

AUCTIONEERS ASSOCIATION OF ONTARIO  
BY-LAWS

CORPORATE SEAL

1. Auctioneers Association of Ontario.

CONDITIONS OF MEMBERSHIP

2. Membership in the Corporation shall be limited to persons of good moral character and who will faithfully conform to the Letters Patent, By-laws, and Code of Ethics of the Corporation as the same may be amended from time to time. Members, other than honorary members, shall consist of anyone whose application for admission as a member has received the approval of the Board of Directors of the Corporation.

3. Members, other than honorary members, shall be individual members. The Corporation may also grant non-voting associate member status to businesses, corporations and individuals applying for membership. Dues of members shall be such as are established by the Board of Directors and shall be payable in advance. Dues of individual members may be paid by the member or through provincial or affiliated organizations.

4. Honorary memberships may be granted by the Board of Directors to members and non-members in recognition of any outstanding service rendered for or on behalf of this Corporation for the auction profession. Honorary members shall not be required to pay dues.

5. Any member including honorary members may withdraw from the Corporation by delivering to the Corporation a written resignation and lodging a copy of the same with the Secretary of the Corporation.

6. Should any member fail to pay dues as required by the Board of Directors, then the membership of such member shall automatically terminate forthwith. Such membership may be automatically reinstated by payment of such delinquent dues and all subsequent dues made to the date of the member's reinstatement, within one year following the first delinquency in payment. Thereafter such member shall be admitted only upon the approval of the Board of Directors as a new member.

7. The Board of Directors, by majority vote of those present at a duly called meeting at which a quorum is present, may suspend, reprimand or expel any member found to have violated the Code of Ethics of The Auctioneers Association of Ontario, the Letters Patent of the Corporation, or these By-laws. No such action shall be taken against any member until the member shall have been given written notice of the charges against him and has been granted a hearing before the Board of Directors regarding such charges. The decision of the Board of Directors in such regard shall be final.

8. The right of a member to vote on or participate in any activities in the Corporation shall cease on termination of his membership.

## HEAD OFFICE

9. The head office of the Corporation shall be at the city of residence of the Secretary in the Province of Ontario.

## BOARD OF DIRECTORS

10. Commencing with the issuance of the Letters Patent of the Corporation and ending one year later, the property and business of the Corporation shall be managed by a Board of twelve Directors of whom six shall constitute a quorum.

11. The applicants for incorporation shall become the first Directors of the Corporation whose term of office on the Board of Directors shall expire one year after incorporation.

12. Successors to the first Directors shall be elected by the members at an annual meeting of the members, for a term of three years, or such term as prescribed by the Nominating Committee.

13. The office of Director shall be automatically vacated:

- a. if a Director shall resign his office by delivering a written resignation to the Secretary of the Corporation;
- b. if he is found to be a lunatic or become of unsound mind;
- c. if he becomes bankrupt or suspends payment or compounds with his creditors;
- d. if at a special general meeting of members a resolution is passed by two-thirds of the members present at the meeting that he be removed from office;
- e. if he remains absent from three consecutive general or special meetings of the Board of Directors without an excuse deemed valid by the Board of Directors;
- f. on death.

If any vacancy shall occur for any reason in this paragraph contained, the Board of Directors by majority vote, may, by appointment, fill the vacancy with a member of the Corporation.

14. A Director shall remain in office for the prescribed term, and will be deemed to have retired following dissolution or adjournment of the meeting at which his successor is elected.

15. Directors and executive committee members, as such, shall not receive any stated remuneration for their services, but, by resolution of the Board of Directors, expenses of their attendance may be allowed for their attendance at each regular or special meeting of the Board of Directors. Nothing herein contained shall be construed to preclude any Director from serving the Corporation as an officer or in any other capacity and receiving compensation therefore. The Directors shall serve as such 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; and provided further that any Director who is engaged in or is a member of a firm engaged in any business or profession may act in and be paid the usual professional costs and charges for any professional business required to be done in connection with the administration of the affairs of the Corporation.

