



By-law 2021-1
Being the
General By-Laws

Updated: February 19, 2021

GENERAL BY-LAWS



EDGE MUTUAL INSURANCE COMPANY

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Being the General By-laws

WHEREAS The Peel and Maryborough Mutual Fire Insurance Company (the “Corporation”) was organized on the April 28, 1887 under and pursuant to the provisions of “An act respecting insurance companies”, being Chapter 167 of the Revised Statutes of Ontario, 1887 - 50 Victoria);

AND WHEREAS the Corporation changed its name to Edge Mutual Insurance Company by Supplementary Letters Patent issued October 14, 2015;

AND WHEREAS the Corporation is now carrying on business by License issued under the Insurance Act, being Chapter 1.8 of the Revised Statutes of Ontario 1990 as amended, and is subject to the provisions of Part V of the Corporations Act, being Chapter C. 38 of the Revised Statutes of Ontario 1990 as amended;

AND WHEREAS the directors (the Directors) of the Corporation deem it advisable to revise the existing General By-laws of the Corporation which were confirmed by the Members of the Corporation on the 23rd day of March, 2000 and were subsequently amended from time to time; and to replace the said existing General By-laws with this By-law;

NOW THEREFORE BE IT ENACTED, and it is hereby enacted, as follows:

OBJECTS

1. Subject to the power granted under the Charter and license issued under the Insurance Act, the purpose and business of the Corporation shall be insuring, under any class of insurance for which a company may be licensed in Ontario under the *Insurance Act*, and the carrying on of or involvement in any business or activity which a mutual insurance company is permitted to carry on or be involved in.

SEAL

2. The Seal an impression whereof is stamped on the margin hereof, shall be the Seal of the Corporation.

HEAD OFFICE

3. The Head Office of the Corporation shall be located in the Township of Mapleton, Province of Ontario. (See the Insurance Act, S. 1)

MEMBERSHIP

4. Any person, trustee board, partnership or corporation insured under a policy issued by the Corporation shall, from the date upon which the insurance becomes effective, be deemed a member of the Corporation, so long as such insurance remains in force, and shall cease to be a member when such insurance is terminated or expires. (See the Corporations Act S. 158(1))

A subscription policy where the Corporation is not the first listed insurer on the schedule of insurers shall not qualify the insured as a member or any representative of it for membership in the Corporation.

5. Any member, with the consent of the Directors, may withdraw from the Corporation upon such terms as the Directors may lawfully prescribe, subject to the provisions of the Insurance Act. (See the Corporations Act, S. 158(3))
6. **Members' Liability.** No member shall be liable in respect of any loss or claim or demand against the Corporation, beyond the amount of the member's unpaid premiums, if any. (See Corporations Act, s. 158(2))

ANNUAL MEETING

7. The Annual Meeting of the members for the election of Directors and the transaction of other business shall be held at the head office of the Corporation or at such other location as the Directors may determine, on such date and at such time as set by the Directors, in accordance with the Corporations Act, as that Act may be amended from time to time.
8. Before the election of the Directors, the Annual Statement for the year ending on the previous 31st day of December shall be presented and read to the meeting. (See the Corporations Act S. 159(2))
9. If an election of Directors is not made on the day on which it ought to have been made, the Corporation shall not for that cause be dissolved, but the election may be held on a subsequent day at a meeting to be called by the Directors, or as otherwise provided by the bylaws of the Corporation, and in such case, the Directors then in office shall continue to hold office until their successors are elected. (See the Corporations Act, S.160)

NOTICE OF MEMBERS MEETINGS

10. Notice of every annual, or special general meeting of the Corporation shall be given to the members of the Corporation in the manner prescribed by the Corporations Act, as that Act may be amended from time to time.
11.
 - a) The Directors may call a special general meeting of the Corporation at any time. (See the Corporations Act, S. 161(6))



- b) One-tenth of the members of the Corporation entitled to vote at members meetings may request the Directors to call a general meeting of the members, by depositing at the head office of the Corporation a requisition signed by at least one-tenth of the voting members, stating the general nature of the business to be presented at the meeting, in which case the Directors shall forthwith call a general meeting of the members. (See the Corporations Act, S. 295).
12. The Directors shall provide to, or cause to be provided to, each member, in the manner prescribed by the Corporations Act (as may be amended from time to time), a copy of the annual statement for the year ending on the previous 31st day of December, which statement shall be in the form prescribed by the regulations made under the Insurance Act.

