

F O L K M U S I C O N T A R I O
BY-LAWS
Amended, 2018

Relating to the conduct of the affairs of
Folk Music Ontario / Musique folk de l'Ontario

Whereas the Corporation was incorporated by Letters Patent issued by the Lieutenant Governor of Ontario on the sixteenth day of November 1987, for the following objects:

- A. To act for the benefit of Ontario festivals with creative and performing arts components that originate from folk cultures and traditions;
- B. To facilitate the exchange of artistic and technical resources;
- C. To act as a support system for the exchange of ideas, information, education, and expertise between folk festivals;
- D. To assist Member organizations in communicating with government agencies, corporations, and other relevant bodies;

and whereas the Corporation applied for and was granted the authority by Supplementary Letters Patent on March 26, 2013 to change its name to "Folk Music Ontario / Musique folk de l'Ontario", and its objects to the following:

- A. "To support the growth and development of folk music in Ontario by supporting the growth and development of presenters and performers;"
- B. "To act for the benefit of Ontario presenters and performers engaged in creative and performing arts that originate from folk cultures and traditions;"
- C. "To facilitate and support the exchange of ideas, information, education, resources and expertise among the Ontario folk community;"
- D. "To assist members of the Ontario folk community in communicating with government agencies, corporations, and other relevant bodies."

BE IT ENACTED as a by-law of

Folk Music Ontario / Musique folk de l'Ontario (FMO) as follows:

1.00.00 **INTERPRETATION**

1.01.00 In the by-law and all other by-laws and resolutions of FMO unless context otherwise requires:

- 1.01.01 The singular includes the plural;
- 1.01.02 The masculine gender includes the feminine;
- 1.01.03 **“Board”** means the Board of Directors pursuant to 4.00.00;
- 1.01.04 **“Corporations Act”** means the Corporations Act, R.S.O. 1980, Chapter 89, and any statute amending or enacted in substitution therefore, from time to time;
- 1.01.05 **“Documents”** includes deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, bonds, debentures or other securities and all other paper writings;
- 1.01.06 **“Executive Officers”** means the persons who hold offices enumerated in Section 5.01.00.
- 1.02.00 All terms defined in the Corporations Act have the same meanings in this by-law and all other by-laws and resolutions of FMO.
- 2.00.00 **HEAD OFFICE**
- 2.01.00 The head office of FMO shall be in the province of Ontario, and at such a place therein as the Board may from time to time determine.
- 3.00.00 **SEAL**
- 3.01.00 The seal which is impressed hereon shall be the corporate seal of FMO.
- 4.00.00 **BOARD**
- 4.01.00 **Board.** The affairs of FMO shall be managed by a Board composed of thirteen (13) directors.
- 4.02.00 **Qualifications.** Each Director shall:
- 4.02.01 be an Individual Member of FMO throughout his term;
- 4.02.02 be at least eighteen (18) years of age; and
- 4.02.03 not be an undischarged bankrupt nor a mentally incompetent person.

4.03.00 **Removal of Directors.**

4.03.01 **Removal By Directors:** Upon the minimum of fifteen (15) days' notice, the Board may remove a Director from office by resolution passed at a meeting of the Board; provided, however, a notice shall be delivered to the subject Director stating the date of the meeting, the intention to remove the Director, stating the reasons and informing the Director. The Director shall have the opportunity to be heard prior to any decision. The Board may appoint any person to hold office until the next Annual General Meeting. The vacancy created by removal may be filled at the same meeting.

4.03.02 If a Director fails to attend three (3) consecutive meetings of the Board, without reasonable justification, such Director may be removed by an ordinary resolution of the Board. A person who removed as a Director in consequence of attendance, is ineligible for reappointment.

