

## BY-LAW NO. 1.1

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

### TORONTO HYDRO CORPORATION

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BE IT ENACTED as a by-law of TORONTO HYDRO CORPORATION (hereinafter referred to as the "Corporation") as follows:

#### PART I

##### INTERPRETATION

**1.01 Definitions.** In the by-laws of the Corporation, unless the context otherwise requires:

"Act" means the *Business Corporations Act (Ontario)* and any statute that may be substituted therefor, as from time to time amended;

"appoint" includes "elect" and vice versa;

"articles" means the original or restated articles of incorporation, articles of amalgamation, articles of continuance, articles of reorganization, letters patent or other instrument of incorporation of the Corporation, as from time to time amended;

"board" means the board of directors of the Corporation;

"by-laws" means this by-law and all other by-laws of the Corporation from time to time in force and effect;

"meeting of shareholders" includes an annual meeting of shareholders and a special meeting of shareholders;

"non-business day" means Saturday, Sunday and any other day that is a holiday as defined in the *Legislation Act, 2006* (Ontario);

"Procedures By-law" means City of Toronto Municipal Code, Chapter 27, Council Procedures, as amended from time to time or any by-law that may be substituted therefor;

"recorded address" means, in the case of shareholders, their address as recorded in the securities register; and in the case of joint shareholders the address appearing in the securities register in respect of such joint holding or the first address so appearing if there are more than one; and, in the case of directors, officers, auditors or members of a committee of the board, their latest address as recorded in the records of the Corporation;

"Shareholder" means the City of Toronto, and its successors and assigns, but only if the City of Toronto is the sole shareholder of the Corporation;

"Shareholder Direction" means the document entitled "Amended and Restated Shareholder Direction relating to Toronto Hydro Corporation" dated July 1, 1999 and executed by the City of Toronto, as from time to time amended;

"special meeting of shareholders" includes a meeting of any class or classes of shareholders and a special meeting of all shareholders entitled to vote at an annual meeting of shareholders;

"signing authority" has the meaning ascribed in section 2.03;

save as aforesaid, words and expressions defined in the Act have the same meanings when used herein; and

words importing the singular number include the plural and vice versa; and words importing persons include individuals, bodies corporate, partnerships, trusts and unincorporated organizations.

## PART II

### BUSINESS OF THE CORPORATION

**2.01 Corporate Seal.** The Corporation may have one or more different corporate seals which may be adopted or changed from time to time by the board, on which the name of the Corporation appears in the language or one or more of the languages set out in the articles.

**2.02 Financial Year.** The financial year of the Corporation shall end on such day in each year as the board may from time to time by resolution determine.

**2.03 Execution of Instruments.** Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by

- (i) any two of the directors,
  - (ii) any one officer, with such additional signatures or other restrictions that may be required in accordance with a board-approved signing policy, or
  - (iii) any person or persons as the board may from time to time authorize by resolution to sign any particular instrument or class of instruments, including by approving a signing policy,
- (each a “**signing authority**”).

Any signing authority or the corporate secretary appointed under section 6.01 may affix the corporate seal (if any) to any instrument. Any signing authority or the corporate secretary may certify a copy of any instrument, resolution, by-law or other document of the Corporation to be a true copy thereof.

**2.04 Execution in Counterpart.** Any articles, notice, resolution, requisition, statement or other document required or permitted to be executed by more than one person may be executed in several documents of like form each of which is executed by one or more of such persons, and such documents, when duly executed by all persons required or permitted, as the case may be, to do so, shall be deemed to constitute one document and to bear date as of the date of execution thereof by the last such person.

**2.05 Banking Arrangements.** The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the board may from time to time prescribe or authorize.

**2.06 Voting Rights in Other Bodies Corporate.** The signing officers of the Corporation may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such proxies, certificates or other evidence shall be in favour of such person or persons as may be determined by the officers signing or arranging for them. In addition, the board may from time to time direct the manner in which and the person or persons by whom any particular voting rights or class of voting rights may or shall be exercised.

**2.07 Creation and Consolidation of Divisions.** The board may cause the business and operations of the Corporation or any part thereof to be divided or to be segregated into one or more divisions upon such basis, including without limitation, character or type of operation, geographical territory, product manufactured or service rendered, as the board may consider appropriate in each case. The board may also cause the business and operations of any such division to be further divided into sub-units and the business and operations of any such divisions or sub-units to be consolidated upon such basis as the board may consider appropriate in each case.

