

Schedule "A"

FERNIE DESTINATION MARKETING ORGANIZATION SOCIETY

BYLAWS

ARTICLE 1 – INTERPRETATION

- 1.1 In these Bylaws, unless the context otherwise requires:
- (a) "DMO" shall mean the Fernie Destination Marketing Organization Society;
 - (b) "business address of the DMO" shall mean the main business office of the DMO;
 - (c) "director" shall mean an individual who is elected or appointed as a director of the DMO in accordance with these Bylaws;
 - (d) "member" shall mean those individuals, partnerships, governmental authorities, corporations or associations whom or which become and remain Active Members or Associate Members in accordance with these Bylaws;
 - (e) "Society Act" shall mean the Society Act, R.S.B.C. 1996, Ch 433 and amendments thereto;
- 1.2 The definitions in the Society Act, as amended from time to time, shall apply to these Bylaws.
- 1.3 Words importing the singular or plural, a person or corporation, or the masculine, feminine or neuter gender shall include the other or others of them respectively as the context requires.

ARTICLE 2 — MEMBERSHIP

- 2.1 The members of the DMO shall be those persons who are the initial members and those persons who subsequently become members in accordance with these Bylaws and, in either case, have not ceased to be members.

Categories of Membership

- 2.2 The categories of membership shall be:
- (a) active members ("Active Members");
 - (b) associate members ("Associate Members")
- 2.3 Active Members shall be those individuals, partnerships or corporations:
- (a) who carry on business in the City of Fernie, or within an area located within 20 kilometers of the offices of The Corporation of the City of Fernie, or who are

governmental authorities or other incorporated entities located within the City of Fernie; and

- (b) who are admitted as Active Members and maintain conditions of membership as prescribed by the Bylaws.

2.4 Associate Members shall be those individuals, partnerships, governmental authorities, corporations or associations:

- (a) who apply for Associate Membership; and
- (b) who are admitted as Associate Members and maintain conditions of membership as prescribed by the Bylaws.

Members with an Industry Classification of Chamber of Commerce may only be Associate Members.

2.5 Active Members shall be voting members and have full rights of membership.

2.6 Associate Members shall not be voting members and shall be entitled to limited privileges only, excluding voting, as shall be prescribed from time to time by the Board.

2.7 At no time may the number of Associate Members be equal to or exceed the number of Active Members.

Application for Active or Associate Membership

2.8 Any individual, partnership, governmental authority, corporation or association who subscribes to the objects of the DMO may apply to become an Active Member or Associate Member and upon:

- (a) acceptance of the application by Board of Directors; and
- (c) classification of the application for new Active Member or new Associate Member to and Industry Classification; and
- (b) payment of applicable Membership Fees for such industry classification

that individual, partnership, governmental authority, corporation or association shall become an Active Member or Associate Member, as the case may be.

Industry Classifications

2.9 The Board, or such committee as may be designated by the Board, shall assign each new Active Member or Associate Member to one (1) of the following industry classifications:

- (a) Accommodation-less than 30 rooms;
- (b) Accommodation-more than 30 rooms with rental management;
- (c) Accommodation-more that 30 rooms solely owned;
- (d) Accommodation at large;
- (e) Retail, Banking, Professional Services, Food & Beverage;
- (f) Resorts of the Canadian Rockies Inc.;
- (g) Real Estate, Development, Construction, Trades;

- (h) Attractions, Activities, Transportation;
- (i) The City of Fernie; and
- (j) Chambers of Commerce

(individually, the "Industry Classification" and collectively, the "Industry Classifications"). The assignment shall be based on the primary business focus of the Active Member or Associate Member.

- 2.10 The Board may, by majority resolution:
 - (a) prescribe criteria to determine the appropriate Industry Classification, and prescribe criteria for sub-classifications within an Industry Classification;
 - (b) recommend to the membership at an Annual General Meeting that an Industry Classification be added; and
 - (c) delete an Industry Classification in the event that no Active Members or Associate Members are assigned to such Industry Classification.
- 2.11 If an Active Member or an Associate Member alters its primary business focus then the Board, or such committee as may be designated by the Board, may re-assign the Active Member or Associate Member to an Industry Classification that the Board or such committee considers to be more appropriate.
- 2.12 If the Board, or such committee as may be designated by the Board, and the Active Member or the Associate Member disagree as to the appropriate Industry Classification assignment, then the decision of the Board, or such committee, shall be final and conclusive.
- 2.13 The fees for membership ("Membership Fees") shall be as follows:
 - (a) Active Members shall, at the time of joining the DMO and annually thereafter, pay such Membership Fees as are prescribed from time to time by the Board. Membership Fees may be different for each Industry Classification, or sub-classification within an Industry Classification.
 - (b) Associate Members shall, at the time of joining the DMO and annually thereafter, pay such Membership Fees as are prescribed from time to time by the Board. Membership Fees may be different for each Industry Classification PROVIDED THAT the Membership Fees for Chambers of Commerce shall be fixed at \$10.00 per annum.
- 2.15 Each Active Member who is not a natural person shall, by notice in writing to the DMO, appoint an owner, partner, director, officer, member or employee, as the case may be, as its representative ("Designated Voting Representative") to act on its behalf in all matters relating to the DMO, except as may otherwise be provided in these Bylaws, excepting Resorts of the Canadian Rockies Inc. which may designate two of such persons as their Designated Voting Representatives.
- 2.16 Each Associate Member who is not a natural person shall, by notice in writing to the DMO, appoint an owner, partner, director, officer, member or employee, as the case may be, as its representative ("Designated Representative") to act on its behalf in all matters relating to the DMO, except as may otherwise be provided in these Bylaws.

