereby appoints [name] or, failing that person, [name] as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of Members of the Society to be held on [month, day, year] and at any adjournment of that meeting.

Signed [month, day, year]

[Signature of Member]

[Name of Member – Printed]

6.09 A Corporate Member may vote by its authorized representative, who is entitled to speak and vote, and in all other respects exercise the voting right of a Member and that the representative shall be reckoned as a voting Member for all purposes with respect to a general meeting of the Society.

6.10 Robert's Rules of Order, unless in contravention of these Bylaws, shall be the adopted rules of order at any general meeting, including the annual general meeting.

ARTICLE 7-DIRECTORS AND OFFICERS

7.01 The Board may exercise all such lawful powers and do all such acts and things as the Society may exercise and do, and which are not by these Bylaws or by statute or otherwise lawfully directed or required to be exercised or done by the Society in a general meeting.

7.02 No resolution passed by the Society in a general meeting invalidates a prior act of the Directors that would have been valid if that resolution had not been passed.

7.03 No Member of the Board shall be remunerated for being or acting as a Member of the Board but the Board shall have the power to pay out of funds of the Society for reasonable expenses incurred by Directors or Officers or others appointed or elected by the Board.

7.04 The maximum number of Directors on the Board shall, subject to Article 7.05, be thirteen or such other number as may be determined from time to time at a general meeting. No act or proceeding of the Directors is invalid only by reason of there being less than the prescribed number of Directors in office.

7.05 In addition to the number of Board members as set out in Article 7.04, the Board shall also include as a voting Director, the Immediate Past President or, if he or she is unwilling or unable to serve, the most recent Immediate Past President who is willing and able to serve.

7.06 The Directors shall be elected or appointed pursuant to these Bylaws from the Members of the Society. The term for an elected Director shall be two years on an alternating basis so that in one year up to one half of the Directors shall be elected and in the following year the remaining Directors shall be elected. If there is not approximately one-half of the Board of Directors up for re-election, terms shall be staggered and the Board of Directors shall determine which Director(s) shall serve a one year term to ensure that approximately one-half of the Board of Directors is elected each year.

7.07 Upon election or appointment, each new Director must sign a document acknowledging his or her fiduciary, fiscal and ethical responsibilities to the Society. This document will be in a prescribed form as set out from time to time by the Board of Directors. Upon request, this document will be available for review by any Member in good standing of the Society.

7.08 The Directors shall retire from office at the end of their terms at each annual general meeting when their successors shall be elected.

7.09 If the number of votes shall be found to be equal for any Members seeking the office of Directors, the Chairperson of the annual general meeting shall have a casting vote and shall determine which Director shall be elected.

7.10 An election may be by acclamation; otherwise it shall be by ballot.

7.11 The board may at any time appoint a Member to serve as a Director to fill a vacancy on the Board. All Members of the Society can be appointed by the Board to fill a vacancy, including an Associate Member, providing the appointment of an Associate Member complies with Section 3.03 herein. A Director so appointed shall serve the full unexpired term of the Director being replaced.

7.12 The Members may by special resolution remove a Director before the expiration of the Director's term of office, and may elect, or the Board may appoint, a successor to complete the term of office.

7.13 Not more than the maximum of the greater of 3 directors or 25% of the board shall represent the same Corporate Member or Corporate Associate Member (including branch offices).

ARTICLE 8-DUTIES OF OFFICERS

8.01 The President is the Chief Executive Officer of the Society and shall supervise the other Directors in the execution of their duties. The President shall preside at all meetings of the Society and of the Directors.

8.02 The officers are to be elected by the Board at the first meeting of the Board following the annual general meeting. No Member may stand for election as an Officer, unless that Member has served as a Director of the Society for a period of not less than one full year, either as a current Director or as a past Director.

8.03 The Vice-President shall have such duties and powers as may from time to time be designated by the Board and shall carry out the duties of the President during his or her absence.

8.04 The Secretary shall ensure that minutes of the meetings of members and of directors of the society, together with all other records of the society that are required under the Society Act be prepared, filed, and maintained in a proper manner.

8.05 The Treasurer shall ensure that such financial records, including books of account, as are necessary to comply with the Society Act are prepared and kept, and that financial statements are rendered to the Board, Members and others as and when required.