QUORUM

- 13.
- a) Five (5) members present in person shall constitute a quorum for the transaction of business at a general meeting of the Corporation, other than a meeting to vote on demutualization, wind up or any other form of dissolution of the Corporation.
 - a) The quorum for a meeting called to vote on demutualization, wind up or any other form of dissolution (except for the discontinuance of the corporation as a result of its amalgamation with another), shall require a quorum equaling at least fifty (50%) percent of all of the Corporation's members, present in person.

VOTING AT MEMBER MEETINGS

14. At any general meeting, unless a poll is demanded, a declaration by the Chair that a resolution has been carried, and an entry to that effect in the minutes, shall be prima facie evidence of the fact, without proof of the number or proportion of the votes recorded in favor of or against such resolution. If a poll is demanded, it shall be taken in such manner as the Chair directs, consistent with these by-laws. (See the Corporations Act, S. 93(1) and S. 93 (3))
15. In the case of an equality of votes at any general meeting of the Corporation, the Chair shall be entitled to a second or casting vote. (See the Corporations Act, S. 93(1) (c))
16. A member of the Corporation (as defined in Article 4 hereof) who is not in arrears of payment due to the Corporation, is entitled at all meetings of the Corporation to one vote, provided the amount of premium paid by the individual annually is in excess of \$25.00; no member is entitled to more than one vote. (See the Corporations Act, S. 162(1))
17. Where a policy is issued to two or more persons, only one is entitled to vote, and the right of voting belongs to the one first named on the register of policyholders, if the person is present, or, if not present, to the one who stands second, and so on.
- 18.
- a) Where property is insured by a trustee board, any member of the board or its secretary/chief



financial officer duly appointed in writing pursuant to its resolution may vote on its behalf (See the Corporations Act, S. 162(3)).

- a) Where property is insured by a partnership or a corporation, any one member of the partnership or any one director of the corporation who is duly appointed and authorized in writing pursuant to a resolution of the partnership or corporation may vote on behalf of the partnership or corporation.

19. No applicant for insurance is eligible to vote or otherwise take part in the Corporation's proceedings until the application has been accepted by the Directors. (See the Corporations Act, S. 163)

DIRECTORS

20. Number of Directors. The business of the Corporation shall be conducted by nine (9) Directors.

21. Qualifications of Directors

- a) A Director shall be eighteen (18) or more years of age, and be a resident of the Province of Ontario;
- b) No person is eligible to be or shall act as a Director unless the individual is a member of the Corporation and remains insured therein for the time the individual holds office and is entitled to vote. (See the Corporations Act, S. 164(1));
- c) Notwithstanding any other provisions in the by-laws of the Corporation, no person shall be eligible for election or re-election as a director unless the individual has been a member of the Corporation and insured therein for a minimum period of three consecutive years prior to the time the individual seeks office;
- d) No un-discharged bankrupt shall be a Director, and if a Director becomes bankrupt the individual shall thereupon cease to be a Director;
- e) Any person wishing to seek election or re-election as a Director must file their intention to stand for election in writing with the secretary of the Corporation at least thirty (30) days in advance of an Annual Meeting or Special General Meeting called for the purpose of electing Directors.

22.

- a) Where a partnership or trust has the qualifications that would qualify an individual to be a Director of the Corporation, one member of the partnership or trust is eligible to be a Director of the Corporation (See the Corporations Act, S. 164(4));
- b) The chair of the board or a director of a member corporation that has the qualifications that would qualify an individual to be a Director is eligible to be a Director of the Corporation.