Conditions of Membership

- 2.17 All members shall:
- (a) pay Membership Fees when due;
 - (b) pay all other monies due and payable to the DMO when due;
 - (c) comply with these Bylaws; and
 - (d) comply with such code of ethics (“Members’ Code of Ethics”) as is prescribed by the Board from time to time.
- 2.18 A member who fails to comply with the conditions of membership set out in subparagraphs 2.17 (a) or (b) shall be deemed to be not in good standing.
- 2.19 If a member is not in good standing then neither the member or the member’s Designated Voting Representative, as the case may be, shall be entitled to:
- (a) vote at general, Board, committee or subcommittee meetings;
 - (b) participate in programs offered by the DMO;
 - (c) receive notices or other information sent out by the DMO;
 - (d) nominate a candidate for a director position;
 - (e) if an Associate Member, not attend Board Meetings of the DMO.
- 2.20 Membership in the DMO may not be assigned or transferred.
- 2.21 Each member shall promptly notify the DMO in writing of any changes to the member’s address, telephone or facsimile number(s), email and website addresses and, if it is not a natural person, the identity of its Designated Voting Representative.

Termination of Membership

- 2.22 A member of the DMO may resign by delivering to the Board of the DMO a written notice of resignation, such resignation to be effective as of the date of resignation was delivered or the effective date specified in the resignation, whichever is the later.
- 2.23 Membership in the DMO shall terminate automatically if:
- (a) Membership Fees are outstanding for more than thirty (30) days from the effective renewal date; or
 - (b) any other monies owing by the member to the DMO are outstanding for more than sixty (60) days.
- 2.24 Membership in the DMO may be terminated by the Board as follows:

- (a) The Board, on the recommendation of any committee it may designate to deal with membership matters or on its own initiative, may terminate membership in the DMO if the member has acted in a manner which, in the opinion of the Board, is detrimental to or inconsistent with the best interests of the DMO.
 - (b) If the Board is of the opinion that termination is warranted, then the member to be terminated shall be given at least fifteen (15) days notice of the proposed termination. The notice shall state the reasons for termination and shall also state that the member has an opportunity to submit a written statement as to why the termination should not take place, which statement must be received by the DMO no later than five (5) business days prior to the effective date of termination.
 - (c) The Board shall consider the recommendations of any committee it may designate to deal with membership matters and the member's written statement, if any, and may either confirm or set aside the proposed termination as the Board, in its absolute discretion, sees fit.
- 2.25 In the event that a member resigns pursuant to Article 2.22, or membership is terminated pursuant to Article 2.23, then in such an event, a member shall not be entitled to any rebate or refund of any membership fees paid. In the event that the Board terminates membership in the DMO pursuant to Article 2.24, then in such an event, the Board shall refund a prorated portion of the annual membership fees to the date of termination to such member.

ARTICLE 3 — MEETINGS OF THE MEMBERS

- 3.1 The Active Members of the DMO who are in good standing shall be the only members entitled to vote at a general meeting of the DMO.
- 3.2 The annual general meeting of the DMO shall be held once each calendar year and not later than ninety (90) days of the fiscal year end of the DMO at such time and place in British Columbia, in accordance with the Society Act, as the directors may decide.
- 3.3 Every general meeting, other than an annual general meeting, shall be an extraordinary general meeting.
- 3.4 General meetings may be called by the Board or upon the requisition of thirty-three (33%) percent or more of the Active Members in good standing in accordance with the Society Act, provided that if the Active Member is not a natural person then the requisition shall be signed by the Designated Voting Representative thereof.