4.03.03 **Removal By Members:** Upon the minimum of fifteen (15) days' notice, the Members may remove a Director from office by resolution passed at a meeting of the Members; provided however, a notice shall be delivered to the subject Director stating the date of the meeting, the intention to remove the Director, the reasons and informing the Director. The Director shall have the opportunity to be heard prior to any decision. The Members may elect any person to hold office until the end of the term of departing Director. The vacancy created by such removal may be filled at the same meeting.

4.03.04 A Director ceases to hold office upon death; upon removal from office by the Board or the Members; upon ceasing to be qualified for election as a Director; or upon receipt by the Corporation of a written resignation or, if a time is specified in such resignation, at the time specified, whichever is later.

4.04.00 **Filling Vacancies**

4.04.01 In the event a Director resigns, or is removed from office prior to the completion of his/her term of office, then the Board of Directors may appoint a replacement Director who meets the qualifications specified in By-law 4.02.

4.04.02 The replacement Director may hold office for a term not greater than the unexpired term of the predecessor; or alternatively, the replacement Director may hold office until the next ensuing Annual Meeting of Folk Music Ontario.

4.04.03 Where circumstances dictate, the Board may by an 'ordinary resolution' of the Board fix or determine the length of term of the replacement Director not greater than the three (3) year terms in its absolute discretion.

4.05.00 **Quorum.** A quorum for the transaction of business at meetings of the Board shall be the nearest whole number that is no less than fifty (50) per

cent of the number of Members of the Board, either present or otherwise participating as permitted in Section 4.06.00.

4.06.00 **Meetings.** Meetings of the Board and of the Executive Committee may be held at any place within or outside Ontario or by telephone, electronic or other communications facilities, as determined by the Board or by the Executive Committee and indicated in the notice calling the meeting, if all directors present or participating consent and if the facilities permit all persons participating to communicate with each other simultaneously and instantaneously.

Meetings of the Board may be called by the President, Vice-President or the Secretary or any three (3) Directors. It is expected that the Board will hold four meetings between Annual General Meetings. It is expected that the Executive Committee will meet an additional four (4) times between Annual General Meetings.

4.07.00 **Voting.** Questions arising at any meeting shall be decided by a majority vote, unless provided for elsewhere in this by-law. In the case of an equality of votes, the Chair, in addition to his original vote, has a second or casting vote. At all meetings of the Board, every question shall be decided by a show of hands or by vocal declaration or other means approved by the Chair, unless a poll on the question is required by the Chair. A declaration by the Chair that a resolution has been carried and an entry to that effect in the minutes is conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the resolution.

4.08.00 **Remuneration of Directors.** The Directors of FMO shall serve without remuneration.

4.09.00 **Indemnities to Directors.** Every Director and Officer of FMO and his heirs, executors and administrators, and estate and effects, respectively, shall from time to time and at all times be indemnified and saved harmless, out of the funds of FMO, from and against,

4.09.01 all costs, charges and expenses whatsoever which the Director or other Officer sustains or incurs in or about any action, suit or proceeding which is brought, commenced or prosecuted against him in respect of any act, deed, matter or thing whatsoever made, done or permitted by him in or about the execution of his office; and

4.09.02 all other costs, charges and expenses which he sustains or incurs in or about or in relation to the affairs thereof, except the costs, charges or expenses occasioned by his own willful neglect.