23. Notwithstanding any other provisions in the by-laws of the Corporation, the following persons are not eligible to be elected as a Director of the Corporation, shall not interfere in the elections of Directors, and shall not at the same time be a Director of the Corporation:

- a) An Insurance Broker or Insurance Agent associated with the Corporation;
- b) A director, officer, shareholder, employee, or agent of an Insurance Brokerage or Insurance

- Agency associated the Corporation;
- c) An Agent or paid officer of the Corporation, provided always that the Directors holding office for the Board of Directors of the Corporation shall be entitled to remuneration as referred to in Article 34 and 35(b) hereof;
 - d) An officer or employee of the Bankers of the Corporation;
 - e) A full-time employee of the Corporation;
 - f) A spouse, child, parent or sibling of any of the persons identified in the subsections (a) through (e);
 - g) A director or officer of another Insurance Company other than an Insurance Company which is a subsidiary or affiliate of the Corporation or the Farm Mutual Re.
 - h) A relative (as defined in subsection (f)) of a current Director of the Corporation.
- 24.** Notwithstanding Section 169 of the Corporations Act, the President & CEO of the Corporation, although the individual may have the qualifications to be a Director, shall not be a Director of the Corporation.
- 25. Retirement of Directors in Rotation.** One-third of the Directors shall retire annually in rotation. (See the Corporations Act, S. 167)
- 26. Annual Election to Fill Vacancies.**
- a) At every Annual General Meeting, one-third of the total number of directors shall be elected for a period of three (3) years to fill the places of the retiring Directors. Retiring Directors are eligible for re-election. (See the Corporations Act, S. 168)
 - b) The members of the Corporation may, by resolution passed by at least two-thirds of the votes cast at a Special General Meeting of which notice specifying the intention to pass such resolution has been given, remove any Directors before the expiration of their term of office and may, by a majority of the votes cast at such meeting, elect any persons who are duly qualified in their stead for the remainder of their term.
- 27. Election of Directors.** The election of the Directors shall be held and made by such members as attend for that purpose in person, or in the case of a corporation, partnership, or trustee board (as is referred to in Article 18 hereof) by a director, officer or member authorized in writing as its representative.-(See the Corporations Act, S. 171(1))
- 28. The Elections** shall be by ballot. (See the Corporations Act, S. 171(2))
- 29.** If two or more members have an equal number of votes, so that less than the whole number to be elected appear to have been chosen as a Director by a majority of votes, then the members present shall proceed to ballot until it is determined which of the persons so having an equal number of votes shall be the Director or Directors. (See the Corporations Act, S. 171(3)) (See Article 20, supra)
- 30.** If a vacancy occurs among the Directors during the term for which they have been elected, the vacancy created either by death, resignation, ceasing to have the prescribed qualifications, insolvency, removal

in accordance with section 26(b), or by absence, without previous leave of the Directors, from three successive regular meetings, which shall ipso facto create such vacancy, and a quorum of Directors remains, the vacancy may be filled until the next Annual General Meeting, by any person duly qualified, chosen by a majority of the remaining Directors as soon as may be after the vacancy occurs; and, at the next Annual General Meeting the vacancy shall be filled for the portion of the term still unexpired. (See the Corporations Act, S. 172). At the next Annual General Meeting, an election, separate from the election referred to in Article 26 hereof, shall be held to fill the vacancy so created. If there is to be a separate election to fill the remaining portion of a vacancy on the Board, when filing notice of their intention to seek election as a Director under section 21(e), such notice shall specify if they are seeking election to fill the remaining portion of the vacancy, or seeking election for a three year term. The provisions of this by-law relating to the residency and qualifications of a Director and the conduct of Director Elections shall apply mutatis mutandis to any election to be held for the purpose of filling such vacancies. If no quorum of Directors remains as a result of the vacancy on the Board created as is herein referred to, a General Meeting of the members shall be called to fill the vacancies.