Notice

- 3.5 Notice of a general meeting, excepting the annual general meeting, shall be given at least fourteen (14) days prior to such meeting, shall specify the place, day and hour of meeting and, in case of special business, the general nature of that business. Notice of the annual general meeting shall be given at least sixty (60) days prior to such meeting.
- 3.6 Notice of a general meeting shall be given to:
 - (a) every Member who is in good standing and shown in the register of members

on the day that the notice is given, and;

(b) the auditors, if any.

and may be given to the facsimile number, postal address or email address on record with the DMO as of the date of the giving of the notice.

3.7 No other person shall be entitled to receive notice of a general meeting.

3.8 The non-receipt of a notice or the accidental omission to give any notice to any member or members shall not invalidate the proceedings at any general meeting.

Voting at General Meetings

3.9 A quorum for the transaction of business at a general meeting shall be twenty (20%) per cent of the Active Members, present in person, or by their Designated Voting Representative, or by proxy.

3.10 Each Active Member who is in good standing as at the date of a general meeting and who is present in person or by proxy at such general meeting shall be entitled to one (1) vote.

3.11 Voting shall be by show of hands.

3.12 Voting by proxy shall be permitted, as follows:

(a) a proxy shall be in writing under the hand of the appointer or the appointer's attorney duly authorized in writing or, if the appointer is not a natural person, either under seal or under the hand of a duly authorized officer or attorney;

(b) a proxy holder shall be an Active Member of the DMO and, if the proxy holder is not a natural person, then the rights under the proxy shall be exercised at any general meeting by the Designated Voting Representative of the proxy holder;

(c) a proxy shall be limited to one which can be held and acted upon by the proxy holder;

(d) the form of proxy shall be as follows:

_____ being an Active Member of the Fernie Destination Marketing Organization (hereinafter the "DMO") hereby appoint _____ as my proxy to vote for me and on my behalf at the meeting of the DMO to be held on the _____ day of _____, (year), and at any adjournment thereof.

Signed this _____ day of _____, (year); _____ and

(e) proxies must be delivered to the DMO at least one (1) business day prior to the general meeting.

3.13 By majority resolution at an Annual General Meeting, an Industry Classification may be added

ARTICLE 4— DIRECTORS

Board of Directors

- 4.1 The DMO shall be governed by a Board of Directors (the “Board”) consisting of eleven (11) individuals elected by the Active Members of their respective Industry Classifications, all as hereinafter provided.
- 4.2 Every director must be an Active Member, or the Designated Voting Representative of an Active Member, who is in good standing
- 4.3
 1. The Active Members constituting the membership of each of the following Industry Classifications shall elect one (1) director, each of whom shall be an Active Member, or the Designated Voting Representative of an Active Member, assigned to that Industry Classification:
 - (a) Accommodation-less than 30 rooms;
 - (b) Accommodation-more than 30 rooms with rental management;
 - (c) Accommodation-more that 30 rooms solely owned;
 - (d) Accommodation at large;
 - (e) Retail, Banking, Professional Services, Food & Beverage;
 - (f) Real Estate, Development, Construction, Trades;
 - (g) Attractions, Activities, Transportation; and
 - (h) The City of Fernie.
 2. Resorts of the Canadian Rockies Inc. shall elect two (2) directors, each of whom shall be a Designated Voting Representative of Resorts of the Canadian Rockies Inc..
 3. The Active Members shall elect one (1) Director at large, without regard to Industry Classification.
- 4.4 The Associate Members constituting the membership in the “Chamber of Commerce” Industry Classification shall be entitled to appoint a Designated Representative who shall be entitled to attend all Board of Director meetings but shall not be entitled to vote at such Board Meetings, but may participate in the event that such person is called upon to do so by the Chairman of such Board of Directors meeting. Such Associate Members shall not be entitled to attend committee meetings of the Board of Directors unless requested by the Chairman of such meeting to attend.
- 4.5 In the event that a particular Industry Classification has no Active Members, or fails to elect a director on behalf of such Industry Classification, then in such an event, the number of the Directors of the DMO shall be reduced accordingly. In the event that the an Industry Classification is added at an Annual General Meeting as provided for in Article 3.13, then in such an event, the Board of Directors shall be increased by the number of such Industry Classifications added at such Annual General Meeting of the DMO. Within thirty (30) days of such Annual General Meeting, the Board of Directors shall establish the fees for such new Industry Classification(s). Within sixty (60) days of such Annual General Meeting, a meeting of the members of such new Industry Classification(s) shall meet, and elect a Director or Directors, as the case may be, who shall thereupon become members of the Board of Directors.
- 4.6 All directors shall act in the best interests of the DMO at all times, and, without limiting the generality of the foregoing, shall act in accordance with the requirements of paragraph 4.43, without regard for any specific Industry Classification, including the Industry Classification to which such director belongs or, if such director is a

Designated Voting Representative, then the Industry Classification to which the Active Member that such director represents, belongs, or the Industry Classification which elected such director.

