

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

**Lung Disease Support Group Inc.
Operating as**

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Corporate Seal

1. The seal, an impression whereof is stamped in the margin hereof, shall be the seal of the Corporation (seal need not be imprinted until after incorporation).

Head Office

2. Until changed in accordance with the Act, the Head Office of the Corporation shall be at 1720 Paris Street, Apartment 202, Sudbury, Ontario, Canada, Postal Code P3E 3C2; Telephone 1-705-524-9864.

Conditions of Membership

3. Membership in the Corporation shall be limited to persons interested in furthering the objects of the Corporation and shall consist of anyone whose application for admission as a member has received the approval of the Board of Directors of the Corporation or their designate. There shall be such classes of membership in the Corporation as the Board of Directors may from time to time determine.
4. There shall be an annual membership fee of ten dollars (\$10) unless otherwise directed by the Board of Directors.
5. Any board member may withdraw from the Corporation by notifying the Corporation of their intent.
6. Upon having missed three (3) consecutive board meetings without a valid reason, any board member may be required to resign from the board by a vote of three-quarters (3/4) of the members at any general monthly meeting.

Members' Meetings

7. The annual or any other general meeting of the members shall be held at the Head Office of the Corporation or at any place in Canada as the Board of Directors may

determine and on such day as the said Directors shall appoint. The members may resolve that a particular meeting of members be held outside of Canada.

8. At every Annual General Meeting, in addition to any other business that may be transacted, the report of the directors, the financial statement and the report of the auditors shall be presented and auditors appointed for the ensuing year. The members may consider and transact any business either special or general at any meeting of the members. The Board of Directors or the President or Vice President shall have power to call, at any time, a general meeting of the members of the corporation. The Board of Directors shall call a special general meeting of members on written requisition of members carrying not less than sixty percent (60%) of the voting rights. Six (6) members present in person at any special meeting of the membership, will constitute a quorum.
9. At least seven (7) days written notice shall be given to each voting member of any annual or special general meeting of members. Notice of any meeting where special business will be transacted shall contain sufficient information to permit the member to form a reasoned judgement on the decision to be taken. Notice of each meeting of members will include instructions for voting by proxy. Each voting member present at a meeting shall have the right to exercise one vote. A member may, by means of a written proxy, appoint a proxy holder to attend and act at a specific meeting of members, in the manner and to the extent authorized by the proxy. A proxy holder must be a member of the Corporation.
10. One quarter (1/4) of the total membership shall constitute a quorum at an annual general meeting.
11. No error or omission in giving notice of any annual or general meeting or any adjourned meeting, whether annual or general, 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. For purpose of sending notice to any member, Director or Officer for any meeting or otherwise, the address of the member, Director or Officer shall be his/her last address recorded on the books of the Corporation.

Board of Directors

12. The applicants for incorporation shall become the first Directors of the Corporation whose term of office on the Board of Directors shall continue until their successors are elected.
13. Directors must be individuals, at least eighteen (18) years of age, with power under law to contract.
14. The board shall be a rotating board of six (6) to a maximum of twelve individuals elected by a majority vote of the members of the Corporation present. Staggered terms of office shall be established for the directors. The President shall hold office for a period of three (3) years , the Vice President shall hold office for a period of two (2) years , the Treasurer shall hold office for a period of two (2) years, and the Secretary shall hold office for a period of three (3) years. Additionally, there shall be a minimum of one Director/Officer that will hold office for a period of two (2) years, and a minimum of one (1) Director/Officer that will hold office for a period of one (1) year.
15. At least fifty-percent (50%) of the Board of Directors must be individuals with recognized lung disease(s).
16. No Director shall serve more than six (6) years in office where the terms are served consecutively, without having a break for at least a period of one (1) year.

17. At the expiration of the one (1) year of absence, he/she shall be eligible to sit on the Board of Directors of the Corporation. Where the position being filled, whether it is part of the Executive of the board (President, Vice President, Treasurer, or Secretary) or a Director is vacant and no one is elected to the position, the following options are available:

- i. A Director that is willing to do so will serve in any such position for a period of one (1) year to allow the previous individual to come back after the year
- ii. The current individual will serve a final one (1) year term and actively recruit and groom someone to be elected to fill the position for the following year.
- iii. Another Director will serve with the current individual in that position being trained to take over the position the following term.

