

BY-LAW NO. 1

A by-law relating generally to the proceedings of

Greater Toronto Transit Authority

BE IT ENACTED as a by-law of Greater Toronto Transit Authority (the "Authority") as follows:

All previous by-laws of the Authority and any amendments thereto relating to the subject matter of this by-law, including those by-laws and regulations relating to the subject matter hereto deemed by subsection 33(3) of the GO Transit Act (as defined below) to have been passed as a by-law of the Authority, are repealed and the by-laws contained herein shall become the by-laws of the Authority for the subject matter contained herein.

ARTICLE 1 INTERPRETATION

1.1 **Definitions.** In this by-law and in all other by-laws of the Authority, unless the context otherwise specifies or requires:

- (a) "Board" means the board of directors of the Authority;
- (b) "Chair" means the chair of the Board, appointed pursuant to section 6 of the GO Transit Act (as defined below);
- (c) "Committee" means any committee composed of Members and established pursuant to section 5(7) of the GO Transit Act and this by-law;
- (d) "contracts, documents or other instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of real property, real or personal, immovable or movable, powers of attorney, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments and all paper writing;
- (e) "GO Transit Act" means the *GO Transit Act, 2001*, S.O. 2001, c.23, Sched. A, and any regulations thereto, as amended from time to time;
- (f) "Member" means a member of the Board, including the Chair, appointed pursuant to the GO Transit Act;
- (g) "Minister" means the Minister of Transportation or such other member of the Executive Council to whom the administration of the Authority may be assigned under the *Executive Council Act*, R.S.O. 1990, c.E25, as amended from time to time;
- (h) "Non-business Day" means Saturday, Sunday and any other day that is a holiday as defined in the *Interpretation Act*, R.S.O. 1990, c. I-11, as amended from time to time;

- (i) "OBCA" means the *Business Corporations Act*, R.S.O. 1990, c.B16, and any regulations thereto, as amended from time to time;
- (j) "Officer" means an Officer appointed pursuant to Article 4 of this by-law;
- (k) "person" includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in the capacity of trustee, executor, administrator, or other legal representative;
- (l) "PSOA" means the *Public Service of Ontario Act, 2006*, S.O. 2006, c.35, Schedule A, and any regulations thereto, as amended from time to time;
- (m) "Terms of Reference" means the Terms of Reference of the Board, as approved by the Board and in effect from time to time; and
- (n) "Vice-Chair" means one or more vice-chairs of the Board, appointed pursuant to section 6 of the GO Transit Act.

1.2 **Headings.** The headings in this by-law are for convenience only and shall not affect its interpretation.

1.3 **GO Transit Act.** These by-laws are supplementary to the GO Transit Act and are subject to, and shall be interpreted in a manner consistent with the GO Transit Act.

ARTICLE 2 BUSINESS OF THE AUTHORITY

2.1 **Head Office.** The head office of the Authority shall be situated within the regional transit area specified in the GO Transit Act, and at such place therein as the Authority may from time to time determine.

2.2 **Seal.** Until changed by the Board, the corporate seal of the Authority shall be in the form impressed hereon.

2.3 **Execution of Instruments.**

- (a) Contracts, documents and other instruments in writing requiring execution by the Authority shall be signed on behalf of the Authority in accordance with and pursuant to Corporate Signing Authority Policy CA-0403-05, as amended from time to time, and all contracts, documents and other instruments in writing so signed shall be binding upon the Authority without any further authorization or formality. For greater certainty, the corporate seal of the Authority may, but need not be, affixed to such items.
- (b) The Board may from time to time, by resolution, appoint any Officer or Officers or any other person or persons on behalf of the Authority to sign contracts, documents or instruments in writing, generally, or to sign specific contracts, documents or instruments in writing.

- (c) The Secretary, any Officer or any Member may sign certificates and similar instruments on the Authority's behalf with respect to any factual matters relating to the Authority's operations, proceedings and affairs, including certificates verifying copies of the by-laws, resolutions and minutes of meetings of the Board. Such instruments or certificates need not be under corporate seal.