16. The Board of Directors may appoint such agents and engage such employees as it shall deem necessary from time to time and such persons shall have such authority and shall perform such duties as shall be prescribed by the Board of Directors at the time of such appointment.

17. The remuneration of all officers, agents and employees and committee members shall be fixed by the Board of Directors by resolution. Such resolution shall have force and effect only until the next meeting of members when such resolution shall be confirmed by resolution of the members, or in the absence of such confirmation by the members, then the remuneration of such officers, agent, or employees shall cease to be payable from the date of such meeting of members.

#### MEETINGS OF DIRECTORS

18. There shall be not less than three regular meetings of the Board of Directors, the first to be held after the annual meeting of the members, prior to departure from the Corporation convention. Subsequent meetings shall be held as prescribed by the Board and shall include a meeting preceding the annual meeting of the members at the Corporation convention. Notice of such meetings shall be given at least 30 days prior to such meeting.

19. Special meetings of the Board of Directors may be called by, or at the request of the President or any five Directors. The President shall designate the time and place for any special meeting which has been duly called.

20. Notice of any special meeting shall be given by mail posted at least 14 days prior to such meeting. Such notice shall be deemed to be delivered when deposited in the Canadian mail so addressed with postage prepaid. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. Only those items of business set forth in the notice of any special meeting may be conducted at said special meeting.

21. Whenever the vote of the Board of Directors at a meeting thereof is required to be taken in connection with any corporate action, the meeting of the Directors may be dispensed with and the corporate action may be carried forward if each Director consents in writing to a written vote on the action without a meeting of the Directors, and if a majority of the entire Board files with the Secretary, written votes in favor of the corporate action being taken.

## INDEMNITIES TO DIRECTORS AND OTHERS

22. Every Director or officer of the Corporation or other person who has undertaken or is about to undertake any liability on behalf of the Corporation or any company controlled by it and their 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 Corporation, from and against: a. all cost, charges and expenses whatsoever which such Director, officer or other person sustains or incurs in or about any action, suit or proceedings which is brought, commenced or prosecuted against him, or in respect of any acts, deeds, matter or thing whatsoever made, done or permitted by him, in or about the execution of the duties of his office or in respect of any such liability; b. all other costs, charges and expenses which he sustains or incurs in or about or in relation to the affairs thereof, except such cost, charges, or expenses as are occasioned by his own willful neglect or default.

## COMMITTEES

23. The Board of Directors may create an executive committee from its own members, which may exercise, to the extent permitted by law and not otherwise specifically provided in the Letters Patent of the Corporation or these By-laws, all or such part of the authority of the Board of Directors as may be provided by resolution of the Board of Directors. Any committee member may be removed by a majority vote of the Board of Directors.

24. The President, subject to the approval of the Board of Directors shall appoint the following standing committees, the members of which shall serve for one year, or until their successors are appointed and qualified:

- a. Nominations (Chaired by 1st VP);
- b. Legal/Legislation/Education;
- c. Communications;
- d. Membership;
- e. Financial Resources (Chaired by 1st VP);
- f. Dispute Resolution;
- g. Convention.

25. The President shall be ex-officio member of all committees. The President, with the approval of the Board of Directors may appoint such other committees and sub-committees, as he deems advisable.

26. Committees shall have such duties as their title indicate, as defined in Terms of Reference retained by the Committee Chair and the Secretary, and as the Board of Directors may assign. All actions of committees shall be subject to approval by the Board of Directors.

27. Committee meetings may be held at any time and place to be determined by the members of such committee, provided that seven days' notice of such meeting shall be sent in writing to each member of such committee. Members of such committee shall constitute a quorum. No error or omission in giving notice of any committee meeting or any adjourned committee meeting of the Corporation shall invalidate such meeting or make void any proceedings taken thereat and any member of such committee may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat.