Voting

- 4.7 Each of the directors elected by Industry Classification shall be a full voting member of the Board.

Term of Office

- 4.8 Every director shall be elected for a two (2) year term. The Chair shall hold office for a one (1) year term.
- 4.9 Retiring directors shall be eligible for re-election, provided that no director, except for the Chair, shall serve as a director for more than eight (8) consecutive years (the 'Maximum Term'). For the purposes of the calculation of the Maximum Term:
- (a) partial terms created as a result of a director filling a casual vacancy in a director position shall not be included; and
 - (b) consecutive terms resulting from a director moving through the succession line set out in paragraphs 5.2, 5.3 or 5.4 shall be included.
- 4.10 A director who has served for the Maximum Term shall be eligible for re-election after a two (2) year period following that director's retirement, provided that a director who has served as the Chair shall be eligible for re-election after a one (1) year period following the later of: (i) the end of such director's Maximum Term; or (ii) such director's retirement from the last office held resulting from such director moving through the succession line set out in paragraphs 5.2, 5.3 or 5.4.

Election of Directors

- 4.11 At least ninety (90) days prior to the annual general meeting, the Board shall appoint an independent electoral officer.
- 4.12 The Nominating Committee shall develop a list of nominees that it recommends for each available Industry Classification and Director-at-Large position and obtain the written consent of each such recommended nominee.
- 4.13 At least thirty (30) days prior to the annual general meeting the Nominating Committee shall provide the Board with its recommendations for nominees, together with the written consents in respect of such recommended nominees and the Board, taking into consideration the recommendations of the Nominating Committee, shall nominate candidates for the available director positions.
- 4.14 At least twenty (20) days prior to the annual general meeting, the Nominating Committee shall cause to be mailed to the address of record of the Active Members in each Industry Classification such excerpts from these Bylaws as may be considered by the Nominating Committee sufficient to acquaint the members with the nominating procedure together with the list of candidates nominated by the Board for the available director positions.
- 4.15 In addition to the nominations made by Board, nominations may be made by any

Active Member of a particular Industry Classification for a director position in that Industry Classification to be filled. If the Active Member making the nomination is not a natural person then the nomination must be signed by the Designated Voting Representative of such nominator. The written consent of the person so nominated and the notice of such nomination shall be delivered to the chair of the Nominating Committee at least thirty (30) days prior to the annual general meeting.

- 4.16 At least twenty (20) days prior to the annual general meeting, the Nominating Committee shall cause to be mailed to each Active Member in good standing as at such date a list of all persons so nominated for any available director position in that member's Industry Classification. For informational purposes, Active Members shall also receive a list of all persons nominated for any available director positions in the other Industry Classifications (except in the case of an election to fill a casual vacancy). Where the number of nominations equals the number of available director positions, the nominees shall be deemed to be elected by acclamation.
- 4.17 Unless the election of a director is by acclamation, the Nominating Committee shall also include with the mailing referred to in paragraph 4.16 a ballot to be completed by each Active Member listing all nominees for any available director position in that member's Industry Classification.
- 4.18 The independent electoral officer shall determine the validity of ballots, whose decision shall be final, and shall then tabulate the ballots for the director positions. In the event of a tie in the election of any director, the tie shall be decided by the toss of a coin between the persons who are tied, such toss to be supervised by the independent electoral officer. The independent electoral officer shall announce the results of the elections of directors at the annual general meeting, at which time the terms of such directors shall commence.

Termination of Directorship

- 4.19 A director may be removed from office by special resolution of the members and another director, subject to the Industry Classification limits set out in paragraph 4.6, may be elected by ordinary resolution of the members to serve during the balance of the term.
- 4.20 A director may resign by delivering to the Chair a written notice of resignation, such resignation to be effective as of the date the resignation was delivered or the effective date specified in the resignation, whichever is later.
- 4.21 Directors shall be required to attend all meetings of the Board, either in person or by teleconference, subject to the teleconference limitation set out in paragraph 4.33. If a director, without reasonable cause, fails to attend two (2) regular Board meetings, such director may be terminated as a director by the remaining members of the Board. The Board in the absence of the director in question, shall determine whether the director's absences were reasonable.
- 4.22 In addition to paragraphs 4.19, 4.20 and 4.21, a director shall cease to be a director:
 - (a) if the director is no longer an Active Member or the Designated Voting Representative of an Active Member;
 - (b) if the Active Member to which the director belonged at the date of being elected is no longer an Active Member; or

- (c) if the Active Member to which the director belonged at the date of being elected is no longer assigned to the same Industry Classification.