2.4 **By-laws.**

- (a) Every by-law of the Authority:
 - (i) shall be under the corporate seal of the Authority; and
 - (ii) shall be signed by the Secretary and by the Chair (or acting Chair, as applicable).
- (b) If by oversight the corporate seal of the Authority was not affixed to a by-law, it may be affixed at any time afterwards and, when so affixed, the by-law is as valid as if it had been originally sealed.

2.5 **Execution in Counterpart.** Any contract, document or other instrument in writing required or permitted to be executed by more than one person may be executed in several documents or instruments of like form, each of which is executed by one or more of such persons, and such document or instruments, when duly executed by all persons required or permitted, as the case may be, to do so, shall be deemed to constitute one document or instrument.

2.6 **Books and Records.** The Board shall see that all necessary books and records of the Authority required by the by-laws of the Authority or by any applicable statute or law, including without limitation any applicable provisions of the *Corporations Act*, R.S.O. 1990, c.C38, are regularly and properly kept in accordance with the applicable by-law or law. Without limiting the generality of the foregoing, the Authority shall maintain in such books and records the minutes of all proceedings put before the Board. All such minutes shall, once approved, be signed by the Chair (or acting Chair, as applicable) and the Secretary.

2.7 **Amendment of by-laws.** The by-laws of the Authority may be repealed or amended on the approval of the Board, from time to time, pursuant to Article 6 hereof. The repeal or amendment of any by-law does not have any impact on actions taken under the authority of such by-law before such by-law was repealed or amended.

2.8 **Rules and Regulations.** The Board may by resolution prescribe or approve such rules and regulations relating to the management and operation of the Authority as it deems expedient, provided that such rules and regulations are in compliance with the GO Transit Act and the by-laws of the Authority.

2.9 **Validity of Acts.** The acts of a Member or Officer are valid despite any defect that may afterwards be discovered in his or her appointment or qualification.

ARTICLE 3 FINANCIAL MATTERS

- 3.1 **Fiscal Year.** The fiscal year of the Authority shall end on the 31st day of March in each year.
- 3.2 **Auditor.** The Board shall annually appoint an auditor licensed under the *Public Accounting Act, 2004*, S.O. 2004, c.8, to audit the accounts and transactions of the Authority's previous fiscal year. The auditor so appointed shall hold office until the next annual meeting or until a successor is appointed. The remuneration of the auditors shall be fixed by the Board.
- 3.3 **Banking Arrangements.** The banking business of the Authority, or any part thereof, shall be transacted with such bank, trust company or other firm or body corporate and under such agreement, instruction and delegations of powers as the Board may from time to time designate, appoint or authorize. All such banking business, or any part thereof, shall be transacted on the Authority's behalf by one or more Officers or by such other persons as the Board may designate, direct or authorize from time to time and to the extent thereby provided.

ARTICLE 4 OFFICERS

- 4.1 **Appointment of Officers.** The Officers shall consist of the Chair, the Vice-Chair, a Managing Director, a Secretary, a Treasurer and such other Officers as the Authority may appoint from time to time. None of the Officers other than the Chair and the Vice-Chair need be Members. Pursuant to Section 6(1) of the GO Transit Act, the Members so designated by the Minister shall be the Chair and Vice-Chair, respectively. All other Officers shall be appointed by resolution of the Board at the first meeting of the Board following the annual meeting or otherwise as required to fill any vacancy.
- 4.2 **Term of Office.** The Chair and the Vice-Chair shall hold office pursuant to Section 6(1) of the GO Transit Act. All other Officers of the Authority shall hold office at the pleasure of the Board and are subject to removal from office by the Board at any time, with or without cause. The Board may at any time fill any vacancy resulting from the removal of any Officer or from any other cause.
- 4.3 **Duties of Officers – General.** In addition to those specific duties set out in this by-law, the Officers shall perform such duties as may be specified from time to time by, or pursuant to a delegation of authority from, the Board. In the absence or inability or refusal to act of any Officer, or for any reason that the Members may deem sufficient, the Board may delegate all or any of the powers of such Officer to any other Officer or to any Member for the time being.
- 4.4 **Duties of Secretary.** A Secretary shall be appointed by the Authority and shall be an employee of the Authority. The Secretary shall give or cause to be given notice of all meetings of the Board, shall attend all meetings of the Board, shall

