

**April 11, 2018**

**BY-LAW NUMBER 1**

**A BY-LAW RELATING GENERALLY  
TO THE TRANSACTION OF THE  
BUSINESS AND AFFAIRS OF  
ALBERTA BEVERAGE CONTAINER RECYCLING CORPORATION**

**ARTICLE 1  
DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In the By-laws, unless the context otherwise requires:

- 1.1.1 "Act" means the *Business Corporations Act* (Alberta), as amended, and all regulations under the Act in force from time to time;
- 1.1.2 "appoint" includes elect and vice versa;
- 1.1.3 "Articles" includes the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement, articles of dissolution and articles of revival of the Corporation, and any amendment to any of them;
- 1.1.4 "Board" means the board of directors of the Corporation;
- 1.1.5 "By-laws" means this by-law and all other by-laws of the Corporation from time to time in force;
- 1.1.6 "Corporation" means Alberta Beverage Container Recycling Corporation;
- 1.1.7 "Director" means an individual who is duly elected or appointed as a director of the Corporation;
- 1.1.8 "Indemnified Party" has the meaning set out in section 5.2 for purposes of that section;
- 1.1.9 "Officer" means any officer of the Corporation appointed by the Board;
- 1.1.10 "President" means the person appointed by the Board to serve as the most senior operating officer of the Corporation;
- 1.1.11 "Secretary" means the person appointed by the Board to serve as secretary of the Corporation;
- 1.1.12 "Shareholder" means a shareholder of the Corporation; and
- 1.1.13 "Unanimous Shareholders Agreement" means any unanimous shareholders agreement among the Shareholders and the Corporation in effect from time to time.

## **1.2 Interpretation**

In the By-laws, except if defined in section 1.1 or the context does not permit:

- 1.2.1 words and expressions defined in the Act have the meaning given to them in the Act;
- 1.2.2 words importing the singular include the plural and vice versa;
- 1.2.3 words importing gender include masculine, feminine and neuter genders; and
- 1.2.4 words importing persons include bodies corporate.

## **1.3 Headings**

The headings used in the By-laws are inserted for convenience of reference only. The headings are not to be considered or taken into account in construing the terms of the By-laws nor are they to be deemed in any way to clarify, modify or explain the effect of any term of the By-laws.

## **1.4 By-laws Subject to the Act, etc.**

The By-laws are subject to the Act, the Unanimous Shareholders Agreement and the Articles, in that order.

# **ARTICLE 2 SHAREHOLDERS**

## **2.1 Place and Time of Meetings**

Meetings of Shareholders may be held at any place within Alberta and at such time as the Board shall determine; however a meeting of Shareholders may be held outside Alberta if all the Shareholders entitled to vote at that meeting agree to holding the meeting outside Alberta. A Shareholder who attends a meeting of Shareholders held outside Alberta is deemed to have agreed to holding the meeting outside Alberta, except when the Shareholder attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully held.

## **2.2 Calling of Meetings**

The Board shall call an annual meeting of Shareholders not later than 15 months after holding the last preceding annual meeting and may at any time call a special meeting of Shareholders to be held at the place and at the time the Board determines.

### **2.3 Notice of Meetings**

Notice of the time and place of a meeting of Shareholders shall be sent not less than 21 days and not more than 50 days before the meeting:

- 2.3.1 to each Shareholder entitled to vote at the meeting;
- 2.3.2 to each Director; and
- 2.3.3 to the auditor of the Corporation.

### **2.4 Waiver of Notice**

A Shareholder or any other person entitled to attend a meeting of Shareholders may waive, in any manner, notice of a meeting of Shareholders. Attendance of a Shareholder or other person at a meeting of Shareholders is a waiver of notice of the meeting, except when the Shareholder or other person 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.

### **2.5 Notice of Adjourned Meetings**

With the consent of the Shareholders present at a meeting of Shareholders, the chairperson may adjourn that meeting from time to time to another fixed time and place. Notice of the adjourned meeting shall be given to all Shareholders not less than 7 days and not more than 50 days before the date of the adjourned meeting.

### **2.6 Persons Entitled to be Present**

The only persons entitled to be present at a meeting of Shareholders are:

- 2.6.1 the Shareholders entitled to vote at the meeting;
- 2.6.2 any individual authorized by a resolution of the directors or governing body of a body corporate or association which is a Shareholder entitled to vote at the meeting;
- 2.6.3 the Directors and Officers;
- 2.6.4 the auditor of the Corporation; and
- 2.6.5 any others who, although not entitled to vote, are entitled or required under any provision of the Act, the Unanimous Shareholders Agreement, the Articles or the By-laws to be present at the meeting.