**2.08 Name of Division.** Subject to compliance with law, any division or its sub-units may be designated by such name as the board may from time to time determine and may transact business under such name, provided that the Corporation shall set out its corporate name in legible characters in all contracts, invoices, negotiable instruments and orders for goods or services issued or made by or on behalf of the Corporation and in all documents as required under the Act.

**2.09 Officers of Division.** From time to time the board or, if authorized by the board, the chief executive officer, may appoint one or more officers for any division, prescribe their powers and duties and settle their terms of employment and remuneration. The board or, if authorized by the board, the chief executive officer, may remove at their pleasure any officer so appointed, without prejudice to such officer's rights under any employment contract. Officers of divisions or their sub-units shall not, as such, be officers of the Corporation.

### **PART III**

#### **BORROWING AND SECURITIES**

**3.01 Borrowing Power.** Without limiting the borrowing powers of the Corporation as set forth in the Act, but subject to the articles and the Shareholder Direction, the board may from time to time on behalf of the Corporation, without authorization of the shareholders:

- (a) borrow money on the credit of the Corporation;
- (b) issue, reissue, sell or pledge bonds, debentures, notes or other evidences of indebtedness or guarantee of the Corporation, whether secured or unsecured;
- (c) to the extent permitted by the Act, give a guarantee on behalf of the Corporation to secure performance of any present or future indebtedness, liability or obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, movable or immovable, property of the Corporation including book debts, rights, powers, franchises and undertakings, to secure any such bonds, debentures, notes or other evidences of indebtedness or guarantee or any other present or future indebtedness, liability or obligation of the Corporation.

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

**3.02 Delegation.** The board may from time to time delegate to a committee of the board, a director or an officer of the Corporation or any other person as may be designated by the board all or any of the powers conferred on the board by section 3.01 or by the Act to such extent and in such manner as the board may determine at the time of each such delegation.

### **PART IV**

#### **DIRECTORS**

**4.01 Number of Directors and Quorum.** The board shall consist of the number of directors determined from time to time by a special resolution within the minimum and maximum numbers set out in the articles. Subject to section 4.07, a majority of the number of directors so determined shall constitute a quorum at any meeting of the board.

**4.02 Qualification.** No persons shall be qualified for election as a director if they are less than 18 years of age; if they have been found under the *Substitute Decisions Act, 1992* or under the *Mental Health Act* to be incapable of managing property or has been found to be incapable by a court in Canada or elsewhere; if they are not individuals; or if they have the status of a bankrupt. A director need not be a shareholder. Directors are expected to attend meetings of the board and board committees, as applicable.

**4.03 Election and Term.** The election of directors shall take place at the first meeting of shareholders and, if required, at each annual meeting of shareholders or at such other time as determined by the Shareholder in accordance with the Act. Directors who are not members of the City of Toronto Council shall be elected for a term of office of two (2) years or until their successors are elected. Directors who are not members of the City of Toronto Council shall retire at the expiry of their term but, if qualified, shall be eligible for re-election for a maximum of four (4) consecutive terms for a maximum of eight (8) consecutive years or such longer period until successors are elected. Any re-election of directors who are not members of the City of Toronto Council shall be subject to a full recruitment process conducted every two (2) years. The term of office for directors who are members of the City of Toronto Council is two (2) years or until their successors are elected. Directors who are members of the City of Toronto Council shall retire at the expiry of their term but, if qualified, shall be eligible for re-election for an unlimited number of terms. The election shall be by resolution. If an election of directors is not held at the proper time, the directors shall continue in office until their successors are elected.

**4.04 Removal of Directors.** Subject to the provisions of the Act, the shareholders may by resolution passed at an annual or special meeting remove any director from office and the vacancy created by such removal may be filled at the same meeting.

**4.05 Vacation of Office.** Directors cease to hold office when they die, are removed from office by the shareholders acting pursuant to the Act, or cease to be qualified for election as a director, or earlier if they shall have submitted their written resignation to the Corporation; in which last-mentioned event they shall cease to hold office at the later of (i) the time when such written resignation is received by the Corporation or (ii) the time, if any, specified in such written resignation as the effective time of such resignation.

**4.06 Action by the Board.** Subject to the Shareholder Direction, the board shall manage or supervise the management of the business and affairs of the Corporation. Subject to section 4.07, the powers of the board may be exercised by a meeting at which the quorum is present or by resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board. Where there is a vacancy in the board, the remaining directors may exercise all the powers of the board so long as a quorum remains in office. Where the Corporation has only one director, that director may constitute a meeting.