28. Dispute Resolution. Upon receipt of a complaint alleging that a member has violated the Code of Ethics, By-laws or Letters Patent of the Corporation, the Chair of the Dispute Resolution Committee shall implement the provisions of the Corporation's dispute resolution process which shall typically include a written complaint in a format specified by the Corporation, a written response from the member, assisted resolution of the complaint between the two parties, and registration of the complaint in Corporate records. The Dispute Resolution committee shall thereafter make a written report to the Board of Directors concerning said complaint, including a recommendation to the Board of Directors stating whether there is a reason to believe that such member has engaged in conduct in violation of the Code of Ethics, Letters Patent or By-laws. A member auctioneer shall not escape the application of this process by resigning his/her membership or allowing that membership to lapse into unpaid status.

The Board of Directors shall thereafter review the complaint, response and recommendations of the Dispute Resolution committee and, if the Board of Directors determines that there is no reason to believe that a violation of the Code of Ethics, Letters Patent or By-laws has taken place, then said complaint shall be dismissed without hearing. If the Board of Directors believes a violation has occurred, they shall send such matter for hearing and invite the accused member, who may be represented by counsel, to attend such hearing.

29. In the conduct of the hearing, the parties may introduce such documentary evidence and present such testimony of witnesses, sworn by the President, as the Board of Directors shall reasonably deem relevant to the issues and both sides of the controversy shall be afforded the full opportunity to be heard. At the conclusion of the hearing, the Board of Directors, as soon as it is practicably possible, but not later than two weeks thereafter, shall consider the evidence and render a written opinion and decision. The Board of Directors may find the charges unfounded or may direct the reprimand, suspension or expulsion of any member found to have engaged in unethical conduct or violation of the Code of Ethics, Letters Patent or By-laws of the Corporation.

## POWERS OF DIRECTORS

30. The Directors of the Corporation may administer affairs of the Corporation in all things and make or cause to be made for the Corporation, in its name, any kind of contract which

the Corporation may lawfully enter into and, save as hereinafter provided, generally, may exercise all such other powers and do all such other acts and things as the Corporation is by its Letters Patent or otherwise authorized to exercise and do.

31. The Directors shall have power to authorize expenditures on behalf of the Corporation from time to time and may delegate by resolution to an officer or officers of the Corporation the right to employ and pay salaries to employees. The Directors shall have the power to make expenditures for the purpose of furthering the objects of the Corporation. The Directors shall have the power to enter in any trust arrangement with a trust company for the purpose of creating a trust fund in which the capital and interest may be made available for the benefit of promoting the interest of The Auctioneers Association of Ontario in accordance with such terms as the Board of Directors may prescribe.

32. The Board of Directors shall take such steps as they may deem are requisite to enable the Corporation to acquire, accept, solicit, or receive legacies, gifts, grants, settlements, bequests, endowments and donations of any kind whatsoever for the purpose of furthering the objects of the Corporation.

#### OFFICERS

33. The officers of the Corporation shall be a President, 1st Vice-President, 2nd Vice President, Past President, Secretary and Treasurer and any such other officers as the Board of Directors may by By-law determine. One person may fill more than one of the above offices.

34. The officers of the Corporation shall be appointed and approved by resolution of the Board of Directors from amongst their number, at the first regular meeting of the Board of Directors following each annual meeting of the members, in accordance with the succession guidelines described below.

35. Succession of Officers. The Board of Directors shall elect and appoint a Director to the appointment of 2nd Vice President, which Director shall typically succeed to the appointment of 1st Vice President in the subsequent year, and to the appointment of President in the year following, thereafter to the appointment of Past President. The officers of the Corporation shall typically hold office for one year from the date of their appointment or until their successors are appointed in their stead.

The member filling the appointment of Past President shall be surplus to the normal complement of 12 elected Directors.

36. The Treasurer shall provide a surety bond in such amount as the Board of Directors may determine, the cost to be paid by the Corporation.

37. Vacancies among the officers of the Corporation shall be filled by a majority vote of a

quorum of the Board of Directors and the officers so chosen shall serve the unexpired term of the office for which he has been appointed. Vacancies among the officers, other than the President and Treasurer, need not be filled if the Board of Directors does not deem it advisable to fill the vacancy for the remainder of the term.