Any other person may be admitted only on the invitation of the chairperson of the meeting or with the consent of the meeting.

## **2.7 Meeting by Telephone**

Any person described in paragraphs 2.6.1 through 2.6.5 may participate in a meeting of the Shareholders by means of telephone or other communication facilities that permit all persons participating in the meeting to hear each other. A Shareholder participating in a meeting by means of telephone or other communication facilities is deemed to be present at the meeting.

## **2.8 Quorum**

A quorum of Shareholders is present at a meeting of Shareholders irrespective of the number of persons actually present at the meeting, if the holders of not less than 75% of the shares entitled to vote at the meeting are present in person or represented by proxy.

## **2.9 Chairperson of Shareholder Meetings**

The chairperson of any meeting of Shareholders will be the first mentioned of the following Officers (if appointed) present at the meeting: Chairman, Vice-Chairman, President. If none of the foregoing Officers is present, the meeting shall not proceed but shall be rescheduled.

## **2.10 Procedure at Meetings**

The chairperson of any meeting of Shareholders shall conduct the proceedings thereat in all respects in accordance with the Act, the Unanimous Shareholders Agreement and the Articles.

## **2.11 Voting**

Voting at a meeting of Shareholders shall be by a show of hands of those present in person or represented by proxy or by a verbal poll of those present by telephone or other communication facilities except where, either before or on the declaration of the result of any vote by a show of hands or verbal poll, a ballot is required by the chairperson of the meeting or is demanded by a Shareholder or proxy entitled to vote at the meeting. A demand for a ballot may be withdrawn at any time before the ballot is taken. If a ballot is taken on a question, a prior vote on that question by show of hands or verbal poll shall have no effect. At every meeting a Shareholder present in person or represented by proxy or present by telephone or other communication facilities and entitled to vote shall have one vote on a show of hands and, subject to the Articles, one vote on a ballot for each share held.

## **2.12 Decision on Questions**

At every meeting of Shareholders all questions proposed for the consideration of Shareholders shall be decided by not less than 75% of votes cast, unless a higher

**2.13 Resolution in Lieu of Meeting**

A resolution in writing signed by all the Shareholders entitled to vote on that resolution is as valid as if it had been passed at a meeting of the Shareholders. A resolution in writing may be signed in one or more counterparts, all of which together constitute the same resolution. A facsimile of a signed counterpart of a resolution in writing is as valid as an originally signed counterpart.

**ARTICLE 3  
DIRECTORS**

**3.1 Election and Term of Office**

At each annual meeting of Shareholders at which an election of Directors is required, the Shareholders, by resolution, shall elect Directors to hold office for a term expiring not later than the close of the next annual meeting of Shareholders following the election, in accordance with the requirements of the Unanimous Shareholders Agreement.

**3.2 Calling of Meetings**

The Chairman of the Board, if any, the President or any Director may call a meeting of Directors. A meeting of Directors may be held at any place within the municipality in which the registered office of the Corporation is located or at any other place determined by the Board.

**3.3 Notice of Meetings**

Notice in writing of the time and place of a meeting of Directors shall be sent to each Director not less than 7 days nor longer than 21 days before the time fixed for that meeting.

**3.4 Waiver of Notice**

A Director may waive, in any manner, notice of a meeting of Directors. Attendance of a Director at a meeting of Directors is a waiver of notice of the meeting, except when the Director 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.

**3.5 Meetings Without Notice**

No notice of meeting of Directors that immediately follows an annual or special meeting of Shareholders need be given to a newly elected Board provided a quorum is present, and provided the only item of business is the appointment of Officers.

### **3.6 Meeting by Telephone**

If all the Directors in a meeting consent, a Director may participate in a meeting of Directors or of a committee of Directors by means of telephone or other communication facilities that permit all persons participating in the meeting to hear each other. A Director participating in a meeting by means of telephone or other communication facilities is deemed to be present at the meeting.

### **3.7 Chairperson of Directors' Meetings**

The chairperson of any meeting of Directors will be the first mentioned of the following Officers (if appointed) present at the meeting: Chairman, Vice-Chairman, President. If none of the foregoing Officers is present, the meeting shall not proceed but shall be rescheduled.