- 4.10.00 **Protection of Directors and Officers.** No Directors or Officers of FMO shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or employee or for the joining in any receipt or act for conformity or for any loss, damage or property acquired by FMO through the insufficiency or deficiency of title to any property acquired by FMO for or on behalf of FMO or for the insufficiency of any security in or upon which any of the money of or belonging to FMO shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, firm or corporation with whom or which any moneys, securities or effects shall be lodged or deposited or for any other loss, damage or misfortune whatever may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his own wrongful and willful neglect or default.
- 4.11.00 **Responsibility for Acts.** The Directors for the time being of FMO shall not be under any duty or responsibility in respect of any contract, act or transgression whether or not made, done or entered into in the name or on behalf of FMO except such as shall have been submitted to and authorized or approved by the Board.
- 4.12.00 **Other persons.** Such others as the Board may from time to time by resolution determine, shall be entitled, in the same manner and to the same extent as a Director, to notice of, and personally or by his delegate to attend and to speak at, meetings of the Board, but shall not be entitled to vote thereat. Individual and Honourary Members may attend, and Festival and Organizational Members may send delegates to and speak at, meetings of the Board, but shall not be entitled to vote thereat.
- 5.00.00 **OFFICERS**
- 5.01.00 **Executive Officers.** There shall be a President, Vice-President, Secretary, and Treasurer elected by the Board. One person may hold more than one office, except the office of President. Preferably, though not necessarily, the Executive Committee shall be composed of the Executive Officers.
- 5.02.00 **President.** The President shall, when present, preside at all meetings of the Board, the Executive Committee and Members. The President shall supervise the affairs and operations of FMO, sign all documents requiring his signature and have the other powers and duties from time to time prescribed by the Board or incident to his office.
- 5.03.00 **Vice-President.** During the absence or inability to act of the President, his duties and powers may be exercised by the Vice-President. If the Vice-President exercises any of those duties or powers, the absence or inability to act of the President shall be presumed with reference thereto. The Vice-President shall also perform the other duties from time to time prescribed by

the Board or Executive Committee or incident to his office.

- 5.04.00 **Secretary.** The Secretary shall be clerk of the Board and Executive Committee and shall attend all meetings of the Board and of the Executive Committee to record all facts and minutes of those proceedings in the books kept for that purpose. He shall give all notices required to be given to Members and to Directors. He shall be the custodian of the corporate seal of FMO and of all the books, papers, records, correspondence and documents belonging to FMO and shall perform the other duties from time to time prescribed by the Board or Executive Committee or incident to his office.
- 5.05.00 **Treasurer.** The Treasurer shall keep full and accurate accounts of all receipts and disbursements of FMO in proper books of account and shall deposit all moneys or other valuable effects in the name and to the credit of FMO in the bank or banks from time to time designated by the Board or Executive Committee. He shall disburse the funds of FMO under the direction of the Board or Executive Committee, taking proper vouchers therefore and shall render to the Board or Executive Committee, whenever required of him, an account of all of his transactions as Treasurer and of the financial position of FMO. He shall co-operate with the accountants of FMO during any audit of the accounts of FMO and perform the other duties from time to time prescribed by the Board or Executive Committee or incident to his office.
- 5.06.00 **Past President.** The immediate Past President shall remain as an *ex-officio* Member of the Executive Committee without vote, during a term to be prescribed by the Board or Executive Committee.
- 5.07.00 **Other Officers.** The Board may appoint other Officers, including without limitation, Honourary Officers, and agents (and with such titles as the Board may prescribe from time to time) as it considers necessary and all Officers shall have the authority and perform the duties from time to time prescribed by the Board. The Board may also remove at its pleasure any such Officer or agent of FMO. The duties of all other Officers of FMO appointed by the Board or Executive Committee shall be such as the terms of their engagement call for or the Board or Executive Committee prescribes.
- 6.00.00 **CONSTITUTION OF THE BOARD**
- 6.10.00 **Term of Office.** Subject to the provisions of the Corporations Act, Directors shall hold office until the third annual general meeting after their election.
- 6.11.00 **Election of the Board.** The election of new Directors, including presentation and profile of the nominees and a ballot-box vote and/or electronic

submission, shall be held at the annual meeting, in accordance with Section 8.11.02. In such case where advance voting is implemented by written or electronic ballot, in conjunction with or instead of ballot-box voting, the ballots must be returned by mail or by electronic means no less than 5 days before the start of the annual meeting, and with acceptance of proxy votes as described in Section 8.15.00.