ARTICLE 9-MEETINGS OF THE BOARD AND PROCEEDINGS OF DIRECTORS AND OFFICERS

9.01 The Board may meet together at such places as it thinks fit for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings, as it sees fit. Minutes of

any meetings of the Board (and the Members) shall be prepared by and retained at the offices of the Society.

9.02 The Board may from time to time fix the quorum necessary for the transaction of business and unless so fixed the quorum shall be a majority of the Board then in office.

9.03 The President shall be Chairperson of all meetings of the Board. If at any meeting the President is not present within 15 minutes after the time appointed for holding the meeting, the Vice-President shall act as Chairperson. If neither is present the Directors present may choose one of their number to be Chairperson at the meeting.

9.04 A majority of Directors or any two (2) Officers may at any time request, and the Board, on receiving such a request shall convene a meeting of the Directors.

9.05 It shall not be necessary to give notice of the first Board meeting held following the appointment or election of a Director to the newly elected or appointed Directors for the meeting to be duly constituted, if a quorum of the Board is present.

9.06 A Director who may be absent temporarily from British Columbia may send or deliver to the business address of the Society a written waiver of notice of meetings of the Directors and may, at any

time, withdraw the waiver. Until the waiver is withdrawn, no meeting of Directors, no notice of which has been given to that Director shall be valid because of failure to give such notice.

9.07 Questions arising at any meeting of the Board shall be decided by a majority of votes. All elected or appointed Directors shall be entitled to one vote at any meeting of the Board. In case of an equality of votes, the Chairperson does not have a second or casting vote.

9.08 No resolutions proposed at a meeting of the Board need be seconded and the Chairperson of a meeting may move or propose a resolution.

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

9.10 Robert's Rules of Order, unless in contravention of these Bylaws, shall be the adopted rules of order at any meeting of the Board.

ARTICLE 10-INDEMNIFICATION

10.01 Subject to the Society Act, every Director or Officer shall be indemnified and saved harmless by the Society from and against all claims whatsoever which such Director or Officer incurs from any claim which is brought against him or her in respect to any act whatsoever done or permitted by him or her in or about the execution of the duties of his or her office except such claims as are caused by his or her own willful neglect or default.

ARTICLE 11-SEAL

11.01 The Board may provide a common seal for the Society and it shall have the power to destroy it and substitute a new seal in place of the seal destroyed.

11.02 The common seal shall be affixed only when authorized by a resolution of the Board and then only in the presence of the persons prescribed in the resolution or if no persons are prescribed, then in the presence of no fewer than two Officers.

ARTICLE 12-BORROWING

12.01 Funds for the operation of the Society shall be raised by annual dues, special assessments, grants, voluntary contributions and fees for service.

12.02 In order to carry out the purposes of the Society the Board may raise or secure the payment or repayment of money in such manner as it decides and in particular but without limiting the generality of the foregoing, by the issue of debentures.

12.03 No debenture shall be issued without the sanction of a special resolution.

12.04 The Members may by special resolution restrict the borrowing powers of the Board but a restriction so imposed expires at the next annual general meeting.

ARTICLE 13-AUDITOR

13.01 This part applies only where the Society is required or has resolved to have an auditor.

13.02 The Directors shall appoint the first auditor.

13.03 At each annual general meeting the Members shall appoint an auditor, if required, to hold office until the auditor is re-elected or a successor is elected at the next annual general meeting.

13.04 An auditor may be removed by ordinary resolution.

13.05 An auditor shall be informed forthwith in writing of appointment or removal.

13.06 No Director and no employee of the Society shall be the auditor.

13.07 The auditor may attend general meetings but does not have voting rights or privileges.

13.08 The auditor does not have to be a Member of the Society.

ARTICLE 14-NOTICES

14.01 Unless the Society Act or these Bylaws provide otherwise, a notice, statement, report or other record required or permitted by the Society Act of these Bylaws to be sent by or to a person may be sent by any one of the following methods:

- a) mail addressed to the person at the applicable address for that person as follows:
 - (i) for a record mailed to a member, the member's registered address;
 - (ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
 - (iii) in any other case, the mailing address of the intended recipient;
- b) delivery at the applicable address for that person as follows, addressed to the person;
 - (i) for a record delivered to a member, the member's registered address;
 - (ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
 - (iii) in any other case, the delivery address of the intended recipient;
- c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- d) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- e) physical delivery to the intended recipient

14.02 A notice sent by mail shall be deemed to have been given on the second day following that on which the notice is posted. In proving that notice has been given it is sufficient to prove that the notice was properly addressed and put in a Canadian Post Office receptacle. A notice being personally delivered will be deemed to have been given at the time of delivery. A notice given by other permitted means will be deemed to have been given on the day following the date appearing on the proof of transmission.