**4.07 Meeting by Communications Facilities.** If all the directors present at or participating in the meeting consent, a meeting of the board or of a committee of the board may be held by means of such telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in such a meeting by such means shall be deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the board and of committees of the board. If a majority of the directors participating in a meeting held under this section are then in Canada, the meeting shall be deemed to have been held in Canada.

**4.08 Place of Meetings.** Meetings of the board may be held at any place in or outside Ontario. In any financial year of the Corporation a majority of the meetings of the board need not be held in Canada.

**4.09 Calling of Meetings.** Meetings of the board shall be held from time to time at such time and at such place as the board, the chair of the board, the vice-chair of the board, the president or any two directors may determine.

**4.10 Notice of Meeting.** Notice of the time and place of each meeting of the board shall be given in the manner provided in section 11.01 to each director not less than 48 hours before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified.

**4.11 First Meeting of New Board.** Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting immediately following the meeting of shareholders at which such board is elected.

**4.12 Adjourned Meeting.** Notice of an adjourned meeting of the board is not required if the time and place of the adjourned meeting is announced at the original meeting.

**4.13 Regular Meetings.** The board may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

**4.14 Meetings Without Notice.** A meeting of the board may be held at any time and place permitted by the Act or the articles or the by-laws without notice or on shorter notice than that provided for herein, and proceedings thereat shall not be invalidated if all the directors are present in person (other than expressly to object that the meeting is not lawfully called) or if not so present have received notice, or before or after the meeting or the time prescribed for the notice thereof, waive notice of or accept short notice of such meeting.

**4.15 Chair of the Board.** The board may from time to time appoint chairs of the board from amongst its members as nominated by the shareholder. If appointed, the board may assign to them any of the powers and duties that are by any provisions of this by-law assigned to the president; and they shall, subject to the provisions of the Act, have such other powers and duties as the board may specify. During the absence or disability of the chairs of the board, their duties shall be performed and their powers exercised by the vice-chair of the board, if appointed, or, in the absence of a vice-chair of the board, by one of the directors as appointed by the board.

**4.16 Vice-Chair of the Board.** The board may from time to time appoint a vice-chair or vice-chairs of the board from amongst its members who shall have such powers and duties as the board or chair of the board may specify.

**4.17 Term of Office of Chair of the Board and Vice-Chair of the Board.** The board, in its discretion, may remove the chair of the board or the vice-chair of the board, without prejudice to such person's rights under any employment contract. Otherwise, each chair of the board and vice-chair of the board appointed by the board shall hold office until their successors are appointed, or until their earlier resignation.

**4.18 Chair of Meetings of the Board.** The chair of any meeting of the board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: chair of the board or vice-chair of the board. If no such officer is present, the directors present shall choose one of their number to be chair.

**4.19 Votes To Govern.** At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chair of the meeting shall not be entitled to a second or casting vote.

**4.20 Declaration of Interest.** Directors or officers who are parties to, or who are directors or officers of or have a material interest in any person who is a party to, a material contract or transaction or proposed material contract or transaction with the Corporation shall disclose the nature and extent of their interest at the time and in the manner provided by the Act.

**4.21 Expenses.** Subject to the Shareholder Direction, the directors shall be entitled to be reimbursed only for expenses properly incurred by them in attending to the business of the board or any committee thereof in accordance with the Corporation's policy on expense reimbursements.

## PART V

### COMMITTEES

**5.01 Committee of Board.** The board may appoint one or more committees of the board, however designated, and delegate to any such committee any of the powers of the board except those which, under the Act, a committee of directors has no authority to exercise.

**5.02 Transaction of Business.** The powers of a committee of the board may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside Ontario.

**5.03 Advisory Bodies.** The board may from time to time appoint advisory bodies.

**5.04 Procedure.** Unless otherwise determined by the board, each committee and advisory board shall have power to fix its quorum at not less than half of its members, to elect its chair and to regulate its procedure.

## PART VI

### OFFICERS

**6.01 Appointment.** Subject to the Shareholder Direction, the board may from time to time appoint a president, one or more vice-presidents (to which title may be added words indicating seniority or function), a corporate secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers appointed. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation. One person may hold more than one office.