6.12.00 **Rotation of Directors:** Directors shall retire in rotation with overlapping terms, such that, as nearly as possible, one –third of the Directors shall have their terms expire and one-third shall be elected in any given year. However, notwithstanding By-laws 6.10.00, 4.04.02 and 4.04.03, where circumstances dictate, the Board may by an ‘ordinary resolution’ of the Board, extend the term of any Director by no more than one year in its absolute discretion to correct deviation from this pattern of rotation.

6.13.00 Nothing in these By-laws derogates a Director’s right to stand for election for successive terms.

7.00.00 **EXECUTIVE COMMITTEE**

7.01.00 **Constitution.** The Board, whenever it consists of more than six (6) Directors, may from time to time elect an Executive Committee consisting of such individuals, not less than three (3), as the Board may by resolution determine. Preferably, though not necessarily, the Executive Committee shall be composed of the Executive Officers. Each Member of the Executive Committee shall serve at the pleasure of the Board. The Board may fill vacancies in the Executive Committee by election. If and whenever a vacancy shall exist in the Executive Committee, the remaining Members may exercise all its powers so long as a quorum remains in office.

7.02.00 **Powers.** During the intervals between the meetings of the Board, the Executive Committee shall possess and may exercise (subject to any regulations which the Board may from time to time impose) all the powers of the Board in the management and direction of the affairs and business of FMO in such manner as the Executive Committee shall deem best for the interest of FMO in all cases in which specific directions shall not have been given by the Board.

7.03.00 **Procedures.** Subject to sections 7.04.00, 7.05.00 and 7.06.00 and to any regulations imposed from time to time by the Board, the Executive Committee shall have the power to fix its quorum at not less than a majority of its Members and may fix its own rules of procedure from time to time. The Executive Committee shall keep minutes of its meetings in which shall be recorded all actions taken by it, and at least a summary thereof shall be submitted to the Board at least annually.

7.04.00 **Quorum.** No business may be transacted by the Executive Committee

except at a meeting of its Members at which a quorum of the Executive Committee is present or otherwise participates as permitted in section 7.05.00.

7.05.00 **Meetings.** Meetings of the Executive Committee may be held at the head office of FMO or at any other place within or outside the Province of Ontario by telephone, electronic or other communications facilities, as determined by the Board or by the Executive Committee and indicated in the notice calling the meeting, if all directors present or participating consent and if the facilities permit all persons participating to communicate with each other simultaneously and instantaneously.

7.06.00 **Other Directors' Participation.** Each Director shall be entitled to speak but not to vote at any meeting of the Executive Committee; however, no Director who has not been elected to the Executive Committee shall be entitled to notice of any meeting of the Executive Committee, nor shall he be included for the purpose of calculating a quorum.

8.00.00 **MEMBERSHIP**

8.01.00 Membership in FMO shall consist of such persons as are admitted as Members by the Board.

8.02.00 **Classes.** There shall be four (4) classes of Membership in FMO.

8.02.01 **Festival Members:** Not-for-profit festivals in Ontario whose primary focus is on creative and performing arts components that originate from folk cultures and traditions ("Festival Members");

8.02.02 **Organizational Members:** Organizations in Ontario presently active, directly and substantially, in the fields of folk music, dance and the related performing arts and who support the goals and activities of FMO, but do not qualify for Membership as Festival Members ("Organizational Members");

8.02.03 **Individual Members:** Individuals who support the goals and activities of FMO ("Individual Members");

8.02.04 **Honourary Members:** From time to time, the Board may admit for life or lesser term without payment of any fee or assessment as an Honourary Member a person who, in the opinion of the Board, has made an outstanding contribution to the development of FMO ("Honourary Members").

8.03.00 **Voting.** Festival Members shall be entitled to fifteen (15) votes. Organizational Members shall be entitled to three (3) votes. Individual

Members shall be entitled to one (1) vote. Festival Members, Organizational Members and Individual Members are herein sometimes collectively referred to as "Voting Members". Honourary Members shall be entitled to attend all meetings of Members, but shall not be entitled to vote thereat.