act as clerk thereof, and shall record all votes and minutes of all proceedings in such books to be kept for that purpose. The Secretary shall have custody of the Authority's corporate seal, shall be responsible to the Authority, and shall perform such duties as may be determined from time to time by the Authority.

- 4.5 **Duties of Treasurer.** A Treasurer shall be appointed by the Authority and shall be an employee of the Authority. The Treasurer shall be responsible for the corporate funds of the Authority, shall keep full and accurate accounts of receipts and disbursements in books belonging to the Authority, and shall deposit all monies in the name of and to the credit of the Authority and in such depositories as may be designated by the Authority from time to time. The Treasurer shall disburse the funds of the Authority, in accordance with the GO Transit Act, the by-laws of the Authority, the memorandum of understanding with the Minister, and the policies set by the Authority from time to time, taking proper vouchers for each of such disbursements.

ARTICLE 5 MEMBERS

- 5.1 **Constitution of the Board.** The constitution of the Board, including the number of Members, their qualifications, their appointment and term of appointment shall be pursuant to the GO Transit Act, with reference to the Terms of Reference.
- 5.2 **Powers of Members.** Subject to the GO Transit Act and the by-laws of the Authority, the Members shall manage or supervise the management of the business and affairs of the Authority as more specifically set out in the Terms of Reference, and may exercise all such powers and do all such acts and things as may be exercised or done by the Authority.
- 5.3 **Vacancies.** Notwithstanding any vacancy among the Members, the remaining Members may exercise all the powers of the Members so long as a quorum of the minimum number of Members prescribed by the GO Transit Act remains in office.
- 5.4 **Remuneration and Expenses.**
- (a) Members shall be remunerated in accordance with the GO Transit Act.
 - (b) Fair and reasonable expenses necessarily incurred by Members in the discharge of their duties will be reimbursed by the Authority.

ARTICLE 6 MEETINGS

- 6.1 **Place of Meetings.** Meetings of the Board or any Committee may be held at the Head Office of the Authority or at any other place within the regional transit area of the Authority.

- 6.2 **Regular Meetings.** The Board shall meet no fewer than four (4) times in each fiscal year at such time and place fixed by resolution of the Board. A copy of any resolution of the Board contemplated in this section 6.2 shall be sent to each Member forthwith after being passed, and no other notice shall be required for any such regular meeting.
- 6.3 **Special Meetings.** The Chair may (and shall, upon written request signed by two Members) summon a special meeting of the Board by complying with the notice requirements of this by-law.
- 6.4 **Annual Meeting.** The Board shall meet at least once annually, and in any event no more than fifteen (15) months after the holding of the preceding meeting held under this section, for the purposes of (a) approving the annual financial statements of the Authority; and (b) appointing auditors in accordance with the GO Transit Act and this by-law. Notice of any meeting held pursuant to this section shall be given to Members at least ten (10) days before such meeting.
- 6.5 **Notice.** Unless otherwise provided in this by-law, notice of the time and place of every meeting of the Members shall be given to each Member not less than forty-eight (48) hours before the time when the meeting is to be held. Unless otherwise expressly provided in this by-law, the notice need not be in writing. Notwithstanding the foregoing, meetings of the Members may be held at any time without formal notice if all the Members are present or if all the absent Members have waived notice thereof.
- 6.6 **Waiver of Notice.** Notice of any meetings of the Board or any Committee or any irregularity in any meeting or in notice thereof may be waived in any manner by any Member, and such waiver may be validly given either before or after the meeting to which such waiver relates. Attendance of a Member at a meeting of the Board or any Committee is a waiver of notice of that meeting, except where the Member attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.
- 6.7 **Electronic Participation.** A Member may participate in a meeting of the Board or any Committee by means of telephonic, electronic, or other communication facility that permits all participants to communicate with each other simultaneously and instantaneously and a Member participating in a meeting by such means shall be deemed for the purposes of the by-law to be present at that meeting, provided that all Members present at or participating in the meeting consent or have consented thereto.
- 6.8 **Quorum.** A majority of members constitutes a quorum. A majority of Members means a majority of the total number of Members appointed at the time of the meeting in question.
- 6.9 **Voting.** Except as otherwise provided in this by-law, each Member shall have the right to vote on matters that come before the Board. Each Member has one vote. No Member may vote by proxy. At all meetings of the Board at which a quorum is present, any question shall be decided by a majority of the votes cast