**6.02 President.** If appointed, the president shall be the chief executive officer and, subject to the authority of the board, shall have general supervision of the business of the Corporation; and they shall have such other powers and duties as the board may specify.

**6.03 Vice-Presidents.** Vice-presidents and executive vice-presidents shall have such powers and duties as the board or the chief executive officer may specify.

**6.04 Corporate Secretary.** The corporate secretary, as and when requested to do so, shall attend and be the corporate secretary of all meetings of the board, shareholders, other than the meetings of the Shareholder, including annual meetings, so long as it is the sole shareholder, and committees of the board and shall enter or cause to be entered in records kept for that purpose minutes of all proceedings thereat; they shall give or cause to be given, as and when instructed, all notices to directors, shareholders, officers, auditors and members of committees of the board; they shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation (if any) and of all books, papers, records, documents and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose; and they shall have such other powers and duties as the board or the chief executive officer may specify.

**6.05 Chief Financial Officer.** The chief financial officer shall keep or cause to be kept proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; they shall render to the board whenever required an account of all their transactions as chief financial officer and of the financial position of the Corporation; and they shall have such other powers and duties as the board or the chief executive officer may specify.

**6.06 Powers and Duties of Other Officers.** The powers and duties of all other officers shall be such as the terms of their engagement call for or as the board or the chief executive officer may specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board or the chief executive officer otherwise directs.

**6.07 Variation of Powers and Duties.** The board may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer.

**6.08 Term of Office.** The board, in its discretion, may remove any officer of the Corporation, without prejudice to such officer's rights under any employment contract. Otherwise officers appointed by the board shall hold office until their successor is appointed, or until their earlier resignation.

**6.09 Terms of Employment and Remuneration.** The terms of employment and the remuneration of an officer appointed by the board shall be settled by it from time to time.

**6.10 Declaration of Interest.** Officers shall disclose their interest in any material contract or proposed material contract with the Corporation in accordance with section 4.20.

**6.11 Agents and Attorneys.** The board shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers of management or otherwise (including the powers to subdelegate), as may be thought fit.



**6.12 Fidelity Bonds.** The board may require such officers, employees and agents of the Corporation as the board deems advisable to furnish bonds for the faithful discharge of their powers and duties, in such form and with such surety as the board may from time to time determine.

## **PART VII**

### **PROTECTION OF DIRECTORS, OFFICERS AND OTHERS**

**7.01 Limitation of Liability.** The directors and officers shall comply with the Standards of Care set out in the Act. No directors or officers 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 other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on their part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of their offices or in relation thereto.

**7.02 Indemnity.** Subject to the limitations contained in the Act, the Corporation shall indemnify a director or officer, a former director or officer, or another individual who acts or acted at the Corporation's request as a director or officer or in a similar capacity of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity, if

- (a) the individual acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at the Corporation's request; and
- (b) if the matter is a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful.

The Corporation shall also indemnify such person in such other circumstances as the Act permits or requires. Nothing in this by-law shall limit the right of any person entitled to indemnity apart from the provisions of this by-law.

**7.03 Insurance.** The Corporation may purchase and maintain insurance for the benefit of any person referred to in section 7.02 against such liabilities and in such amounts as the board may from time to time determine and are permitted by the Act.

## PART VIII

### SHARES

**8.01 Commissions.** The board may from time to time authorize the Corporation to pay a reasonable commission to any persons in consideration of their purchasing or agreeing to purchase shares of the Corporation, whether from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

**8.02 Registration of Transfers.** Subject to the provisions of the Act and the *Securities Transfer Act, 2006*, no transfer of shares shall be registered in a securities register except upon presentation of the certificate representing such shares with an endorsement, which complies with the *Securities Transfer Act, 2006*, made thereon or delivered therewith duly executed by an appropriate person as provided by the *Securities Transfer Act, 2006*, together with such reasonable assurance that the endorsement is genuine and authorized as the board may from time to time prescribe, upon payment of all applicable taxes and any fees prescribed by the board, upon compliance with such restrictions on transfer as are authorized by the articles and upon satisfaction of any lien referred to in section 8.04.

**8.03 Transfer Agents and Registrars.** The board may from time to time appoint one or more agents to maintain, in respect of each class of securities of the Corporation issued by it in registered form, a central securities register and one or more branch securities registers. Such persons may be designated as transfer agents or registrars according to their functions and one person may be designated both registrar and transfer agent. The board may at any time terminate such appointment.