- 8.04.00 **Applications.** Applications for each class of Membership shall be made in writing to FMO in such form as may, from time to time, be established by the Board of Directors. The Board of Directors shall be entitled to require a Member to submit an application for Membership no more often than annually. The Board of Directors shall admit all qualifying applications as Members and be charged with the review of the eligibility of a Member from time to time.
- 8.05.00 **Transfer of Membership.** Except for the transfer of Membership from one class to another as otherwise provided in the by-laws of FMO, if at all, a Membership in FMO is not transferable.
- 8.06.00 **Revocation of Membership.** Any Member may be expelled from FMO for cause by a two-thirds (2/3) vote taken by ballot of the Members present and eligible to vote at an annual or other general meeting of Members.
- 8.07.00 **Termination of a Membership.** A Membership in FMO automatically terminates upon the happening of at least one of the following events:
- 8.07.01 If the Member becomes bankrupt or ceases to carry on business;
- 8.07.02 If a Member, in writing, resigns as a Member of FMO;
- 8.07.03 If the person dies;
- 8.07.04 If a Member is expelled from FMO pursuant to section 8.06.00 or
- 8.07.05 If an assessment under the authority of section 8.08.00 remains unpaid for more than sixty (60) days after notice of assessment has been given to the Member.
- 8.08.00 **Membership Dues.** Membership dues, assessments and similar obligations ("assessments") may only be levied if authorized by three-quarters (3/4) of the Members of the Board.
- 8.09.00 **Notice.** Notice of an assessment shall be given to each Member as it is determined.
- 8.10.00 **Liability of Members.** Members shall not, as such, be held answerable or responsible for any act, default, obligation or liability of FMO or for any engagement, claim, payment, loss, injury, transaction, matter or thing

relating to or connected with FMO.

- 8.11.00 **Annual Meeting.** The Annual Meeting of the Members shall be held each year within Ontario, at a time, place and date determined by the Board, for the purpose of:
- 8.11.01 Hearing and receiving the reports and statements required by the Corporations Act to be read at and laid before FMO at an Annual Meeting;
- 8.11.02 Electing such Directors as are to be elected at such annual meeting;
- 8.11.03 Appointing the accountant and fixing or authorizing the Board to fix his remuneration; and
- 8.11.04 The transaction of any other business properly brought before the Meeting.
- 8.12.00 **General Meeting.** The Board may from time to time call a general meeting of Members for the transaction of any business, the general nature of which is specified in the notice calling the meeting. A general meeting of Members may also be called by the Members as provided in the Corporations Act.
- 8.13.00 **Notice of Meeting.** Notice of the time, place and date of meetings of Members, other communications facilities to be used if applicable, and the general nature of the business to be transacted shall be given at least ten (10) days before the date of the meeting to each member (and in the case of an annual meeting to the accountants of FMO) by prepaid mail or electronic means to the last address of the addressee shown on FMO's record.
- 8.14.00 **Quorum.** No business shall be transacted at any meeting unless there are 25 voting Members present in person, or participating by telephone, electronic or other communications facilities, as determined by the Board and indicated in the notice calling the meeting, if the facilities permit all persons participating to communicate with each other simultaneously and instantaneously, or represented by proxy. The proxy shall be an instrument executed by the Member in a form approved by the Board. Further, there must be a minimum of one (1) member present or participating as above from each membership class as defined in sections 8.02.01, 8.02.02 and 8.02.03. Mailed ballots or electronic voting on questions to be put before a meeting shall not be included for the purpose of calculating a quorum.
- 8.15.00 **Voting by Members.** Unless otherwise required by the provisions of the Corporations Act or the by-laws of FMO, all questions proposed for consideration at a meeting of Members shall be determined by a majority of the votes cast by Members entitled to vote. In the case of an equality of

votes, the Chair presiding at the meeting has a second or casting vote. Voting Members may be represented at a meeting of Members by proxy. The proxy shall be an instrument in writing executed by the Member in a form approved by the Board.