Notwithstanding paragraph 4.22(a) or any other provision of these Bylaws, at the option of the Chair, based upon the recommendation of the Nominating Committee, such director may continue to serve as a director:

- (d) for a period terminating on the earlier of: (i) a date not exceeding six (6) months as determined by the Chair; or (ii) the date that the Nominating Committee provides its list of recommended nominees to the Board under paragraph 4.12 pursuant to an election contemplated under paragraph 4.23, which election shall proceed as though a casual vacancy had occurred;
- (e) for the balance of such directors term as though the circumstance described in paragraph 4.22(a) had not occurred, if within such period such director becomes the Designated Voting Representative of an Active Member in the same Industry Classification as the Industry Classification of the Active Member to which such director belonged at the date of being elected.

Vacancies

4.23 Where a director was elected pursuant to paragraph 4.3(1) or 4.3(2), any casual vacancy occurring in such director position resulting from:

- (a) the early retirement or the resignation of such director; or
- (b) such person ceasing to be a director in accordance with paragraph 4.19 to paragraph 4.22,

shall be filled by majority vote of the Active Members of the Industry Classification which originally elected such director, if there are Active Members of such Industry Classification, which election shall be carried out in accordance with the election procedures set out in paragraphs 4.11 through 4.18, with the necessary changes made to the references to the annual general meeting. Any person so elected shall hold office for the remainder of the term of the director whose place that person has been elected to fill. Notwithstanding the foregoing:

- (c) if the casual vacancy occurs more than two (2) months and less than six (6) months prior to the next annual general meeting and the remainder of the term of such director exceeds six (6) months, then such casual vacancy shall be filled by a majority vote of the Active Members of the Industry Classification which originally elected such director in conjunction with the voting otherwise taking place in respect of the next annual general meeting, provided however that such casual vacancy may be temporarily filled by the Board until the election by the Active Members as aforesaid; and
- (d) if the casual vacancy occurs within six (6) months prior to the next annual general meeting and the remainder of the term of such director is six (6) months or less, then such casual vacancy may be filled by the Board from the Industry Classification which originally elected such director but otherwise shall remain unfilled.

- (e) if there are no Active Members of the Industry Classification which originally elected such director, or if no Active Members of such Industry Classification are prepared to stand for election as a director, then in such an event, the number of Directors shall be reduced by such number.
- 4.24 If a person fills a casual vacancy in a director position, the term or part thereof served by such person as a director shall not be included as part of the Maximum Term allowed for such person as a director.
- 4.25 If the position of Chair becomes vacant for any reason then the First Deputy Chair shall become the Chair for the balance of the term.

Powers and Responsibilities of the Board

- 4.26 The Board shall exercise the powers of the DMO except those which by law or these Bylaws are required to be exercised by resolution of the members.
- 4.27 The Board shall be responsible for the stewardship of the DMO and shall adopt a strategic planning process and approve, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities available to and risks affecting the DMO.
- 4.28 The powers of the Board shall include the power and authority to:
- (a) establish committees of the DMO and to appoint or remove members of committees and subcommittees or delegate authority for appointing or removing members of committees and subcommittees; and
 - (b) delegate any, but not all, of the powers of the Board to committees, officers or employees of the DMO as it sees fit.
- 4.29 No resolution passed by the members in a general meeting shall invalidate prior acts of the Board that would have been valid if that resolution had not been passed.
- 4.30 The Board shall hire a salaried executive and operating officer (the "E.O.") who shall deal with all employment issues, including salary, employment reviews and termination, except themselves, taking into consideration the recommendations of any Committee established for such purpose.

Proceedings of the Directors

- 4.31 The Board may meet together for the dispatch of business, adjourn and otherwise regulate its meetings as it sees fit, provided that the Board shall meet not less than four (4) times per calendar year. Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes the Chair of the meeting shall have a second or casting vote. Meetings of the Board held at regular intervals may be held at such place, at such time and upon such notice (if any) as the Board may by resolution from time to time determine, provided that no notice of the meeting following the annual general meeting shall be necessary.
- 4.32 The Chair, the First Deputy Chair, the E.O. or the Secretary on the direction of any two (2) directors may call meetings of the Board.

- 4.33 A director may attend a maximum of four (4) Board meetings between successive annual general meetings by teleconference, and must attend all remaining Board meetings during such period in person.
- 4.34 A quorum for transacting business of the Board shall be 50% of the number of Directors, plus 1.
- 4.35 The Chair shall chair all meetings of the Board but if, at a meeting, the Chair is not present at the time appointed for holding the meeting, the First Deputy Chair shall act as chair failing which the directors present may choose one of their number to chair the meeting.
- 4.36 Proxy or pre-recorded votes shall not be allowed.
- 4.37 Except as may otherwise be determined by the Board, the Executive Officer ("E.O.") shall receive notice of Board meetings, attend and participate in the discussion at Board meetings, but shall not be considered a director including for the purposes of any quorum or vote of the Board.