31. Meetings.

- a) All meetings of the Directors shall be held at the call of the Chair of the Board or according to the adjournment of the previous meeting, at the Head Office of the Corporation, or at such other place in or outside Ontario as the Directors may determine; the first meeting to be held immediately after the Annual General Meeting. A special meeting of the Directors may be called at any time by the Chair of the Board, and shall be called at any time when required by three (3) Directors. Notice of all meetings shall be delivered electronically, mailed or telephoned to each Director, no later than twenty-four (24) hours before the meeting.
- b) With the unanimous consent of all of the Directors present at or participating in the meeting, a Director may participate in a meeting of the Board of Directors or in a meeting of a committee of Directors by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a Director participating in such a meeting by such means is deemed for the purposes of the Act and this by-law to be present at that meeting. A consent pursuant to this provision may be given before or after the meeting to which it relates and may be a blanket consent, relating to all meetings of the Board and/or committees of the Board.
- c) The President & CEO, and such other officers as the Board may from time to time designate, shall be entitled to notice of and to attend meetings of the Board, subject always to the right of the Board to request that any officer absent themselves from any meeting or part of a meeting of the Board, and they shall not be entitled to a vote.

32. Quorum. A majority of the Directors shall constitute a quorum for the transaction of business, and in the case of an equality of votes at any meeting, the question passes in the negative. (See the Corporations Act, S. 173(1))

33. A Director disagreeing with the majority at a meeting may have the dissent recorded with reasons therefor. (See the Corporations Act, S. 173(2))

34. Remuneration. Each Director shall be entitled to:

- a) An amount determined by the Board of Directors from time to time for attending meetings of the



Board, Committees of the Board or members at which their attendance is required by these by-laws or the Chair of the Corporation and for fulfilling their duties as Board Members.

- b) Such sums in respect of their out-of-pocket expenses incurred in attending such meetings or in the performance by them of their duties as the Board may from time to time approve; and
- c) Benefits, as may be approved by the Directors from time to time.

OFFICERS

35.

- a) **Chair of the Board and Vice-Chair.** The Directors shall, at their first meeting held after any election of Directors, elect by ballot from among themselves a Chair of the Board, a First Vice-Chair and a Second Vice-Chair. The Secretary shall preside at the election of the Chair, following which the Chair shall preside at the election of the other officers. They shall hold office for one (1) year, or until their successors are elected. The Chair of the Board shall preside at all meetings of the Directors and Members and shall perform other duties as may pertain to the office of Chair of the Board.

The Chair of the Board or, in the absence of the Chair, the First Vice-Chair, and failing the First Vice-Chair, the Second Vice-Chair, shall preside at all meetings of the Directors or members. In the temporary absence or inability to act of the Chair of the Board, the First Vice-Chair and failing the First Vice-Chair, the Second Vice-Chair shall perform the duties of the Chair of the Board.

In the event a vacancy occurs in the office of the Chair or Vice-Chair of the Board due to any of those causes referred to in the Article 30 hereof, the remaining Directors shall elect from among themselves a replacement Chair of the Board;

- b) The remuneration, if any, to be paid to the Chair of the Board and/or the Vice-Chair as a result of their holding that office, shall be such amount or amounts as the Board of Directors may from time to time determine.

36. Other Officers. The other officers of the Corporation shall be the President & CEO (who may also be known as the Manager), the Corporate Secretary, the Chief Financial Officer and such other officers as the Directors may from time to time deem necessary. The President shall be the Chief Executive Officer, responsible to the Board of Directors for the overall operation of the Corporation.

37. Appointment. Such other officers of the Corporation shall be appointed by the Directors, who shall specify their duties and remuneration and they shall hold office at the pleasure of the Directors.

38. Duties May Be Delegated. Subject to Article 35 hereof, in the case of the absence or inability to act of the Vice-Chair, or any other officer of the Corporation, a majority of the remaining Directors may delegate the powers and duties of such officers to any other officer or to any Director for the time being.

39. The Corporation shall obtain security for every officer or person having charge of the money of the Corporation in such amount as may be prescribed by the Executive Director of the Financial Services Regulatory Authority, the Corporations Act, or such greater amount as may be prescribed by

the Board of Directors.

EXECUTIVE COMMITTEE

40.