## DUTIES OF OFFICERS

38. All officers, except the Secretary/Treasurer, shall be Directors of the Corporation and they shall cease to be officers if they cease to be Directors or if they are removed by a majority of the Board of Directors.

39. The President of the Corporation shall preside at all meetings of the Corporation and of the Board of Directors. He shall have the general and active management of the affairs of the Corporation. He shall see that all orders and resolutions of the Board of Directors are carried into effect.

40. The 1st Vice-President is responsible to the President. He shall succeed the President, and in the absence or disability of the President, perform the duties and exercise the powers of the President. The 1st Vice President shall act as Chair of the Nominations committee and Chair of the Financial Resources committee. As Chair of the Financial Resources committee, he shall be responsible for preparation and presentation of the annual budget and the overall financial management for the Corporation, and shall perform such other duties as shall from time to time be imposed upon him by the Board of Directors. The 2nd Vice President is responsible to the President. He shall succeed the 1st Vice President and shall be responsible for preparation and presentation of the annual business plan and the conduct of corporate administrative operations as assigned by the Board of Directors.

41. The Treasurer shall be responsible to the Board and report to the 1st Vice President. The Treasurer shall have the custody of the funds and securities of the Corporation and shall keep full and accurate account of all assets, liabilities, receipts and disbursements of the Corporation in the books belonging to the Corporation and shall deposit all monies, securities and other valuable effects in the name and to the credit of the Corporation, in such chartered bank or trust company, or, in the case of securities, in such registered dealer in securities as may be designated by the Board of Directors from time to time.

He shall disburse the funds of the Corporation as may be directed by proper authority taking proper vouchers for such disbursements, and shall render to the President and Directors at the regular meeting of the Board of Directors, or whenever they may require it, an accounting of all transactions and a statement of the financial position, of the Corporation. He shall also perform such other duties as may from time to time be directed by the Board of Directors.

42. The Secretary shall be responsible to the Board and shall support the President's role as presiding officer and chair of meetings. The Secretary shall attend all meetings and act as a clerk thereof and record all votes and minutes of all proceedings in the books to be kept for

that purpose. He shall give or cause to be given notice of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors. The Secretary shall work closely with the 2nd Vice President in the conduct of the Corporation's administrative operations. He shall be custodian of the seal of the Corporation, which he shall deliver only when authorized by resolution of the Board of Directors to do so, and to such person or persons as may be named in the resolution.

43. The duties of all other officers of the Corporation shall be as called for in their Terms of Reference and/or as the Board of Directors require of them.

#### EXECUTION OF DOCUMENTS

44. Contracts, documents or any instruments in writing requiring the signature of the Corporation shall be signed by any two officers and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The Directors shall have power from time to time by resolution to appoint an officer or officers on behalf of the Corporation to sign specific contracts, documents and instruments in writing. The Directors may give the Corporation's power of attorney to any registered dealer in securities for the purposes of the transferring of and dealing with any stocks, bonds, and other securities of the Corporation. The seal of the Corporation, when required, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any officer or officers appointed by resolution of the Board of Directors.

#### MEETINGS

45. The annual or any other general meeting or special meeting of the members shall be held at the head office of the Corporation or at any other place as the Board of Directors may determine on such day as the said Directors shall appoint.

46. At every annual meeting, in addition to any other business that may be transacted, the report of the Directors, the business plan, the budget forecast, the financial statement and the report of the auditors shall be presented and any Board of Directors elected and auditors appointed for the ensuing year. The Board of Directors or the President shall have the power to call, at any time, a general meeting of the members of the Corporation.

47. Special meetings for the members for any purpose or purposes shall also be called by the President at the written request of 10% or more of the members of the Corporation. Only those items specified in the request for a special meeting and approved by the Board of Directors may be considered at such special meeting.

48. Written or printed notice, stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be mailed to each voting member of the Corporation, or published in a publication designated

by these By-laws as an official publication of the Corporation, not less than 30 nor more than 60 days before the date of the meeting. Such notice shall be deemed to be delivered when deposited in the Canadian mail, addressed to the member at his address as it appears on the books of the Corporation, with postage thereon prepaid.