**8.04 Lien for Indebtedness.** If the articles provide that the Corporation shall have a lien on shares registered in the name of a shareholder, or the shareholder's legal representative, indebted to the Corporation, such lien may be enforced, subject to any other provision of the articles and to the Shareholder Direction, by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, the Corporation may refuse to register a transfer of the whole or any part of such shares.

**8.05 Non-recognition of Trusts.** Subject to the provisions of the Act, the Corporation may treat the person in whose name a share is registered in the securities register as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payments in respect of the share and otherwise to exercise all the rights and powers of an owner.

**8.06 Share Certificates.** Holders of one or more shares of the Corporation shall be entitled, at their option, to a share certificate, or to a non-transferable written certificate of acknowledgment of their right to obtain a share certificate, stating the number and class or series of shares held by them as shown on the securities register. Such certificates shall be in such form as the board shall from time to time approve. Any such certificate shall be signed in accordance with section 2.03 and need not be under corporate seal; provided that, unless the board otherwise determines, certificates in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. The signature of one of the signing officers or, in the case of certificates which are not valid unless countersigned by or on behalf of a transfer agent and/or registrar, the signatures of both signing officers, may be printed or mechanically reproduced in facsimile upon certificates and every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A certificate executed as aforesaid shall be valid notwithstanding

that one or both of the officers whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate.

**8.07 Replacement of Share Certificates.** The board or any officer or agent designated by the board may in their discretion direct the issue of a new share certificate or certificate of acknowledgment in lieu of and upon cancellation of a certificate that has been mutilated or in substitution for a certificate claimed to have been lost, destroyed or wrongfully taken on payment of such fee, not exceeding \$3, and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

**8.08 Joint Shareholders.** If two or more persons are registered as joint holders of any share, the Corporation shall not be bound to issue more than one certificate in respect thereof, and delivery of such certificate to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such share.

**8.09 Deceased Shareholders.** In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make payment of any dividends thereon except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

## PART IX

### DIVIDENDS AND RIGHTS

**9.01 Dividends.** Subject to the provisions of the Act and the articles and the Shareholder Direction, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property, or by issuing fully paid shares of the Corporation.

**9.02 Dividend Cheques.** A dividend payable in money shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of registered holders of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holders at their recorded address, unless such holders otherwise direct. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold. Notwithstanding the foregoing, where the City of Toronto is the sole shareholder of the Corporation, a dividend payable in money shall be paid by wire transfer or electronic funds transfer to the account designated in writing by the Shareholder.

**9.03 Non-receipt of Cheques.** In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-

receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

**9.04 Record Date for Dividends and Rights.** The board may fix in advance a date, preceding by not more than 50 days the date for the payment of any dividend or the date for the issue of any warrant or other evidence of the right to subscribe for securities of the Corporation, as a record date for the determination of the persons entitled to receive payment of such dividend or to exercise the right to subscribe for such securities, and notice of any such record date shall be given not less than 7 days before such record date in the manner provided by the Act. If no record date is so fixed, the record date for the determination of the persons entitled to receive payment of any dividend or to exercise the right to subscribe for securities of the Corporation shall be at the close of business on the day on which the resolution relating to such dividend or right to subscribe is passed by the board.

**9.05 Unclaimed Dividends.** Any dividend unclaimed after a period of 6 years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

## PART X

### MEETINGS OF SHAREHOLDERS

**10.01 Council Rules to Govern.** The rules of procedure for meetings of the Shareholder shall be governed by the Procedures By-law. If any conflict shall appear between the by-laws of the Corporation and the Procedures By-law, the provisions of the Procedures By-law shall govern. If any conflict shall appear between the Procedures By-law and the Act as it pertains to the affairs and the governance of the Corporation, the provisions of the Act shall govern.

**10.02 Annual Meetings.** The annual meeting of the Shareholder shall be held at such time in each year as the board may from time to time determine; provided, however, that the meeting shall be held during a regularly scheduled meeting of the Shareholder. The board, chair of the board, the vice-chair of the board and the president shall have the power to call, by issuing a notice of meeting, an annual meeting of shareholders for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing an auditor and transacting such other business as may properly be brought before the meeting, provided that so long as the Shareholder is the sole shareholder of the Corporation, then the Shareholder shall solely have the right to call, by issuing a notice of meeting, an annual meeting of the Shareholder. Subject to compliance with the Act, a resolution in writing dealing with all matters required by the Act to be dealt with at a meeting of shareholders, and signed by all the shareholders or their attorney authorized in writing entitled to vote at the meeting, satisfies all of the requirements of the Act relating to that meeting of shareholders.