Remuneration

- 4.38 No director shall be remunerated for being or acting as a director but the director may be reimbursed for all expenses necessarily and reasonably incurred by the director while engaged in the affairs of the DMO as approved in advance by the Board.

Responsibilities of a Director

- 4.39 Every director shall:
- (a) act honestly and in good faith and in the best interests of the DMO, without regard for any specific Industry Classification including the Industry Classification to which such director belongs or, if such director is a Designated Voting Representative then the Industry Classification to which the Active Member that such director represents belongs, or the Industry Classification which elected such director;
 - (b) exercise the care, diligence and skill of a reasonably prudent person;
 - (c) not communicate confidential information to anyone not entitled to receive the same;
 - (d) not use information, confidential or otherwise, that is gained in the execution of his or her office and is not available to the members of the DMO generally, to further or seek to further the director's private pecuniary or other interest;
 - (e) not use the position as director to secure special privileges, favours or exemptions for himself or herself personally or any other person;
 - (f) not be placed in a situation where the director may be under obligation to someone who has business dealings with the DMO and who would benefit from a special consideration or treatment;
 - (g) not use the position as director to influence a decision to be made by another person to further the director's private pecuniary or other interest;

- (h) avoid any situations that could cause any person to believe that the director may have brought bias or partiality to a question before the Board.
- 4.40 No director shall receive preferential treatment by way of priority access to leads, special rates or presence at trade shows or in programs.
- 4.41 For the purposes of these Bylaws, a director shall be considered to be in a conflict of interest with respect to any matter brought before the director, where the director has or appears to have a pecuniary or other interest in a matter which is at variance with the interests of the members of the DMO generally.
- 4.42 For the purposes of these Bylaws, “pecuniary interest” shall mean an interest consisting of money, measure in money or related to money (including a financial gain or an avoidance of financial loss) and shall include the following:
- (a) a “direct pecuniary interest”, which shall be considered to exist where the pecuniary interest is directly under the control of the director;
 - (b) an “indirect pecuniary interest”, which shall be considered to exist where the director:
 - (i) is a shareholder in, or director or senior officer of, a corporation or agency that has a pecuniary interest in the matter;
 - (ii) is a member of a body that has a pecuniary interest in the matter;
 - (iii) is a partner or agent of a person who has a pecuniary interest in the matter; or
 - (iv) is in the employment of a person or body that has a pecuniary interest in the matter;
 - (c) a “deemed pecuniary interest”, which shall be considered to exist where the pecuniary interest of:
 - (i) the director’s close relatives;
 - (ii) other boards on which the director serves;
 - (iii) community organizations in which the director participates; or
 - (iv) the director’s employer;is known to the director
- 4.43 With respect to any motion brought before the Board to recommend or approve the DMO’s participation in a specific contract, transaction or market development program, where any director has a conflict of interest the director shall:
- (a) immediately inform the other Board members that the conflict of interest exists and the nature of the conflict of interest;
 - (b) be absent from the room while the issue is under discussion;

- (c) refrain from voting on that issue; and
 - (d) not attempt in any way, whether before, during or after the meeting, to influence the voting on any question in respect of the matter.
- 4.44 With respect to any general issue brought before the Board for its consideration, other than a motion to recommend or approve the DMO's participation in a specific contract, transaction or market development program as referred to in Bylaw 4.43, where any director has a conflict of interest, the director shall immediately inform the other Board members that the conflict of interest exists and the nature of the conflict of interest. The director need not be absent from the room while the issue is under discussion nor refrain from voting on that issue.

Code of Ethics

- 4.45 The Board shall develop, and each director shall act in accordance with, a code of ethics (the "Directors' Code of Ethics") that promotes:
- (a) honest and ethical conduct;
 - (b) full, fair, accurate, timely and comprehensible disclosure in reports;
 - (c) compliance with applicable government rules and regulations.

ARTICLE 5 — OFFICERS

Officer Positions

- 5.1 Subject to paragraphs 5.2, 5.3 and 5.4, at the first meeting of the Board following each annual general meeting, the Board shall elect from among its members a chair (Chair), a first deputy chair ("Deputy Chair"), a secretary ("Secretary") and a treasurer ("Treasurer"). Each such officer shall serve in the respective position for a one (1) year term.
- 5.2 The Deputy Chair shall automatically become the Chair in the year immediately following the year of serving as First Deputy Chair, and shall continue to be a director while serving as Chair.

