

Schedule "A"
**ARTICLES OF ASSOCIATION
OF
END OF THE RAINBOW FOUNDATION
(the "Company")**

GENERAL

1. In these Articles, unless the context otherwise requires or these Articles specifically provide a definition, expressions defined in the Companies Act, R.S.A. 2000 c. C-21 (the *Companies Act*) or any statutory modification thereof in force at the date at which these Articles become binding on the Company, shall have the meanings so defined:
 - a. "Board of Directors" means that group of individuals (called "directors") responsible for the management of the Company.
 - b. "End of the Rainbow Foundation" means the non-profit organization operated by the Company.
 - c. "Employees" means those individuals retained by the End of the Rainbow Foundation as permanent workers, who are remunerated on a salary or wage basis. It does not include those individuals who receive a honorarium for their services to the Company.
 - d. A "General Meeting" is a Meeting of the Shareholders of the Company.
 - e. "Associate Member" means those persons elected to be Associate Members of the Company by a majority of Board or Company Members at a duly called Meeting.
 - i. The title "Associate Member" does not carry voting privileges.
 - ii. The "Associate Membership Term" shall be a twelve (12) month period between January 1 and December 31 of the same year.
 - f. "Shareholder" means any person who has been issued a share of the Company.
 - g. "Special Resolution" refers to any resolution that satisfies all of the following requirements:
 - i. The resolution is presented at a General Meeting of the Company, called in accordance with these Articles;
 - ii. The intention or purpose of the said resolution is stated in the notice of the General Meeting of the Company; and
 - iii. The resolution is passed by a majority of no less than three-fourths (3/4) of the Company Shareholders that are present in person or by proxy at the Meeting called in accordance with Section (i) and (ii) of this clause.
2. In these Articles, unless the context otherwise requires, words importing the singular shall

include the plural and vice versa, and words imputing the masculine gender shall include the feminine gender and vice versa, and words importing persons shall include corporations.

3. The Company is constituted as a not for profit company and shall be operated exclusively for not for profit purposes. No part of the income of the Company shall be payable to, or otherwise be available for, the personal benefits of any proprietor, member or shareholder thereof.
4. The Articles are made subject to the provisions of the *Companies Act* as they apply to companies with objects other than the acquisition of gain. Any Article inconsistent with any of these statutory provisions is void *ad initio*.
5. The Articles of Association contained in Table “A” in the first schedule of the *Companies Act* shall not apply to the Company.

ASSOCIATE MEMBERS

6.
 - a. Voting rights in the company shall be exclusively available to shareholders and Associate Members will not have voting rights unless he or she is also a shareholder.
 - b. Associate Membership in the Company shall be open to all individuals or corporate entities or societies who are interested in the welfare of gay, lesbian, bisexual, and transgendered individuals;
 - c. An individual is deemed to be an Associate Member upon completing an application, payment of a membership fee and approval by the Board. Each Associate Member shall have his or her name entered in the Register of Members. Membership is subject to the following conditions:
 - i. The Board reserves the right to reject any Membership applicant at any time if that individual, corporate entity or society is deemed to endanger the interest or reputation of the Company; and
 - ii. If such rejection occurs within 45 days of the date of application, there shall be a refund of fees paid.

The decision of the Board of Directors in these matters is final.

- d. The following rules apply regarding expulsion of an Associate Member from the Company:
 - i. The Board of Directors shall have the power, by a vote of two-thirds (2/3)

- of the Directors at a duly constituted meeting, to expel or suspend any Associate Member whose conduct has been determined by the Directors to be improper, unbecoming or likely to endanger the interest or reputation of the Company or who commits a breach of the Articles or Rules of the Company;
- ii. No Associate Member shall be expelled or suspended without being notified of the reason, and shall first be given an opportunity to be heard by the Board of Directors at a Meeting called for that purpose.
- e. Any Associate Member wishing to cancel his or her membership may do so at any time upon notice in writing to the Board of Directors through its Secretary.
 - f. Associate Membership in the Company shall cease if not renewed by October 31 of the Membership Term or upon failure to pay any indebtedness due to the Company. A former associate member whose membership has been terminated due to indebtedness to the Company may be readmitted by the Board at its discretion.
 - g. Associate Membership fees shall be determined from time to time by the Board of Directors.