- a) The Chair of the Board, the First Vice-Chair, Past Chair and the Second Vice Chair elected by the Directors at their first meeting after any election of Directors shall constitute the Executive Committee of the Corporation. The Executive Committee shall meet at the call of the Chair of the Board to advise and assist the President & CEO, the Secretary, and the Chief Financial Officer in dealing with emergency business during the intervals between meetings of the Directors, or to dispose of routine business in accordance with instructions of the Directors. During the absence, or inability to act of a member of the Executive Committee, some other Director may be invited to act on the Executive Committee in place and stead, by the remaining members of the Committee.
- b) The Board shall constitute such other Committees of the Board as may be required from time to time by the Act. Subject to the Act, the terms of reference of such other committees shall be as determined from time to time by the Board and such Committees shall meet at the call of the Chair of the Board or the Chair of each Committee.

MINUTES

41. Minutes of all the meetings of the Board and of the Committees of the Board shall be recorded by the Corporate Secretary, or such other person as is appointed by the Board from time to time. Such Minutes shall be open for inspection by any Director.

PROTECTION OF DIRECTORS AND OFFICERS

42.

- a) **Limitation of Liability.** 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 for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation 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 Corporation shall be deposited, or for any loss occasioned by any error of judgement or oversight on their part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of their office or in relation thereto, unless the same are occasioned by their own willful neglect or default; provided that nothing herein shall relieve any Director or officer from the duty to act in accordance with the Corporations Act, the Insurance Act, or any other pertinent legislation affecting the Corporation (hereinafter referred to in this Article as the “Acts”) or from liability for any breach thereof;

- b) **Indemnity of Directors and Officers.** Except as provided in the Acts, every Director and officer of the Corporation, every former Director or officer of the Corporation or 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, and their heirs and legal representatives shall, from time to time, be indemnified and saved harmless by the Corporation from and against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgement, reasonably incurred by the individual in respect of any civil, criminal or administrative action or proceeding to which the individual is made a party by reason of being or having been a director or officer of such corporation or body corporate if,
- i) The individual acted honestly and in good faith with a view to the best interests of the Corporation; and
 - ii) In the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the conduct was lawful;
- c) **Insurance.** Subject to the limitations contained in the Acts, the Corporation may purchase and maintain such insurance for the benefit of its Directors and officers as the Board may, from time to time, determine.

EXECUTION OF DOCUMENTS

43. Such persons as are designated by the Board from time to time shall be authorized and shall have power to execute and deliver deeds, mortgages, leases or other documents whatsoever requisite or expedient to be executed on behalf of the Corporation, and to attach the Corporate Seal of the Corporation to any of such documents as executed aforesaid and these shall be binding upon the Corporation.

BANK AND BANKING

- 44.
- a) The bank or banks of the Corporation shall be such bank or banks as the Directors may from time to time appoint;
 - b) All cheques, drafts, withdrawals from the Corporation's Bank Account(s) and orders for payment of money, and all notes and acceptances and bills of exchange, shall be signed or authorized by such person or persons and in such manner as the Directors may from time to time designate;
 - c) All cheques and post office or money orders in favour of the Corporation shall be received for or endorsed for deposit to the credit of the Corporation by such person or persons as are authorized by the Directors;
 - d) Such person or persons as may from time to time be authorized by the Directors to do so on behalf of the Corporation, shall have access to any safety deposit box rented by the Corporation;

- e) Subject to the foregoing Articles and any applicable legislation, but without limiting the borrowing powers of the Corporation as set forth in the Corporations Act, the Directors of the

Corporation may, from time to time:

- i) borrow money on the credit of the company without the authorization of the members; or,
- ii) issue, sell or pledge securities of the company, without authorization of the members; or,
- iii) with the authorization of the members, charge, mortgage, hypothecate or pledge all or any of the real or personal property of the company, including book debts and unpaid calls, rights, powers, franchises and undertaking, to secure any securities or any money borrowed, or other debt, or any other obligation or liability of the company.