Duties of Elected Officers

- 5.3 The Chair shall:
- (a) wherever possible, preside at all general meetings of the DMO and at all meetings of the Board;
 - (b) exercise general supervision and control over directors, committees and subcommittees of the Board;
 - (c) serve as an ex-officio member of all committees and subcommittees in respect of which the Chair is not otherwise stated to be a member under these Bylaws and provided that, when acting as an ex-officio member, the Chair shall not be included in the quorum or have a vote;
 - (d) approve the agenda for all meetings of the Board;
 - (e) be a signing officer of the DMO;

- (f) represent the DMO or delegate others to represent the DMO on appropriate occasions; and
- (g) together with the E.O., be an official spokesperson for the DMO.

5.4 The Deputy Chair shall:

- (a) exercise the powers of the Chair in the Chair's absence;
- (b) be a signing officer of the DMO; and
- (c) perform such other duties as may be assigned from time to time by the Chair or the Board.

5.5 The Secretary shall ensure that:

- (a) correspondence of the DMO is conducted;
- (b) Notices of Meetings of the DMO and the Board are issued;
- (c) minutes of all meetings of the DMO and the Board are kept;
- (d) records and documents of the DMO, save those required to be kept by the Treasurer, are kept in safe custody;
- (e) the Register of Members is maintained;
- (f) all recording requirements of the *Society Act* are complied with.

5.6 The Treasurer shall:

- (a) serve as Chair of the Audit Committee;
- (b) be a signing officer of the DMO; and
- (c) ensure that:
 - i) financial records are kept, including books of account, as are necessary to comply with the *Society Act*,
 - ii) financial statements are provided to the Board and others as required; and
 - iii) a budget is submitted as required by the Board

Executive Officer("E.O.")

5.7 The E.O. shall be the chief executive and operating officer of the DMO and shall:

- (a) oversee all day to day management functions of the DMO;

- (b) manage and direct all activities of the DMO in accordance with policies established by the Board;
- (c) employ and discharge all members of the staff necessary to carry on the work of the DMO;
- (d) fix individual staff compensation within a pre-approved budget;
- (e) define the duties of staff, supervise their performance, and establish their titles;
- (f) delegate those responsibilities of management as shall, at the E.O.'s discretion, be in the best interest of the DMO;
- (g) serve as an ex-officio member of all committees and subcommittees in respect of which the E.O. is not otherwise stated to be a member under these Bylaws and provided that, when acting as an ex-officio member, the E.O. shall not be included in the quorum or have a vote;
- (h) follow the direction of the Board as a whole and report to the Chair;
- (i) assist the Treasurer with preparation of all budgets; and
- (j) perform such other duties as assigned by the Board; and

5.8 The E.O., together with the Chair, shall be an official spokesperson for the DMO.

ARTICLE 6- COMMITTEES

6.1 The Board may, from time to time as it sees fit, establish committees.

6.2 Unless otherwise specified in these Bylaws:

- (a) Standing Committees shall consist of a director or directors, such additional Active Members or Designated Voting Representatives thereof appointed at the discretion of the Board, and such additional persons as may be appointed at the discretion of the Board, provided that a majority of the members of each Standing Committee shall be directors; and
- (b) committees, other than Standing Committees, shall consist of a director or directors, such additional Active Members appointed at the discretion of the Board, and such additional persons as may be appointed at the discretion of the Board, provided that a majority of the members of each such committee shall be Active Members or Designated Voting Representatives thereof.

6.3 The chair of each committee, shall be appointed by the Board from among the members of the committee.

6.4 The Board, in its sole discretion, may remove any person from a committee.

6.5 All committees shall:

- (a) comply with all directions and guidelines that may be given or established by the Board from time to time;
- (b) be advisory in nature; and
- (c) be accountable to the Board and shall report to the Board on the proceedings and recommendations of that committee.

Proceedings of Committees

- 6.6 Except as otherwise specified in these Bylaws, committees may meet at such places and at such times, adjourn and otherwise regulate their meetings and proceedings as they see fit.
- 6.7 If, at any meeting of a committee, the chair is not present at the time appointed for holding the meeting, the members of the committee may choose one of their number to chair the meeting.