- 8.16.00 **Means of Voting.** Every question put to Members shall be decided by a show of hands, vocal declaration, written ballot or electronic voting, or a combination of these means as determined by the Board, unless otherwise required by a by-law of FMO or unless a poll is required by the Chair or requested by any Member entitled to vote. Every Member entitled to vote shall have one vote, valued as assigned in Section 8.03.00 and its subsections.

Whenever voting by mailed ballot or electronic voting is conducted, at least fourteen calendar days before the deadline for completion of voting, the motion to be voted on, and either a ballot or instructions for voting electronically, accompanied by appropriate relevant texts, such as background information, a brief summary of arguments pro and con, and a deadline for the return of the ballots or for electronic voting shall be sent to each Member either through the mail or electronically. Ballots with accompanying texts may also be delivered in person and collected through a ballot box at the annual Conference. Written ballots and electronic voting must utilize a secure system, which verifies each voter's identity. When voting is conducted through a combination of means, the person(s) designated to oversee the election shall ensure that each Member employs only one means of voting.

Results of all voting by mailed ballots or electronic votes between physical meetings shall be recorded in the minutes of the next meeting.

Whenever a vote has been taken upon a question, unless a poll is requested, a declaration by the Chair that a resolution has been carried or lost by a particular majority and an entry to that effect in the minutes of FMO is conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the motion.

- 8.17.00 **Chair.** In the absence of the President and the Vice-President, the Members entitled to vote present at any meeting of Members shall choose another Director as Chair.

- 8.18.00 **Polls.** If at any meeting a poll is requested on the election of a Chair or on the question of adjournment, it must be taken forthwith without adjournment. If a poll is requested on any other question, it shall be taken in the manner and either at once or later at the meeting or after adjournment as the Chair directs. The result of a poll, together with the tally of any written ballots and electronic voting, shall be deemed to be the resolution of the question for which the poll was requested. A request for a poll may be

withdrawn at any time prior to the taking of the poll.

8.19.00 **Adjournment.** Any meeting of Members may be adjourned to any time and from time to time, and any business may be transacted at any adjourned meeting that might have been transacted at the original meeting from which the adjournment took place. No notice is required of any adjourned meeting.

9.00.00 **COMMITTEES**

9.01.00 **Nominating Committee.** The Board of Directors shall, each year, appoint a Nominating Committee for the purposes of recommending a slate of Directors to be elected in accordance with the procedures set out in Section 6.11.00.

9.02.00 **Ad Hoc Committee.** There may be such Ad Hoc Committees and for such purposes as the Board or Executive Committee may determine from time to time by resolution. The existence of each such Ad Hoc Committee shall be terminated automatically upon:

9.02.01 The delivery of its report;

9.02.02 The completion of its assigned task;

9.02.03 A resolution to that effect of the Board or Executive Committee by which it was constituted; whichever first occurs.

9.03.00 Except as otherwise provided by by-law of FMO, all committees other than the Executive Committee are subject to the following:

9.03.01 The Chair and Committee Members shall be appointed by the Executive Committee or by the Board;

9.03.02 The Committee shall meet at least annually, and more frequently at the will of its Chair or as required by its terms of reference, and as requested by the Executive Committee;

9.03.03 The Committee shall be responsible to, and report after each meeting to, the senior body by which it was appointed;

9.03.04 The Committee may establish its own rules of procedure and may appoint subcommittees.

10.00.00 **EXECUTION OF DOCUMENTS**

10.01.00 **Cheques, Drafts, Notes, Etc.** All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be

signed by the Officer or Officers or person or persons and in the manner from time to time prescribed by the Board.

10.02.00 **Execution of Documents.** Documents requiring execution by FMO may be signed by the President or the Vice-President and the Secretary or the Treasurer or any two (2) Executive Committee Members, and all documents so signed are binding upon FMO without any further authorization or formality. The corporate seal of FMO shall, when required, be affixed to documents executed in accordance with the foregoing.