INVESTMENTS

45. The Corporation shall invest its funds in any securities and other investments in which, under the Insurance Act, as may be amended, the Corporation may invest its funds. (See the Insurance Part XVII). The Directors shall formulate policies, standards and procedures for the investment of the funds of the Corporation, which policies, standards and procedures shall be reviewed no less than annually and revised as necessary. Full particulars of all purchases, sales and transfer of securities shall be reported to the next meeting of the Directors.
46. The Chair of the Board or Vice-Chair, together with the President & CEO, Secretary or Chief Financial Officer, may give on behalf of the Corporation, and on payment of the money at maturity, a legal discharge of any security for money held by the Corporation.

INSURANCE

47. **Limit of Liability.** The Corporation shall not undertake any risk which is beyond the limits permitted by the Insurance Act.
48. **Contracts of Insurance.** Subject to the foregoing Articles and applicable legislation, the Directors or those to whom the Directors may delegate the responsibility, shall approve the forms, terms, conditions, rates, and premiums for all contracts of insurance undertaken by the Corporation.
49. Subject to the foregoing Articles, any applicable legislation, the limitations of the Charter and the license powers of the Corporation, the Directors shall fix the limits of liability which the Corporation may assume under any insurance contract, and may vary and alter the same from time to time, and may determine what risk or classes of risk shall be undertaken or refused by the Corporation. (See Articles 1, 49 and 50 supra)
50. **Reinsurance.** The Corporation may reinsure any risk in accordance with the *Insurance Act*.
51. **Adjustment and Settlement of Claims.** Subject to the foregoing Articles, all claims shall be adjusted

and settled in accordance with the policies of the Corporation, as set down from time to time by the Directors, and the terms and conditions of the prevailing policy of insurance and governing legislation.

- 52. Payment of Claims.** The President & CEO or such other person or persons as may be authorized by the Board from time to time, in accordance with the policies of the Board shall have full power and authority to discharge all claims arising from any policies of insurance granted by the Corporation.

REFUNDS FROM SURPLUS

- 53.** The Directors may, subject to the applicable legislation, declare a refund of surplus at the end of a fiscal year upon such terms and subject to such conditions as the Directors may determine.

AUDITORS

- 54.** The members entitled to vote thereat shall at each Annual Meeting appoint one or more auditors to hold office until the next Annual General Meeting, and if an appointment is not so made, the auditor in office shall continue in office until a successor is appointed. (See the Corporations Act, S. 94(2))

The remuneration of an auditor or auditors so appointed by the members, shall be fixed by the members entitled to vote, or by the Directors if they are authorized to do so by such members. (See the Corporations Act, S. 94(5))

It shall be the duty of the auditor or auditors to examine all books, vouchers, and accounts of the Corporation, and all documents having reference to the business thereof, at least once in each year.

The auditor or auditors shall make a report to the members of the accounts examined by them, and the balance sheet and other statements shall be in the form prescribed by the Chief Executive Officer. (See the Insurance Act, S. 104)

INTERPRETATION

- 55.** In this by-law and in all other by-laws of the Corporation hereinafter passed, words importing the singular number shall, unless the context otherwise requires, include the plural number, and persons shall include firms and corporations.

AMENDMENTS OF BY-LAWS

- 56.** Any by-laws, other than those which are restatements of statutory provisions, may from time to time be repealed, amended, varied or otherwise dealt with in accordance with the Corporations Act.

Any relevant amendment to the Insurance Act, R.S.O. 1990, Chapter 1.8 or the Corporations Act, R.S.O. 1990 Chapter C.38, enacted after the date on which these by-laws are approved by the members of the Corporation shall be amendments to these by-laws on and after the day on which they received Royal assent.



REPEAL

57. Upon this by-law coming into force, all previous By-laws of the Corporation as amended from time to time dealing with the subject matter of this By-law shall be repealed; provided that such repeal shall not affect the previous operation of such by-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under the validity of any contract or agreement made pursuant to any such by-law prior to its repeal.

PASSED this 19th day of February, 2021 by the Board of Directors