49. Those individual members present shall constitute a quorum for the transaction of business at any meeting of the members. A majority of the members present may adjourn the meeting to a subsequent time, without further notice. A meeting of members at which a quorum is present, may be adjourned by vote of a majority of the members, without further notice. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

50. No error or omission in giving notice of any annual or general or special meeting of the members of the Corporation shall invalidate such meeting or make void any proceedings taken thereat and any member may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat.

#### MINUTES OF BOARDS OF DIRECTORS AND COMMITTEES

51. The minutes of the Board of Directors or committee minutes shall not be available to the general membership of the Corporation but shall be available to the Board of Directors, each of whom shall receive a copy of such minutes.

#### VOTING OF MEMBERS

52. At all meetings of members of the Corporation, every question shall be determined by a majority of votes unless otherwise specifically provided by statute or by these By-laws.

53. Individual members shall be entitled to vote in all meetings of members. Honorary members shall not be entitled to vote.

54. Votes may be given either personally or by proxy.

55. The instrument appointing a proxy shall be in writing in any effectual form under the hand of the appointer or of his attorney duly authorized in writing, and need not be attested. A person may be appointed a proxy although not a member of the Corporation.

56. No instrument appointing a proxy is valid upon the termination, resignation or suspension of any member, nor shall the instrument appointing a proxy be valid after the expiration of three months from the date of its execution.

57. The instrument appointing a proxy shall be deposited at the head office of the Corporation or such other place as may be specified in the notice of the annual, general or

special meeting, or at the meeting with the Secretary before the time for holding the meeting at which the person named in the instrument proposes to vote. In default of such deposit the instrument of proxy is not valid.

#### FINANCIAL YEAR

58. Unless otherwise ordered by the Board of Directors the fiscal year of the Corporation shall end on December 31st of each year hereafter.

#### AMENDMENT OF BY-LAWS

59. The bylaws of the Corporation may be repealed or amended by By-law enacted by a majority of the Directors at a meeting of the Board of Directors and sanctioned by an affirmative vote of at least two-thirds of the members at a meeting duly called for the purpose of considering the said by-law.

#### AUDITORS

60. The members shall at each annual meeting appoint an auditor to audit the accounts of the Corporation 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 by the Board of Directors.

#### BOOKS AND RECORDS

61. The Directors shall see that all necessary books and records of the Corporation required by the By-laws of the Corporation or by any applicable statute or law, are regularly and properly kept, and that minutes of members meetings and Directors meetings shall be copied in standard form and bound into a proper minute book kept for this purpose.

#### CODE OF ETHICS

62. The Board of Directors shall adopt, and may amend from time to time, a Code of Ethics which shall be binding upon each member of the Corporation.

#### OFFICIAL PUBLICATION

63. The official publication of the Corporation shall be a magazine bearing the name "THE

ONTARIO AUCTIONEER", which shall be published from time to time as the Board of Directors may approve.

## RULES AND REGULATIONS

64. The Board of Directors may prescribe such rules and regulations not inconsistent with these By-laws relating to the management and operation of the Corporation 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 Corporation when they shall be confirmed, and failing such confirmation at such annual meeting of members shall at and from that time cease to have any force and effect. The Board of Directors may further prescribe and amend Terms of Reference for Officers and committee Chairs as they see fit, providing they are not inconsistent with these By-laws.

## INTERPRETATION

65. In these By-laws and in all other By-laws of the Corporation hereafter passed unless the context otherwise requires, words importing the singular number or the masculine gender shall include the plural number or the feminine gender as the case may be, and vice versa.

66. All books and records, and all notices and any other instrument required to be in writing under these By-laws or their amendments, shall be required to be kept and recorded in the English language.

Approved by AAO Board of Directors  
Peterborough, Ontario  
Annual General Meeting  
February 17th, 2000

Amended by AAO Board of Directors  
Owen Sound, Ontario  
Annual General Meeting  
February 22, 2008

Amended by AAO Board of Directors  
Mississauga, Ontario  
Annual General Meeting  
February 17th, 2002