10.03.00 **Books and Records.** The Board shall see that all necessary books and records of FMO required by the by-laws of FMO or by any applicable statute are regularly and properly kept.

11.00.00 **BANKING ARRANGEMENTS**

11.01.00 The Board shall designate, by resolution, the Officers and other persons authorized to transact the banking business of FMO, or any part thereof, with the bank, trust company, or other corporation carrying on a banking business that the Board has designated as FMO's banker, to have the authority set out in the resolution, including, unless otherwise restricted, the power to:

11.01.01 Operate FMO's accounts with the banker;

11.01.02 Make, sign, draw, accept, endorse, negotiate, lodge, deposit, or transfer any of the cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money;

11.01.03 Issue receipts for and orders relating to any property of FMO;

11.01.04 Execute any agreements relating to any banking business and defining the rights and powers of the parties thereto; and

11.01.05 Authorize any Officer of the banker to do any act or thing on FMO's behalf to facilitate the banking business.

11.02.00 **Deposit of Securities.** The securities of FMO shall be deposited for safe keeping with one or more bankers, trust companies or other financial institutions to be selected by the Board. Any and all securities so deposited may be withdrawn, from time to time, only upon the written order of FMO signed by such Officer or Officers, agent or agents of FMO, and in the manner, as shall from time to time be determined by resolution of the Board and such authority may be general or confined to specific instances. The institutions which may be so selected as custodians of FMO's securities shall

be fully protected in acting in accordance with the directions of the Board and shall in no event be liable for the due application of the securities so withdrawn from deposit or the proceeds thereof.

12.00.00 **BORROWING BY FMO**

12.01.00 Provided that, except where FMO borrows on the security of its real or personal property, its borrowing power shall be limited to borrowing money for current operating expenses and subject to the limitation set out in the by-laws or in the Letters Patent of FMO, the Board may:

12.01.01 Borrow money on the credit of FMO;

12.01.02 Issue, sell or pledge securities of FMO; or

12.01.03 Charge, mortgage, hypothecate or pledge all or any of the real or personal property of FMO, including book debts, rights, powers, franchises and undertakings, to secure any securities or any money borrowed, or other debt, or any other obligation or liability of FMO.

12.02.00 From time to time the Board may authorize any Director, Officer or employee of FMO or any other person to make arrangements with reference to the money so borrowed or to be borrowed and as to the terms and conditions of the loan thereof, and as to the security to be given therefore, with power to vary or modify such arrangements, term and conditions and to give such additional security as the Board may authorize, and generally to manage, transact and settle the borrowing of money by FMO.

13.00.00 **FINANCIAL YEAR**

13.01.00 The Financial year of FMO shall terminate on the 31st day of March in each year or on such other date as the Board may from time to time by resolution determine.

14.00.00 **NOTICE**

14.01.00 **Computation of Time.** In computing the date when notice must be given under any provision of the by-laws requiring a specified number of days of any meeting or other event, the date of giving the notice is, unless otherwise provided, included.

14.02.00 **Omissions and Errors.** The accidental omission to give notice of any meeting of the Board or Members or the non-receipt of any notice by any Director or Member or by the accountant of FMO or any error in any notice not affecting its substance does not invalidate any resolution passed or any proceedings taken at the meeting. Any Director, Member or the accountant of

FMO may at any time waive notice of any meeting and may ratify and approve any or all proceedings taken thereat.

15.00.00 **BY-LAWS AND AMENDMENTS, ETC.**

15.01.00 **Enactment.** By-laws of FMO may be enacted, repealed, amended, altered added to or re-enacted in the manner contemplated in, and subject to the provisions of, the Corporations Act.

16.00.00 **EFFECTIVE DATE**

16.01.00 This by-law shall come into force without further formality upon its enactment.