



CANADIAN ASSOCIATION OF PROFESSIONAL BACKGROUND SCREENERS

BYLAW NO.1

CANADIAN ASSOCIATION OF PROFESSIONAL BACKGROUND SCREENERS

1. The seal, and impression whereof is stamped in the margin hereof, shall be the seal of the Corporation.

CONDITIONS OF MEMBERSHIP

2. Membership in the Corporation shall be to persons interested in furthering the objectives of the Corporation and shall consist of anyone whose application for admission as a member has received the approval of the Board of Directors of the Corporation.
3. There shall be two (3) classes of membership in the Corporation:
 - a. "Voting Members" those persons and companies who are founding members of the Association and those persons or companies whose applications for membership as Voting Members of the Association are subsequently accepted by the Directors, and which are a lawfully incorporated or are a registered Background Screening Business in a Province or Territory of Canada. Only two (2) members per agency may apply to become considered a Voting Member of which may be an Owner and OR a designated Employee of the Registered Business;
 - b. "Associate Members" mean those persons or companies whose applications for membership as Associate Members of the Association are subsequently accepted by the Directors, and may include companies or persons who have not meet the "Voting Member" requirements for membership, but are employed in the Background Screening Industry or own a Background Screening business in Canada and that business is lawfully incorporated or registered in a Province or Territory of Canada. Unlimited members per agency may apply to become considered Non-Voting Members;
 - c. Associate members do not have voting privileges;
 - d. Associate Members shall enjoy the benefits of receiving notice of membership meeting Board of Director meetings, the right to speak at such meetings, receipt of the Minutes of such meetings, and the opportunity to serve on committees, at the pleasure of the Board of Directors;
 - e. "Resource Members" mean those persons or companies that provide a service to the Background Screening Industry and include government



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- officials, educational institutions, and authorized representatives of other like minded associations from inside or outside Canada, and other entities that do not have a direct, commercial interest in providing Background Screening services in Canada. Resource members shall not be entitled to vote at meetings of the Association;
- f. "Person" means an employee of a Background Screening Company in Canada; and
 - g. "Company" or "Business" means a partnership, corporation, association, trust, an unincorporated organization or any other entity or organization including a government Agency or Sub-Division thereof.
4. A membership shall continue until the end of the calendar year in which the membership is accepted. The membership dues shall be paid in money at such times and places and in such amounts as may be determined from time to time by resolution of the Board of Directors.
 5. Any member may withdraw from the Corporation by delivering to the Corporation a written resignation and lodging a copy of same with the Secretary of the Corporation.
 6. Any member may be required to resign by a vote of three-quarters (3/4) of the members at an annual meeting.

HEAD OFFICE

7. Until changed in accordance with the Act, the Head Office of the Corporation shall be the City of Bolton, Province of Ontario.

BOARD OF DIRECTORS

8. A Board of no fewer than seven (7) Directors and not more than thirteen (13) Directors, of which 2/3 shall constitute a quorum, shall manage the property and business of the Corporation. Directors must be individuals, eighteen (18) years of age, with power under the law to contract.
9. The applicants for incorporation shall become the first Directors of the Corporation whose term of office on the Board of Directors shall continue until their successors are elected, however will serve in their capacity as directors and officers no less than 2 years from incorporation.
10. At the first meeting of members, the Board of Directors then elected shall replace the provisional Directors named in the Letters Patent of the Corporation.
11. Directors shall be elected for a term of two (2) years by the members at an annual meeting.



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12. The office of Director shall be automatically being vacated :
- a. If a Director has resigned his office by delivering a written resignation to the Secretary of the Corporation;
 - b. On ceasing to be a member in good standing or in the event that a member represented by such Director ceases to be a member in good standing;
 - c. If he is found by a Court to be of unsound mind;
 - d. If he becomes Bankrupt or suspends payment or compounds with his creditors;
 - e. If at a special meeting of members, a Resolution is passed by a quorum of the members present at the meeting that he be removed from office; and
 - f. On death.