Where any such member of the Executive decides to remain on the board for an extra year, and if after that time there is still no one to take over the position, then if they are so able to do so and there are no Directors against the idea, the final year does not exclude them from re-election and will be considered to be the equivalent to their year away from the position, such that the Executive member can be re-elected to their previous position without being required to be removed from the board activities for a year.

18. Where a Director switches positions within the board, whether it be from a one year term Director to a two or three year term Director, or to a member of the Executive, or vice versa; the provision in section 16 does not apply to the switch in positions. Switching of positions becomes the equivalent to taking the year off

from their previous position. They are then able to carry out their full term in any such position(s).

19. In order to elect future board members a nomination committee must be struck and a nomination slate must be made. Where as long as there are no more than three (3) Directors terms ending at one time, if they are qualified for re-election, a nomination slate will be made with the names of any such Directors and there will be one majority vote taken to re-elect all three (3), rather than having one separate election for each one. In as such as there are four (4) or more Directors terms ending at one time, then a separate election for each position will occur where others whom are qualified to be elected, or where applicable re-elected after consecutive terms and having been out of office for a period of one (1) year, can run for any such position(s) available. The membership will be informed of any upcoming elections at the general meeting prior to the election meeting.
20. The office of Director shall be automatically vacated:
 - i. if at a special general meeting of members, a resolution is passed by two thirds (2/3) of the members present at the meeting that he/she be removed from office.
 - ii. if a Director has resigned his/her office by delivering a written resignation to the Secretary of the Corporation.
 - iii. if he/she is found by a court to be of unsound mind.
 - iv. if he/she becomes bankrupt or suspends payment or compounds with his/her creditors.
 - v. on death.

provided that 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. **This appointed member will serve in the position until the next Annual General Meeting.**

21. The Directors shall serve as such without remuneration and no Director shall directly or indirectly receive any profit from his/her position as such; provided that a Director may be paid reasonable expenses incurred by him/her in the performance of his/her duties.
22. A retiring Director shall remain in office until the dissolution or adjournment of the meeting at which his/her retirement is accepted and his/her successor is elected.

Powers of Directors

23. The Directors of the Corporation may administer the 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. The Corporation may exercise all such other powers and do all such other acts and things as the Corporation is by its charter or otherwise authorized to exercise and do.
24. 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 enter into a 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 Corporation in accordance with such terms as the Board of Directors may prescribe.

The Board of Directors is hereby authorized, from time to time

- i. to borrow money upon the credit of the Corporation, from any bank, Corporation, firm or person, upon such terms, covenants and

conditions at such times, in such sums, to such an extent and in such manner as the Board of Directors in its discretion may deem expedient;

ii. to limit or increase the amount to be borrowed;

iii. to mortgage, hypothec, charge or pledge of all or any currently owned or subsequently acquired real and personal, movable and immovable, property of the Corporation, and the undertaking and rights of the Corporation.

25. The Board of Directors shall take such steps as they may deem 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.
26. 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.
27. Remuneration for all officers, agents and employees and committee members shall be fixed by the Board of Directors by resolution. They will review this condition annually with the membership at an Annual General Meeting.

Director's Meetings

28. (a) There shall be at least two meetings of the Board each year, one of which shall be in conjunction with the LDSG Inc. Annual General Meeting and the other held as close as possible to six (6) months before or after the Annual General Meeting. Additional board meetings shall be called by the President or by written request of one-quarter of the Directors, at times and places selected by the caller(s). Written notice and computerized written notice of meetings, which may include electronic

mail, shall be given to Directors, Officers and members and shall be received at least seven (7) days before meetings unless an emergency warrants shorter notice. Meetings, other than the Annual General Meeting, may be held in person, by teleconference or in a combination of in person and teleconference. (b) Special meetings of the Board may be called at the request of no fewer than one third (1/3) of the Directors. The request must state the purpose of the meeting. If a special meeting of the Board is so requested, the Officers shall set the date and place and the Secretary shall cause a notice of such meeting to be mailed to all members of the Board at their addresses as they appear in the membership roll book, at least seven (7) days before the scheduled date of such meetings. Such notice shall state the date, time, place, and purpose of the meeting, and by whom it is called. No other business but that specified in the notice may be transacted at such special meetings of the Board of Directors without the consent of three-fourths (3/4) of the members of the Board present at such meeting.