ISSUE OF SHARES

- 7. The issue of shares shall be in accordance with such of the provisions of the *Companies Act* as may be applicable thereto.
- 8. The shares of the Company shall not be issued and shall not be transferable except with the approval of the Board of Directors. In no event shall a share be transferred where the purchase price to be paid for such share exceeds the amount for which it was originally issued by the Company.
- 9. All share certificates issued by the Company representing shares in the capital of the Company shall be endorsed in blank for transfer and shall be held by the Chairperson of the Board of Directors or his or her designee.
- 10. Any share repurchased by the Company pursuant to the terms hereof shall be cancelled and shall thereafter form part of the Company's authorized but unissued share capital.
- 11. No dividends shall at any time be declared on any existing class of shares in the capital of the Company or on any class of shares in the capital of the Company as may hereafter be authorized and issued.
- 12. The Company may by special resolution alter the conditions of its Memorandum so as to alter its authorized share capital in any manner contemplated under the *Companies Act*,

including the creation of any number of new shares with or without nominal or par value, the cancellation of any issued or unissued shares, the consolidation or subdivision of shares or otherwise.

MEETINGS OF THE COMPANY

13. The first Annual General Meeting shall be held within 16 months from the date on which the Company is entitled to commence business, and thereafter an Annual General Meeting shall be held once in every calendar year at such time, not being more than 16 months after the holding of the last preceding Annual General Meeting, and at such place as the directors shall appoint.
14. Shareholders of the Company shall be given at least 21 days written notice of any Shareholders' Meeting, whether general or special of the Company.
15. The Chairperson for Meetings of the Company shall be the President of the Board of Directors.
16. A quorum for the transaction of any business at any Meeting of the Shareholders of the Company shall consist of no less than fifty-one (51%) percent of the total Company Shareholders present in person or by proxy.
17. A General Meeting may be called by a petition of no fewer than thirty (30%) percent of Company Shareholders to the Chairperson of the Board.
18. At a General Meeting each shareholder shall be entitled to one vote, to be given in person or by proxy.
19. A Shareholder or any number of them may participate in a meeting of the Company by way of telephone or other communication facilities that permit all persons participating in the meeting to hear each other and when this occurs, that person will be counted as present in person for the purpose of calculating quorum.
20. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Shareholders, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Shareholders present in person or by proxy shall be a quorum.
21. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is, before or on the declaration of the result of the show of hands, demanded by at least one Shareholder entitled to vote, and unless a poll is so demanded, a declaration by the Chairperson that a resolution has, on a show of hands been

carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive proof of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

22. A poll demanded on the election of a Chairperson, or on question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time and in such manner as the Chairperson of the meeting directs. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
23. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairperson of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.
24. A resolution in writing signed by all the Shareholders entitled to vote on that resolution at a meeting of Shareholders is valid as if passed at a meeting of Shareholders. Signatures received by fax, email, or other electronic device will be as valid as originally signed signature documents. A copy of every such resolution shall be kept in the Minute Book of the Company.

BOARD OF DIRECTORS

25. The business of the Company as set out in the Objects of the Company, shall be managed by a Board of Directors, who may exercise all such powers and do all such acts as may be exercised or done by the Company and are not by the Articles of the Company or by law, expressly directed or required to be done by the Company at a meeting of the Shareholders or otherwise, subject always to the provisions of the *Companies Act* of the Province of Alberta.
26. The Board of Directors shall consist of not less than 3 voting members. Quorum for any Board Meeting shall be a majority of board members, unless otherwise specified. Quorum for any Board Meeting may be achieved via telephone conferencing or speaker phone.
27. Directors must be Shareholders of the Company.
28. Directors shall be elected at the Annual General Meeting of the Company and shall serve until the next Annual General Meeting. A retiring Director shall be eligible for re-election.
29. Interim appointments to fill vacancies on the Board of Directors may be made by resolution of the Board. The term of such appointments shall expire at the next *Annual General Meeting* and shall be subject to ratification at the next Company meeting.
30. Members of the Board shall receive no wages or honoraria for their Board duties.