Provided, that if any vacancy shall occur for any reason in the paragraph contained, the Board of Directors by majority vote, may, by appointment, fill the vacancy with a member of the Corporation.

13. Meetings of the Board of Directors may be held at any time and place to be determined by the Directors provided that forty-eight (48) hours written notice of such meeting shall be given, other than by mail, to each Director.
14. Notice by mail shall be sent at least fourteen (14) days prior to the meeting.
15. There shall be at least one (1) meeting per year of the Board of Directors. No error or omission in giving notice of any meeting of the Board of Directors or any adjourned meeting of the Board of Directors of the Corporation shall invalidate such meeting or make void any proceedings taken there at any Director may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. Each Director is authorized to exercise one vote.
16. If all of the Directors of the Corporation consent thereto generally or in respect of a particular meeting, a Director may participate in the meeting of the Board or of a Committee of the Board by means of such conference telephone or other communications facilities as permit all persons participating in such a meeting by such means as deemed to be present at the meeting.
17. A Resolution in writing, signed by all the Directors entitled to vote on the 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.



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18. The Directors shall serve as such without remuneration and no Director shall directly or indirectly receive any profit from his position as such; provided that a Director may be paid reasonable expenses incurred by him in the performance of his duties. Nothing herein contained shall be construed to preclude any Director from serving the Corporation as an officer or in any capacity and receiving compensation thereof if so authorized by the Board.
19. A retiring Director shall remain in office until the dissolution or adjournment of the meeting at which at which his retirement is accepted by the Board.
20. The Board of Directors may appoint such agents and engage such employees as shall deem necessary from time to time and such persons shall perform such duties as shall be prescribed by the Board of Directors at the time of such appointment.
21. The Directors shall appoint an Executive Committee, in the manner prescribed in paragraphs 36 to 39 inclusive, and shall delegate to the Executive Committee responsibility for such matters as from time to time that the Board of Directors considers advisable.
22. The Directors may by majority vote fix a reasonable remuneration for all Officers, agents and employees and Committee members by Resolution. Such Resolution shall have force and remain in effect only until the next meeting of members when such Resolution shall be confirmed by Resolution of the members, or in the absence of such confirmation by the members, then the remuneration to such officers, agents or employees and Committee members shall cease to be payable from the date of such meeting with the members.

INDEMNITIES TO DIRECTORS AND OTHERS

23. Every Director or officer of the Corporation or other person who has undertaken or is about to undertake any liability on behalf of the Corporation or any company controlled by it and their heirs, Executors and Administrators, and Estate and effects, respectfully, shall from time to time and at all times, be indemnified and saved harmless out of the funds of the Corporation, from and against,
24. All costs, charges and expenses with such Director, Officer or other person sustains or incurs or about any action, suit or proceedings which brought, commenced or prosecuted against him, or in respect of any act, deed, matter of thing whatsoever, made, done or permitted by him, in or about the execution of the duties of his office or in respect of any such liability.
25. All other costs, charges and expenses which he sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses



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as are occasioned by his own wilful neglect or default.

POWERS OF DIRECTORS

26. The Directors of the Corporation may administer the affairs of the Corporation in all things and make or cause to be made for the Corporation, in the name, any kind of contract which the Corporation may lawfully enter into, and save as hereunder provided, generally, may exercise all other such powers and do all such other acts and things as the Corporation is by its Charter or otherwise authorized to exercise and do.
27. The Directors shall have the power to authorize expenditures on behalf of the Corporation from time to time and may delegate by Resolution to an Officer or Officers of the Corporation the right to employ and pay salaries to employees. The Directors shall have the power to enter into a trust arrangement with a trust company for the purpose of creating a trust fund in which the capital and interest may be made available for the benefit of promoting the interest of the Corporation in accordance with such terms as the Board of Directors may prescribe.
28. The Board of Directors shall take such steps as they may deem requisite to enable the Corporation to acquire, accept, solicit or receive legacies, gifts, grants, settlements, bequests, endowments and donations of any kind whatsoever for the purpose of furthering the objectives of the Corporation.