**10.03 Special Meetings.** The board, the chair of the board, the vice-chair of the board and the president shall have power to call, by issuing a notice of meeting, a special meeting of the Shareholder at any time.

**10.04 In Camera Meetings.** If any business to be considered at a meeting of the Shareholder is confidential, the notice of meeting shall request that the meeting be held in camera, with reasons explaining the nature of the request.

**10.05 Notice of Meetings.** Notice of the time and place of each meeting of the Shareholder shall be given in the manner provided in section 11.01 not less than 30 nor more than 50 days before the date of the meeting to each director, to the auditor and to the Shareholder. In exceptional circumstances, the Shareholder may, in writing, waive notice of or accept short notice of any meeting. Notice of a meeting of the Shareholder called for any purpose other than consideration of the financial statements and auditor's report, election of directors and reappointment of the incumbent auditor shall state the nature of such business in sufficient detail to permit the Shareholder to form a reasoned judgment thereon and shall state the text of any special resolution or by-law to be submitted to the meeting.

**10.06 Persons Entitled to Attend.** The only persons entitled to attend a meeting of the Shareholder shall be those entitled to attend pursuant to the Procedures By-law, the chair of the board, the vice-chair of the board, the president, the directors and auditor of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to attend the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or with the consent of the meeting.

**10.07 Adjournment.** If a meeting of the Shareholder is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

**10.08 Resolution in Writing.** A resolution in writing signed by or on behalf of the Shareholder is as valid as if it had been passed at a meeting of the Shareholder unless a written statement with respect to the subject matter of the resolution is submitted by a director or auditor in accordance with the Act.

## **PART XI**

### **NOTICES**

**11.01 Method of Giving Notices.** Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served), pursuant to the Act, the regulations thereunder, the articles, the by-laws or otherwise to shareholders, directors, officers, auditors or members of a committee of the board shall be sufficiently given if delivered personally to the persons to whom it is to be given or if delivered to their recorded address or if mailed to them at their recorded address by prepaid ordinary or air mail, or if sent to them at their recorded address by any means of prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been received by the addressee on the fifth day after mailing; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. Notice of a meeting of the board of directors shall also be sufficiently given if delivered via electronic mail (email), including delivery of a notice that an electronic copy of the meeting notice has been uploaded through the Diligent Boardbook system or an equivalent system, to the recorded email address of any director, officer, auditor or member of a committee of the board. A notice so delivered shall be deemed to have been given when the email enters the information processing system that the recipient has designated or uses for the purpose of receiving email and becomes capable of being retrieved and

processed by recipient. The corporate secretary may change or cause to be changed the recorded address and email address of any shareholders, directors, officers, auditors or members of a committee of the board in accordance with any information believed by them to be reliable.

**11.02 Notice to Shareholder.** Notice to the Shareholder shall be given in accordance with the provisions of this by-law in care of the Clerk of the City of Toronto at the recorded address of the Shareholder, which shall initially be City Hall, 100 Queen Street West, 2nd Floor, West Tower, Toronto, Ontario M5H 2N2.

**11.03 Computation of Time.** In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the date of giving the notice and the date of the meeting or other event shall both be excluded.

**11.05 Omissions and Errors.** The accidental omission to give any notice to any director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

**11.06 Persons Entitled by Death or Operation of Law.** Persons who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom they derive their title to such share prior to their name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which they became so entitled) and prior to their furnishing to the Corporation the proof of authority or evidence of their entitlement prescribed by the Act.

**11.07 Waiver of Notice.** Any shareholders, directors, officers, auditors or member of a committee of the board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to them under any provision of the Act, the regulations thereunder, the articles, the by-laws or otherwise and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board or of a committee of the board which may be given in any manner.

## PART XII

### INTERPRETATION

**12.01 Interpretation.** If any conflict shall appear between the by-laws of the Corporation and the provisions of the Shareholder Direction, the provisions of the Shareholder Direction shall govern.

[NEXT PAGE IS THE SIGNATURE PAGE]

PASSED by the board the 24th day of August, 2022.



Chair



President

CONFIRMED by the Shareholder in accordance with the Act the \_\_\_\_\_ day of \_\_\_\_\_, 2022.

City Manager

City Clerk