by Members present at the meeting. Any question at a meeting of Members shall be decided by a show of hands, unless any Member requests a ballot.

- 6.10 **Adjourned Meeting.** Any meeting of the Board or any Committee may be adjourned at any time and from time to time. Such business may be transacted at an adjourned meeting as may be announced at the original meeting or indicated in a subsequent notice of the adjourned meeting. Notice of an adjourned meeting of the Board or any Committee is not required, if the time and place of the adjourned meeting is announced at the original meeting.
- 6.11 **Action in Writing.** A resolution in writing, signed by all Members entitled to vote on that resolution at a meeting of the Board, is as valid as if it had been passed at a meeting of the Board. A copy of every resolution passed by the Board pursuant to this section 6.11 shall be kept with the minutes of the meetings of the Board maintained and kept with the books and records of the Authority. A question put to the Board by electronic mail and approved by all Members by electronic mail or other recordable format such shall have the same effect as a resolution in writing.

ARTICLE 7 PUBLIC ACCESS TO MEETINGS

- 7.1 **Open Board Meetings.** Subject to the provisions of this by-law, all meetings of the Board shall be open to the public. Subject to the process set out in By-law No. 5 [Public Delegations at Meetings], the public are observers at open meetings of the Board and do not have participation status.
- 7.2 **Closed Meetings Matters.**
- (a) Notwithstanding Section 7.1, a meeting or part of a meeting of the Board may be closed to the public where necessary to advance the business of the Authority or protect the interests of the Authority, including, without limitation, where the subject matter being addressed involves:
- (i) the security of the property of the Authority;
 - (ii) personal matters about any identifiable individual, including any Authority employee;
 - (iii) a proposed or pending acquisition of land for Authority purposes;
 - (iv) labour relations or employee negotiations;
 - (v) litigation or potential litigation, including matters before administrative tribunals, affecting the Authority;
 - (vi) the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose;

- (vii) a matter in respect of which the Members have authorized a meeting to be closed;
 - (viii) a request under the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, F.31; or
 - (ix) confidential information of or about a third party.
- (b) In addition to the exceptions set out in section 7.2(a), a meeting of the Members may be closed to the public if the meeting is held for the purpose of:
- (i) educating or training the Members; or
 - (ii) conveying to the Members information with respect to the Authority's strategy, business or financial planning.
- 7.3 **Disruptive Behaviour.** Notwithstanding Section 7.1, the Chair reserves the right to require any member of the Public to leave any open meeting of the Board for improper conduct or if they attempt to participate in any part of an open meeting without the invitation of the Chair.
- 7.4 **Committee Meetings.** Meetings of all Committees shall be closed to the public.