OFFICERS

29. The Officers of the Corporation shall be a President, Vice-president, Secretary and Treasurer and Director-at-Large, and any other such Officers of the Board of Directors may by Bylaw determine. The same person may hold any two (2) offices. Officers must be Directors.
30. The President shall be elected at an annual meeting of members. Officers, other than the President of the Corporation, shall be appointed by Resolution of the Board of Directors at the first meeting of the Board of Directors following the annual meeting of members in the manner described in these by laws.
31. The Officers of the Corporation shall hold office for one (1) year from the date of appointment or election or until their successors are elected or appointed in their stead . Officers shall be subject to removal by Resolution of the Board of Directors at any time.



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DUTIES OF OFFICERS

32. The President shall be the Chief Executive Officer of the Corporation. He/she shall preside at all meetings of the Corporation and the Board of Directors. He/she shall have the general and active management of the affairs of the Corporation. He/she shall see that all Orders and Resolutions of the Board of Directors are carried into effect.
33. The Vice-president shall, in the absence or disability of the President, perform the duties and exercise the powers of the President and shall perform such other duties as shall from time to time be imposed upon him/her by the Board of Directors.
34. The Treasurer shall have the custody of the funds and securities of the Corporation and shall keep full and accurate accounts of all assets, liabilities, receipts and disbursements of the Corporation in the books belonging to the Corporation and shall deposit all monies, securities and other valuable effects in the name and to the credit of the Corporation in such Chartered bank or trust company, or in the case of securities, in such registered dealer in securities as may be designated by the Board of Directors from time to time. He/she shall disburse the funds of the Corporation as may be directed by proper authority taking proper vouchers for such disbursements, and shall render to the President and Directors at the regular meeting of the Board of Directors, or whenever they may require it, an accounting of all the transactions and a statement of the financial position of the Corporation. He/she shall also perform such other duties as may from time to time be directed by the Board of Directors.
35. The Secretary may be empowered by the Board of Directors, upon Resolution of the Board of Directors, to carry out his affairs of the Corporation generally under the supervision of the Officers thereof and shall attend all meetings and act as Clerk thereof and record all votes and Minutes of all proceedings in the books to be kept for that purpose. He shall give or cause to be given notice of all meetings of the members of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he shall be. He shall be custodian of the seal of the Corporation, which he shall deliver only when authorized by a Resolution of the Board of Directors to do so and to such person or persons as may be named in the Resolution.
36. The duties of all other Officers of the Corporation shall be as the terms of their engagement call for or the Board of Directors requires for them.



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EXECUTIVE COMMITTEE

37. The Association shall have an Executive Committee consisting of the President, Vice-president, Secretary, Treasurer, and a Director-at-Large, who shall be appointed by the Board of Directors.
38. Three (3) members of the Executive Committee shall constitute a quorum for all Executive Committee meetings.
39. Each member of the Executive Committee shall serve until his her successor is elected.

EXECUTION OF DOCUMENTS

40. Any two (2) Officers shall sign contracts, documents, or any other instruments in writing requiring the signature of the Corporation, and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality.
41. The Directors shall have the power from time to time by Resolution to appoint an Officer or Officers on behalf of the Corporation to sign specific contracts, documents and instruments in writing. The Directors may give the corporate power of attorney to any registered dealer in securities for the purpose of transferring of and dealing with any stocks, Bonds and any other securities of the Corporation. The seal of the Corporation when required, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any Officer or officers appointed by Resolution of the Board of Directors.