Subcommittees

- 6.8 Each committee may, at its own discretion, create and delegate responsibilities to such subcommittees as it sees fit.
- 6.9 Unless otherwise specified in these Bylaws, subcommittees shall consist of a director or directors, such additional Active Members or Designated Voting Representatives thereof appointed at the discretion of the establishing committee or the Board, and such additional persons as may be appointed at the discretion of the establishing committee or the Board, provided that a majority of the members of each such subcommittee shall be Active Members or Designated Voting Representatives thereof.
- 6.10 The chair of each subcommittee may be appointed by the Board or otherwise may be appointed by the establishing committee from among the members of the subcommittee.
- 6.11 The Board or the establishing committee may remove any person from a subcommittee.
- 6.12 All subcommittees shall:
 - (a) comply with all directions and guidelines that may be given or established by the establishing committee and the Board from time to time;
 - (b) be advisory in nature; and
 - (c) be accountable to the establishing committee and the Board and shall report to the establishing committee, and if requested to the Board, on the proceedings and recommendations of that subcommittee.

Proceedings of Subcommittees

- 6.13 Except as otherwise specified in these Bylaws, subcommittees may meet at such places and at such times, adjourn and otherwise regulate their meetings and proceedings as they see fit.

- 6.14 If, at any meeting of a subcommittee, the chair is not present at the time for appointed for holding the meeting, the members of the subcommittee may choose one of their number to chair the meeting.

Standing Committees

- 6.15 The Marketing Committee shall be a Standing Committees, and such other Standing Committees as the Board may establish from time to time by resolutions, and shall be appointed annually by the Board.
- 6.16 A quorum for transaction of business at meetings of a Standing Committee shall be a majority of the members of the committee who are eligible to vote at a committee meeting.
- 6.17 A Standing Committee shall decide questions by a majority of the votes.
- 6.18 A Standing Committee shall report to the Board on the proceedings and recommendations of that committee.

Marketing Committee

- 6.19 The Marketing Committee shall be co-chaired by the Chair and the E.O. and shall consist of the Chair, the E.O., a minimum of one (1) additional director appointed by the Board, and such additional Active Members or Designated Voting Representatives thereof, appointed by the Board, provided that a majority of the members of the Marketing Committee need not be directors.
- 6.20 The Marketing Committee shall:
- (a) identify and recommend to the Board policies on marketing opportunities to be pursued by the DMO to ensure the greatest return on investment for tourism in the City of Fernie and surrounding area; and
 - (b) recommend marketing strategies to further the purposes of the DMO.

ARTICLE 7- FINANCE

Signing Officers

- 7.1 The signing officers for the DMO shall be the Chair, the Deputy Chair, the Treasurer, the E.O. and/or such directors and others as may be authorized by resolution of the Board.
- 7.2 All cheques issued by the DMO require the signatures of two signing officers, one of which is the E.O. or the Treasurer.
- 7.3 The Board shall designate the level of authorization required for budgeted and unbudgeted expenditures.

Borrowing Power

- 7.4 The Board may, with the approval of the voting Active Members, exercise all powers of the DMO to borrow, raise or secure the payment of money, in such manner and form, and in such amounts, and upon such terms as it considers appropriate, provided that no debentures shall be issued without the approval by special resolution at a general meeting of the Active Members.

Audit

- 7.5 The accounts of the DMO shall be audited annually in accordance with the *Society Act* by such persons as are appointed by the members at the annual general meeting.
- 7.6 The external audited statements of the DMO shall be submitted to the annual general meeting.
- 7.7 The fiscal year for all financial accounts of the DMO shall be the first day of April to the last day of March of each year.
- 7.8 The books and accounts of the DMO shall, within a reasonable time after the end of the fiscal year, be examined and reported upon by the Auditor.
- 7.9 Subject to the requirements of the *Society Act*, at the discretion of the Board, all books, accounting records and other documents of the DMO may be made available for inspection by the directors, officers and members of the DMO at such times and places as the Board may determine.

ARTICLE 8 — NOTICE

- 8.1 A notice may be given to a member or director either personally or by mail delivered to the member or director's address, by facsimile or by email as filed with the DMO. Such notice shall be deemed to have been given on the day of personal delivery, facsimile or email or, if sent by mail, on the fifth day following the day of mailing.
- 8.2 In notifying a member or director, the DMO shall be entitled to rely on the most recent information provided by the member or director to the DMO.
- 8.3 A notice may be given to the DMO by delivering it to the business office of the DMO, directed to the attention of the E.O..

ARTICLE 9 — PARLIAMENTARY AUTHORITY

- 9.1 The procedure and order of business at all general, Board and committee meetings shall be governed by Robert's Rules of Order except as otherwise provided by these Bylaws.

ARTICLE 10—SPECIAL RESOLUTION

- 10.1 A special resolution of the members is a resolution passed by a majority of not less

than seventy-five percent (75%) of the Active Members present and voting at a general meeting of which not less than fourteen days (14) notice stating the general nature, the time and the place of the meeting has been given.

ARTICLE 11 - AMENDMENT

11.1 The DMO may amend its constitution and Bylaws by special resolution of the members.

END