ARTICLE 8 COMMITTEES

- 8.1 **Right to Establish Committees.** The Board may by resolution establish such Committees as the Board considers appropriate. The Board shall determine the composition and function of the any Committee so established and shall approve terms of reference with respect thereto.
- 8.2 **Committee Powers.** The Board may delegate to a Committee or to any Member any of the powers of the Board, provided that no Committee or Members shall have the authority to make decisions which bind the Authority except to the extent that such authority has been specifically delegated to such Committee or Member by the Board in that Committee's terms of reference or by resolution, as applicable. In addition, no such Committee or Member shall have the authority to:
- (a) approve any financial statements of the Authority; or
 - (b) adopt, amend or repeal by-laws of the Authority.
- 8.3 **Committee Membership.** Committee members shall hold their offices at the pleasure of the Board.
- 8.4 **Procedure.** Each Committee shall exercise its powers and regulate its procedures pursuant to terms of reference approved by the Board. This by-law shall apply to the acts of any Committee, or member thereof, to the extent

expressly indicated herein and not provided otherwise in the Committee's terms of reference.

ARTICLE 9 PROTECTION OF DIRECTORS AND OFFICERS

9.1 Indemnification of Members and Officers.

- (a) In accordance with and subject to the GO Transit Act, section 136 of the OBCA and section 9.1(b) of this by-law, the Authority shall indemnify, out of the operating funds of the Authority, a Member, former Member, Officer or former Officer against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the Member, former Member, Officer or former Officer in respect of any civil, criminal, administrative, investigative or other proceeding in which the Member, former Member, Officer or former Officer is involved because of his or her association with the Authority or as a result of the execution of the duties of his or her office.
- (b) The Authority shall not indemnify a Member, former Member, Officer or former Officer pursuant to section 9.1(a) unless the individual seeking indemnity:
 - (i) acted honestly and in good faith with a view to the best interests of the Authority; and
 - (ii) in the case of a criminal or administrative action or proceeding that is enforced by monetary penalty, the individual had reasonable grounds for believing that his or her conduct was lawful.

9.2 Contractual Indemnification. The Authority shall enter into a contract with each Member and Officer whereby the Authority agrees to indemnify the Member or Officer in the circumstances and according to the terms of the contract, subject in all cases to Section 136 of the OBCA.

9.3 Insurance. The Authority may purchase and maintain insurance against any liability incurred by an individual in that individual's capacity as a Member or Officer.

ARTICLE 10 CONFLICT OF INTEREST

10.1 Conflict of Interest. A "conflict of interest" means a conflict of interest pursuant to section 132 of the OBCA or the relevant provisions of the PSOA, and includes circumstances where a Member or any Officer:

- (a) is a party to a material contract or transaction or proposed material contract or transaction with the Authority; or

- (b) is a director or Officer of , an elected official representing, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Authority, or
- (c) could benefit from a decision to be made by the Authority or put before the Board and has the ability to influence the decision-making.

10.2 **Disclosure by Member.** A Member or Officer shall disclose any conflicts of interest in writing to the Authority or request to have same entered in the minutes of the relevant meeting of the Board, which disclosure shall describe the nature and extent of his or her interest.

- (a) The disclosure required by this section shall be made, in the case of a Member:
 - (i) at the meeting at which a proposed contract or transaction is first considered;
 - (ii) if the Member was not then interested in a proposed contract or transaction, at the first meeting after he or she becomes so interested;
 - (iii) if the Member becomes interested after a contract is made or a transaction is entered into, at the first meeting after he or she becomes so interested; or
 - (iv) if a person who is interested in a contract or transaction later becomes a Member, at the first meeting after he or she becomes a Member.
- (b) The disclosure required by this section shall be made, in the case of an Officer who is not a Member:
 - (i) forthwith after the Officer becomes aware that the contract or transaction or proposed contract or transaction is to be considered or has been considered at a meeting of the Board;
 - (ii) if the Officer becomes interested after a contract is made or a transaction is entered into, forthwith after he or she becomes so interested; or
 - (iii) if a person who is interested in a contract or transaction later becomes an Officer, forthwith after he or she becomes an Officer.