31. A director or officer who is party to, or who is a director or officer of or has a material interest in any person who is a party to a material contract or proposed material contract with the Company, shall disclose the nature and extent of his or her interest at the time and in the manner provided by the *Companies Act*. Any such contract or proposed contract shall be referred to the Board of Directors for approval even if such contract is one that in the ordinary course of the Company's business would not require the approval by the Board of Directors, and the director interested in a contract so referred to the Board shall not vote on any resolution to approve the same except as provided by the *Companies Act*.
32. Unless otherwise determined by a General Meeting of Shareholders, the number of Directors shall not be less than 3 or more than 10.
33. The Shareholders may by special resolution remove any director before the expiration of his or her period of office and may by ordinary resolution appoint another person in his or her stead.

OFFICERS OF THE BOARD

34. The Officers of the Board shall be appointed from the Board of Directors at the first regular Meeting of the Board after the Annual General Meeting, which officer's term of office will continue until the first Meeting of the newly-elected Board the next year.
35. The Officers of the Board shall be as follows:
 - a. President - The President shall preside as chair at all meetings of the Board and any meeting of the Shareholders of the Company and shall have full voting privileges. The President may delegate responsibilities to the Vice President to preside over meetings in his or her absence.
 - b. Vice President - The Vice President shall preside at all meetings of the Board and any meeting of the Shareholders of the Company where the President is absent, and shall have full voting privileges. He or she will preside over meetings at the request of the President or when the President is absent.
 - c. Treasurer - The Treasurer shall be charged with receiving all monies paid to the Company and shall be responsible for the deposit of same in whatever financial institution the Board may order. He or she shall properly account for the funds of the Company and keep such books as may be directed by the auditor. He or she shall present a detailed account of the financial standing of the Company to the Board according to generally accepted accounting principles, within a reasonable amount of time whenever requested, and shall prepare for submission to the Annual General Meeting a duly audited financial statement of the Company's financial position. The Treasurer shall collect and receive the annual dues or assessments levied by the Company; and

- d. Secretary - The Secretary, shall attend all Meetings of the Company and Board and shall keep accurate minutes of same. The Secretary shall keep lists of current Shareholders and Members for Company records and have charge of all correspondence of the Company under the direction of the President and the Board.
 - e. The offices of Secretary and Treasurer may be filled by the same person who shall be referred to as Secretary/Treasurer.
36. The minutes of all Company and Board Meetings shall be filed in the Company's Offices no later than five (5) working days after such Meeting and copies shall be available upon request from the business office.
37. There shall be an Executive Committee of the Company which shall consist of the officers of the Company. This committee shall have the power to act between meetings of the Board subject to limitations to be determined by the Board from time to time.
38. Every Director of the Company shall be deemed to have assumed office on the express understanding, agreement and condition that every director of the Company shall from time to time and at all times be indemnified and saved harmless out of the funds of the Company from and against all costs, charges and expenses whatsoever which such Director sustains or incurs as a result of any action, suit or proceedings which are brought, commenced or prosecuted against him or her for or in respect of any act, deed, matter or things whatsoever made, done, or permitted him or her as Director, or any other Director in the course of carrying out the duties of his or her office except as are occasioned by his or her own wilful neglect or default.

LIMITATION OF LIABILITY

39. Every Director and Officer of the Company in exercising his or her powers and discharging his or her duties shall act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no Director, or Officer 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 of conformity, or for any loss, damage or expense happening to the Company through the insufficiency or deficiency or defect in title to any property acquired for or on behalf of the Company, or for insufficiency or deficiency of any security in or upon which any of the monies of the Company 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 monies, securities or effects of the Company shall be deposited, or for any loss occasioned by an error of judgment or oversight on his or her part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his or her office or in relation thereto; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act

and the regulations thereunder or from liability for any breach thereof.

INDEMNITY

40. Subject to the limitations contained in the Act, the Company shall indemnify a Director, Officer, a former Director or Officer and his or her heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal or administrative action or proceeding to which he or she is made a party by reason of being or having been a Director or Officer of the Company if:
- a. He or she acted honestly and in good faith with a view to the best interest of the Company; and
 - b. In the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful.

The Company shall also indemnify such person in such other circumstances as the Act permits or requires.