29. No less than sixty (60%) of the total number of Directors on the Board of Directors, shall constitute a quorum for meetings of the Board of Directors. Any meeting of the Board of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the by-laws of the Corporation. Any resolution before the Board of Directors must be carried by a two thirds (2/3) majority vote in order to be decided affirmatively.

Indemnities to Directors and Others

30. Every Director of the Corporation, 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;

- i. all costs, charges and expenses which such Director sustains or incurs in or about any action, suit or proceedings which is brought, commenced or prosecuted against him/her, or in respect of any act, deed, matter of thing whatsoever, made, done or permitted by him/her, in or about the execution of the duties of his/her office or in respect of any such liability;
- ii. all other costs, charges and expenses which he/she sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his/her own willful neglect or default.

Officers

31. The Officers of the Corporation shall be a President, Vice President, Secretary and Treasurer and any such other Officers as the Board of Directors may by by-law determine. Any two offices may be held by the same person except the office of the President. Officers must be Directors, and members. Ex-officio board members are not eligible to vote or hold office.
32. Officers of the Corporation shall be elected by the members of the Corporation at the initial meeting of the incorporated body.

Duties of Officers

33. The President shall preside at all meetings of the Corporation and of the Board of Directors. He/she shall have the general and active management of the affairs of the Corporation. He/she shall see that all orders and resolutions of the Board of Directors are carried into effect.
34. The Vice President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President and shall perform such other

duties as shall from time to time be imposed upon him/her by the Board of Directors.

35. The Treasurer shall have the custody of the funds and securities of the Corporation and shall keep full and accurate accounts 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/she shall disburse the funds of the Corporation as may be directed by proper authority 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 the transactions and a statement of the financial position, of the Corporation. He/she shall also perform such other duties as may from time to time be directed by the Board of Directors.
36. The Secretary may be empowered by the Board of Directors, upon resolution of the Board of Directors, to carry out his/her affairs of the Corporation generally under the supervision of the Officers thereof and shall attend all meetings and act as clerk thereof and record all votes and minutes of all proceedings in the books to be kept for that purpose. He/she 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 or President, under whose supervision he/she shall be. He/she shall be custodian of the seal of the Corporation, which he/she shall deliver only when authorized by a resolution of the Board of Directors to do so and to such person or persons as may be named in the resolution.

37. The duties of all other Officers of the Corporation shall be such as the terms of their engagement call for or the Board of Directors requires of them.

Committees

38. The Board of Directors may appoint committees whose members will hold their offices at the will of the Board of Directors. The Directors shall determine the duties of such committees and may fix by resolution, any remuneration to be paid. The President shall be the ex-officio Officer on all committees.

Execution of Documents

39. Contracts, documents or any instruments in writing requiring the signature of the Corporation, shall be signed by any two of the Executive (the President, Vice President, Treasurer, and Secretary) Officers or any other member of the Board of Directors if no member of the Executive is available; and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation. 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.

Minutes of Board of Directors

40. The minutes of the Board of Directors 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.

Financial Year

41. Unless otherwise ordered by the Board of Directors, the fiscal year end of the Corporation shall be March 31.

Amendment of By-Laws

42. The by-laws of the Corporation not embodied in the letters patent may be repealed or amended by by-law, or a new by-law relating to the requirements of the Ontario Corporations Act, may be 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 (2/3) of the members present at a meeting duly called for the purpose of considering the said by-law.

Auditors

43. The members shall, at each Annual General Meeting, appoint an auditor to audit the accounts and annual financial statements of the Corporation for report to the members at the next Annual General Meeting. The auditor shall hold office until the next Annual General 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

- 44. 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.

Rules and Regulations

- 45. 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 General Meeting of the members of the Corporation when they shall be confirmed, and failing such confirmation at such Annual General Meeting of members, shall at and from that time cease to have any force and effect.

Dissolution

- 46. In the event that dissolution of this Corporation is necessary or prudent, all real property and assets of the Corporation, on dissolution will be transferred to charities registered under the Income Tax Act (Canada).

Interpretation

- 47. 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 as the case may be he/she, as the case may be, and vice versa, and references to persons shall include firms and corporations.

Date: _____ Name: _____
Gerry Cunningham President

Date: _____ Name: _____
Bruce Eyre Vice- President