10.3 **Additional Requirement.** Notwithstanding section 10.2, where a Member or Officer has a conflict of interest in respect of a material contract or transaction or proposed material contract or transaction that, in the ordinary course of the Authority's business, would not require approval by the Members, the Member or Officer shall disclose in writing to the Authority or request to have entered in the

minutes of the next meeting of the Board the nature and extent of his or her interest forthwith after the Member or Officer becomes aware of the contract or transaction or proposed contract or transaction.

- 10.4 **Member Not to Vote.** A Member having a conflict of interest with respect to a particular matter shall not attend any part of a meeting of the Board during which the contract or transaction is discussed and shall not vote on any resolution to approve the contract or transaction unless otherwise prescribed by law.
- 10.5 **Quorum.** If no quorum exists for the purpose of voting on a resolution to approve a contract or transaction only because a Member is not permitted to be present at the meeting by reason of section 10.4, the remaining Members shall be deemed to constitute a quorum for the purposes of voting on the resolution.
- 10.6 **Continuing Disclosure.** For the purposes of this Article 10, a general notice to the Board by a Member or Officer disclosing that he or she is a director, officer or elected representative of or has a material interest in a person, or that there has been a material change in the Member's or Officer's interest in the person, and is to be regarded as interested in any contract made or any transaction entered into with that person, is sufficient disclosure of interest in relation to any such contract or transaction.
- 10.7 **Effect of Disclosure.** Where a material contract is made or a material transaction is entered into between the Authority and a Member or Officer, or between the Authority and another person of which a Member or Officer is a director or officer or in which he or she has a material interest:
- (a) the Member or Officer is not accountable to the Authority for any profit or gain realized from the contract or transaction; and
 - (b) the contract or transaction is neither void nor voidable,

by reason only of that relationship or by reason only that the Member is present at or is counted to determine the presence of a quorum at the meeting of the Board that authorized the contract or transaction, if the Member or Officer disclosed his or her interest in accordance with sections 10.2, 10.3, or 10.6, as the case may be, and the contract or transaction was reasonable and fair to the Authority at the time it was so approved.

ARTICLE 11 NOTICE

- 11.1 **Method of Giving Notice.** Any written, transmitted or recorded notice, communication or document ("Notice") to be given or sent to or on a Member, Officer or auditor of the Authority, pursuant to the GO Transit Act, the by-laws of the Authority or otherwise, shall be sufficiently given or sent if given or sent by prepaid mail, prepaid transmitted or recorded communication (including electronic mail), or delivered personally to such person's latest address as shown on the records of the Authority. A notice shall be deemed to have been received

on the date when it is delivered personally, or on the fifth (5th) day after mailing, or on the date of dispatch of a transmitted or recorded communication. The Secretary may change or cause to be changed the recorded address of any Member, Officer or auditor in accordance with any information believed by the Secretary to be reliable.

- 11.2 **Computation of Time.** In computing the date when Notice must be sent under any provision requiring a specified period of days' notice of any meeting or other event, the period of days shall commence on the day following the sending of such notice and shall terminate on the day preceding the date of the meeting or other event provided that the last day of the period shall not be a Non-business Day.
- 11.3 **Omissions and Errors.** The accidental omission to give or send any notice to any Member, Officer or auditor of the Authority 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 based thereon.
- 11.4 **Waiver of Notice.** Any Member, Officer or auditor of the Authority may at any time waive the giving or sending of any notice, or waive or abridge the time for any notice, required to be given to that person under any provision of the GO Transit Act, the by-law of the Authority, or otherwise and such waiver or abridgement shall cure any default in the giving or sending or in the time of such notice, as the case may be. Any such waiver or abridgment shall be in writing. Attendance of a Member at a meeting of the Members or any other person entitled to attend a meeting is a waiver of notice of the meeting except where such Member or other person, as the case may be, attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

ARTICLE 12 GENERAL

- 12.1 **Validity.** The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.
- 12.2 **Effective Date.** This by-law shall become effective immediately upon its enactment by the Board.

ENACTED the 13th day of March, 2009, pursuant to sections 5, 6 and 7 of the *GO Transit Act, 2001*.