INSURANCE

41. The Company may purchase insurance and maintain insurance for the benefit or any person referred to in Clause 40 against such liabilities and in such amounts as the Board of Directors may from time to time determine and are permitted by the Act.

PROCEEDINGS OF DIRECTORS

42. The Directors shall meet at least once each calendar quarter. In addition to each quarterly meeting, the Directors shall meet at any time when a meeting is summoned by the Chairperson of the Board. A Director or any number of them may participate in a meeting or directors or a meeting of a committee of Directors by way of telephone or other communication facilities that permit all persons participating in the meeting to hear each other.
43. Questions arising at any meetings of the Directors shall be decided by a majority of votes. In case of an equality of votes the Chairperson shall have a second or casting vote.
44. If at a meeting the President and Vice President are not present within 5 minutes after the time appointed for holding it, the Directors present may choose one of their number to be chairperson of the meeting.
45. All acts done by any meeting of the Directors or a committee of Directors, or by any person

acting as a Director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

46. A resolution in writing passed by all the Directors, or by all the members of a committee of Directors, entitled to vote thereon, as evidenced by his or her signature endorsed thereon, is as valid as if passed at a meeting of directors or a committee thereof as the case may be. For the purposes of obtaining a valid signature, a copy of a signature attached to the resolution document and obtained by photocopy, fax, email, or other electronic means shall be as valid as an original signature. A copy of every such resolution shall be kept in the Minute Book of the Company.

GRIEVANCES

47. All grievances on any matter concerning the operations of the Company shall be submitted to the Board of Directors.

AUDITING, RECORDS AND SEAL

48. The books, accounts and records of the Company shall be audited at least once each year by a finance and audit committee or a duly qualified accountant designated by the board. A complete and proper statement of the standing of the books for the previous year shall be submitted by the Treasurer at the Annual General Meeting. The fiscal year end of the Company in each year shall be set by the Board of Directors.
49. The records, minutes and seal of the Company shall be in the custody of the Secretary, who shall file the minutes in the Company Offices no later than fourteen (14) working days after the meeting to which they pertain and copies shall be available upon request from the business officer, and who shall seal every document requiring the use of the seal approved by the Board.
50. The books and records of the Company may be inspected by any Shareholder of the Company at the Annual General Meeting or at any time upon giving reasonable notice and arranging a time satisfactory with the officer or officers having charge of same. Each member of the Board shall at all times have access to such books and records.

NOTICE

51. A notice may be given by the Company to any shareholder, member, director, or officer personally or by delivery of same or by sending same by post or sending same by fax, email, or other similar form of communication to him or her at his or her registered address, or, if he or she has no registered address in Alberta, to the address, if any, within Alberta supplied by him or her to the Company for the giving of notice to him or her. Any notice shall, if delivered, be deemed to have been received on the business day next following the

day it is sent by fax, email or other electronic means, and if mailed, be deemed to have been given and received on the fifth day following the day on which it was mailed.

PRIVATE COMPANY

52. The number of shareholders of the Company shall be limited to fifty (50) (exclusive of persons who are in the employ of the Company and persons who have been formerly in the employ of the Company), provided that there were two (2) or more persons hold one or more share in the Company jointly, they shall, for the purpose of this Article, be treated as a singular shareholder. Any invitation to the public to subscribe for the securities of the Company is prohibited.

BORROWING POWERS

53. For the purpose of carrying out its objects, the Company may borrow or raise money or grant security in such a manner as it sees fit, and in particular by the issue of debentures, but this power shall be exercised only under the authority of the Company and in no case shall debentures be issued without the sanction of a Special Resolution of the Company.

DISSOLUTION OF THE COMPANY

54. The Shareholders may apply to have the Company dissolved pursuant to the provisions of the *Companies Act* if such a motion is passed at a General Meeting, provided the General Meeting is advertised no less than three (3) months in advance of the Meeting.
55. Upon dissolution or winding-up, funds or assets remaining after paying of all debts shall be distributed to eligible donees described in subsection 188 (1.3) of the Income Tax Act (Canada). Under no circumstances will funds or assets remaining after paying of all debts be distributed to Shareholders or Associate Members.