14.03 Notice of a general meeting shall be given to every Member shown on the register of Members on the day the notice is given, and the auditor, if any. No other person is entitled to receive a notice of general meeting.

ARTICLE 15-BYLAWS

15.01 On being admitted to Membership, a Member is entitled to and upon request, the Society shall give without charge, a copy of the Constitution, Code of Ethics and the Bylaws of the Society.

15.02 These Bylaws shall not be altered except by special resolution.

ARTICLE 16-COMMITTEES

16.01 The Board may delegate any but not all of its powers to committees as it sees fit. A committee so formed shall conform to any rules that may be imposed on it by the Board, and shall report every act or thing done in exercise of those powers to the earliest meeting of the Board to be held next after it has been done.

16.02 Each Committee shall consist of at least two Members and be chaired by a Director.

16.03 The President and Vice-President of the Board shall be ex-officio Members of each Standing Committee.

16.04 The President shall name the Chair of each committee and shall require the committee chair to submit the names of the committee members selected by him or her to the Board for approval at its next meeting.

16.05 If at any meeting the Chair is not present within 30 minutes after the time appointed for holding the meeting, those present who are members of the committee shall choose one of their number to chair the meeting.

16.06 The Members of a committee may meet and adjourn, as they think proper.

ARTICLE 17-NOMINATIONS

17.01 The Society in accordance with these Bylaws shall conduct nominations and elections of Directors. Each year the Board shall determine the number of Directors to be elected and sworn in at the next Annual General Meeting.

17.02 A minimum of forty-five (45) calendar days prior to the Annual General Meeting all Members shall be contacted in the manner prescribed for a Notice of Meeting, requesting nominations for the position of expiring Directors.

17.03 Any member eligible to vote may nominate one or more eligible members to stand for election. All nominations must be signed by the nominating member supported by the signature of one (1) other eligible voting member on the prescribed form as supplied by the Society. This form must contain the consent of the member being nominated.

17.04 The Board prior to holding an election will validate all nominations submitted. If a nomination is declared invalid all Members submitting the nomination must be notified and given the opportunity to correct their nomination.

ARTICLE 18-RETURN OF NOMINATIONS

18.01 Nominations for election must be returned to the Board not less than thirty (30) days prior to the Annual General Meeting. If nominations for Directors do not exceed the number available for election (as determined by the Board) then all eligible nominees will be deemed elected by acclamation and balloting as hereafter provided shall not be required.

ARTICLE 19–BALLOTS

19.01 Except where there is an election by acclamation, balloting must be conducted by way of a mail ballot or an electronic ballot. Not fewer than twenty days prior to the Annual General Meeting, one ballot shall be mailed or notice of electronic balloting given to each member eligible to vote. These ballots or notices shall be accompanied with a brief biographical sketch as described below.

ARTICLE 20–BIOGRAPHY OF CANDIDATES

20.01 All nominees for Director after consenting in writing to the said nomination shall provide a brief biographical background to the Board for distribution to the General Membership at least twenty-five (25) days prior to the Annual General Meeting.

ARTICLE 21-ELECTION PROCEDURE AND TABULATION

21.01 Where mail balloting is used, not less than five (5) calendar days prior to the Annual General Meeting all mail ballots must be returned to the Nominations Committee for tabulation. Where an electronic balloting system is used, the deadline for completion of voting by electronic balloting shall allow for reporting of the results to the Nominating Committee at least five (5) calendar days prior to the Annual General Meeting. Results of the tabulation will be announced at the Annual General Meeting.

21.02 The Nominations Committee will control all ballots. Voting results cannot be disclosed to any Member of the Society other than when declaring the elected candidates to the Membership at the Annual General Meeting.

ARTICLE 22–NOMINATIONS COMMITTEE

22.01 The Board will establish a Nominations Committee annually to supervise the nomination of candidates for election to the Board of Directors. The Nominations Committee shall have the responsibility to ensure candidates for office satisfy these bylaws and will supervise all aspects of the election, including counting of the ballots and announcing the results at the Annual General Meeting. The membership of this Committee shall comply with Article 16.02 herein.