### **3.8 Resolution in Lieu of Meeting**

A resolution in writing signed by all the Directors entitled to vote on that resolution at a meeting of Directors or committee of Directors is as valid as if it had been passed at a meeting of Directors or committee of Directors. A resolution in writing may be signed in one or more counterparts, all of which together shall constitute the same resolution. A facsimile of a signed counterpart of a resolution in writing is as valid as an originally signed counterpart.

### **3.9 Borrowing Power**

The Directors may authorize the Corporation to do the following without the authorization of the Shareholders, but only when dealing with persons who are at arm's length to the Corporation:

- 3.9.1 borrow money on the credit of the Corporation;
- 3.9.2 issue, reissue, sell or pledge debt obligations of the Corporation;
- 3.9.3 subject to the Act, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- 3.9.4 mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

The Directors, by resolution, may delegate to a Director, a committee of Directors or an Officer all or any of the powers conferred on them by this section.

### **3.10 Compensation**

The Corporation may reimburse the Directors in respect of transportation and other expenses actually incurred in attending meetings of the Directors or in otherwise performing the duties of their office.

## **ARTICLE 4 OFFICERS**

### **4.1 Appointment of Officers**

The Directors may designate offices of the Corporation and appoint individuals to those offices as they may consider advisable. No Officer need be a Director. Two or more offices of the Corporation may be held by the same individual.

### **4.2 Term of Office**

All Officers are subject to removal by the Directors, with or without cause. An Officer may resign at any time by giving notice to the Board.

### **4.3 Duties of Officers**

Subject to any limitations imposed by the Act, the Unanimous Shareholders Agreement or the Articles, an Officer shall have all the powers and authority and shall perform all the duties usually incident to, or specified by the By-laws or the Board for, the office held. Notwithstanding the generality of the foregoing, the Secretary shall:

- 4.3.1 record the proceedings at all meetings of the Shareholders and the Board; and
- 4.3.2 prepare and keep minutes of all such meetings in a book kept for that purpose.

## **ARTICLE 5 LIABILITY AND INDEMNIFICATION**

### **5.1 Limitation of Liability**

Every Director and Officer in exercising the powers and discharging the duties of office shall act honestly and in good faith with a view to the best interests of the Corporation and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. No Director or Officer is liable for:

- 5.1.1 the acts, omissions or defaults of any other Director or Officer or an employee of the Corporation,
- 5.1.2 any loss, damage or expense incurred by the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation,

- 5.1.3 the insufficiency or deficiency of any security in or upon which any of the money of the Corporation is invested,
- 5.1.4 any loss or damage arising from the bankruptcy, insolvency or tortious or criminal acts of any person with whom any of the monies, securities or other property of the corporation shall be deposited,
- 5.1.5 any loss occasioned by any error of judgment or oversight, or
- 5.1.6 any other loss, damage or misfortune whatsoever which shall occur in the execution of the duties of office or in relation to it,

unless occasioned by the wilful neglect or default of that Director or Officer. Nothing in this By-law relieves any Director or Officer of any liability imposed by the Act or otherwise by law.

## **5.2 Indemnity**

Subject to the Act, the Corporation indemnifies a Director or Officer, a former Director or Officer and a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor (the "Indemnified Parties") and the heirs and legal representatives of each of them, against all costs, charges and expenses, (which shall include, without limiting the generality of the foregoing, the fees, charges and disbursements of legal counsel on an as-between-a-solicitor-and-his-own-client basis), including an amount paid to settle an action or satisfy a judgment, reasonably incurred by an Indemnified Party, or the heirs or legal representatives of an Indemnified Party, or both, in respect of any action or proceeding to which any of them is made a party by reason of an Indemnified Party being or having been a director or officer of the Corporation or that body corporate, if:

- 5.2.1 the Indemnified Party acted honestly and in good faith with a view to the best interests of the Corporation; and
- 5.2.2 in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Indemnified Party had reasonable grounds for believing that the Indemnified Party's conduct was lawful.

The Corporation indemnifies an Indemnified Party and the heirs and legal representatives of an Indemnified Party in any other circumstances that the Act permits or requires. Nothing in this By-law limits the right of a person entitled to indemnity to claim indemnity apart from the provisions of this By-law.

## **5.3 Insurance**

The Corporation may purchase and maintain insurance for the benefit of a person referred to in section 5.2 against the liabilities and in the amounts the Act permits and the Board approves.

MADE by the Directors as of the 10<sup>th</sup> day of May, 2018 and confirmed by the Shareholders as of the 10<sup>th</sup> day of May, 2018.

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Secretary