MEETINGS

42. The annual or any other general meeting of the members shall be held at the head office of the Corporation or any place in Canada as the Board of Directors may determine and on such day as the said Directors shall appoint. The members may resolve that a particular meeting of members be held outside of Canada.
43. At every meeting, in addition to any other business that be transacted, the report of the Directors, the financial statement and the report of the auditors shall be presented and auditors appointed for the ensuing year. The members may consider and transact any business either special or general at any meeting of the members. The Board of Directors or the President or



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Vice-president shall have the power to call, at any time, a general meeting of members on written requisition of members carrying not less than five (5) percent of the voting rights. A majority of the members present in person at a meeting will constitute a quorum.

44. Fourteen (14) days' written notice shall be given to each voting member of any annual or special general meeting of members. Notice of any meeting where special business will be transacted, shall contain sufficient information to permit the member to form a reasoned judgement on the decision to be taken. Notice of each meeting of members must remind the member that he/she has the right to vote by proxy.
45. Each voting member present at a meeting shall have the right to exercise one (1) vote. A member may, by means of a written proxy, appoint a proxy holder to attend and act at a specific meeting of members, in the manner and to the extent authorized by the proxy. A proxy holder must be a member of the Corporation.
46. A Resolution in writing, signed by all the members entitled to vote on the Resolution at a meeting of members, is as valid as if it had been passed at a meeting of members.
47. No error or omission in giving notice of any annual or general meeting or any adjourned meeting, whether annual or general, of the members of the Corporation, shall invalidate each meeting to make void any proceedings taken thereat and any member may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. For the purpose of sending notice to any member, Director or Officer for any meeting or otherwise, the address of the member, Director or Officer shall be his last address recorded on the books of the Corporation.

MINUTES OF BOARD OF DIRECTORS

48. The Minutes of the Board of Directors shall not be available to the general membership of the Corporation but shall be available to the Board of Directors, each of whom shall receive a copy.

VOTING OF MEMBERS

49. At all meetings of members of the Corporation, every question shall be determined by a majority of votes unless otherwise specifically provided by Statute or by these Bylaws.

FINANCIAL YEAR

50. Unless otherwise ordered by the Board of Directors, the fiscal year end of



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the Corporation shall be 31st December.

COMMITTEES

51. The Board of Directors may appoint Committees whose members will hold their office at the will of the Board of Directors. The Directors shall determine the duties of such Committees and may fix any remuneration to be paid.

AMENDMENT OF BYLAWS

52. The Bylaws of the Corporation not embodied in the Letters Patent may be repealed or amended the By law enacted by the majority of the Directors at a meeting of the Board of Directors and sanctioned by an affirmative vote of at least two-thirds (2/3) of the members at a meeting duly called for the purpose of considering the said Bylaw, provided that the repeal or amendment of such Bylaws shall not be enforced or acted upon until the Minister of Industry Canada has been obtained.

AUDITORS

53. The members shall, at each annual meeting, appoint an Auditor to review the accounts of the Corporation and report to the members at the next annual meeting. The Auditor shall hold office the next annual meeting, provided that the Directors may fill any casual vacancy in the office of the Auditor. The Board of Directors shall fix the remuneration of the Auditor.

BOOKS AND RECORDS

54. The Directors shall see that all necessary books and records of the Corporation required by the Bylaws of the Corporation or by any applicable Statute or law are regularly and properly kept.

RULES AND REGULATIONS

55. The Board of Directors may prescribe such rules and regulations not inconsistent with these Bylaws relating to the management and operation of the Corporation as they deem expedient, provided that such rules and regulations shall have the force and effect only until the next annual meeting of the members of the Corporation when they shall be confirmed, and failing such confirmation at each annual meeting of members, shall at and from that time cease to have any force and effect.

INTERPRETATION

56. In these Bylaws and all other Bylaws of the Corporation hereunder passed, unless the context otherwise requires words importing the singular number



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or the masculine gender, shall include the plural number or the feminine gender, as the case may be, and vice versa, with references to persons shall include firms and Corporations.