

**CANADIAN LUMBER STANDARDS  
ACCREDITATION BOARD (CLSAB)**

**BY-LAWS**

**Approved by: CLSAB Board of Directors  
January 1, 2007**



Blake, Cassels & Graydon LLP  
Barristers & Solicitors  
Patent & Trade-mark Agents  
45 O'Connor Street  
Suite 2000, World Exchange Plaza  
Ottawa ON K1P 1A4 Canada  
Tel: 613-788-2200 Fax: 613-788-2247

## MEMORANDUM

Reference: 91928/1

February 27, 2007

To: Eleni Kassaris

From: Emily Howe  
613-788-2205

RE: **Canadian Lumber Standards Accreditation Board**

---

With respect to the above-noted corporation, please find attached documents issued by Industry Canada.

I trust this is satisfactory. Should you require anything further, please let me know.

DOCUMENT3

MONTRÉAL

OTTAWA

TORONTO

CALGARY

VANCOUVER

NEW YORK

CHICAGO

LONDON

BEIJING

**blakes.com**



Industry Canada Industrie Canada

Corporations Canada  
9<sup>th</sup> floor  
Jean Edmonds Towers South  
365 Laurier Avenue West  
Ottawa, Ontario K1A 0C8

Corporations Canada  
9<sup>e</sup> étage  
Tour Jean Edmonds sud  
365, avenue Laurier ouest  
Ottawa (Ontario) K1A 0C8

Your file Votre référence

February 19, 2007

Our file Notre référence

127741-3

Emily Howe  
Corporate Law Clerk  
Blake, Cassels & Graydon LLP  
595 Burrard Street  
Suite 2600  
Box 49314  
Vancouver, British Columbia  
V7X 1L3

Dear Ms. Howe:

RE: By-law amendments:  
CANADIAN LUMBER STANDARDS ACCREDITATION BOARD

This will acknowledge receipt of your letter dated January 22, 2007 concerning the by-law amendments which were duly sanctioned by the members on September 23, 2006.

The amendments have received Ministerial approval as of January 22, 2007.

Sincerely,

Richard G. Shaw  
Director General

RGS/mmsr

## CANADIAN LUMBER STANDARDS ACCREDITATION BOARD

### BY-LAWS

#### 1. DEFINITIONS AND ABBREVIATIONS

“Accreditation” means the CLSAB’s acceptance of the Agency to become a member of the CLSAB and provide inspection, supervision, grading, grade stamping or other grade-stamp related services including the certification of facilities to grade and grade-stamp lumber and/or provide such services in respect of a lumber heat treatment or kiln drying program.

“Agency” means any individual, firm, corporation, association or other organized body that is capable of providing inspection, supervision, grading, grade-stamping and other grade-stamping related services for lumber or lumber-based products including the certification of facilities to grade and grade-stamp lumber.

“CLSAB” means the Canadian Lumber Standards Accreditation Board.

“Corporation” means Canadian Lumber Standards Accreditation Board.

“CSA” means the Canadian Standards Association.

“facility” means a sawmill, planer mill, re-manufacturing plant, MSR lumber plant, finger-joined lumber plant or any other location where grading and/or the grade-stamping of lumber or lumber-based products takes place and/or any location where a lumber heat treatment/kiln drying program is being applied.

“grade-rules” mean standards established for the selection and identification of lumber.

“grade-stamping” means the identification of lumber by an approved certification mark.

“inspection” means examination of lumber by an agency representative to verify grade, moisture, species, size, grade stamp legibility and other requirements as designated on the grade stamp or certificate.

“Member” means an Agency accredited by the CLSAB in accordance with the By-laws and Regulations.

“lumber manufacturer” means a person, firm or corporation engaged in the production of lumber by sawing, dressing, trimming to length, end or edge gluing or other processing required to produce an end product used as lumber.

“NLGA” means the National Lumber Grades Authority.

“supervision” means representatives of the Corporation reviewing the functions performed by agencies.

## **2. MEMBERSHIP**

- 2.1 The Members of the Corporation shall consist of Agencies that are accredited by the Board of Directors (hereinafter called the “Directors”, the “Board of Directors” or the “Board”).
- 2.2 Any individual, firm, corporation, association or other organized group that is capable of providing inspection, supervision, and grade-stamping services for lumber and related wood products, and is not engaged in lumber manufacture, is eligible for membership, subject to acceptance by the Directors.
- 2.3 Application for membership shall be made in writing and filed with the Secretary of the Corporation, who shall submit such applications to the Directors.
- 2.4 Applications shall be on a form prescribed by the Directors, and shall provide for agreement, if accepted, to abide by the By-laws and duly authorized Regulations.
- 2.5 Applications shall name an individual to represent the Member at membership meetings until such time as a successor has been named.
- 2.6 Qualifications for membership shall be determined solely by the Directors, based upon the information contained in the application and upon such other examination of the personnel, facilities and organizational structure of the applicant as the Directors may deem necessary to determine eligibility.
- 2.7 Acceptance in writing of an applicant by the Directors, shall bind the applicant to the conditions of the application.
- 2.8 There shall be only one class of membership.
- 2.9 Termination of membership may be by resignation, suspension or expulsion.
- 2.10 A Member may resign from the Corporation effective at the end of the current fiscal year, provided that written notice has been given at least ninety (90) days in advance of the end of the fiscal year. Such resignation shall not preclude responsibility from all payments, dues, and other obligations arising as a result of the operation of the Corporation up to the date of resignation.
- 2.11 A Member may be suspended or expelled for non-payment of dues or other amounts owing to the Corporation, subject to thirty (30) days notice and a majority vote of the Directors. When a Member is suspended, expelled or is no longer a Member and owes a debt to the Corporation, normal business practices will be used to collect this debt.
- 2.12 A Member may be suspended or expelled at any time for breach of the By-laws or Regulations duly authorized by the Corporation, or for any act, omission or conduct which the Directors deem prejudicial to the affairs of the Corporation, provided the Member is given an opportunity to be heard before the Directors, and subject to the affirmative vote of at least two-thirds of the Directors.

### **3. DUES**

- 3.1 Directors shall determine dues payable by Members and may relate such dues to the scale of activities of Members or to such other formulas as the Directors from time to time may determine.
- 3.2 Formulas for due payments by Members shall be subject to ratification by the Members with or without modification at an Annual or Special meeting of the Members.

### **4. OFFICERS**

- 4.1 The officers of the Corporation shall be the Chairman of the Board (hereinafter referred to as the "Chairman"), Vice-Chairman of the Board (hereinafter referred to as the "Vice-Chairman"), Chairman of the Members and Vice-Chairman of the Members, and Secretary-Treasurer.
- 4.2 The Chairman and Vice-Chairman of the Board shall be elected by the Directors at the Annual or at a Special Meeting of Directors, from among their own.
- 4.3 The Chairman of the Members and Vice-Chairman of the Members shall be elected by the Members at the Annual or at a Special meeting of Members, from among their own.
- 4.4 The Secretary-Treasurer shall be appointed by the Directors at an Annual or Special meeting of Directors, but not necessarily from among their own.
- 4.5 All officers shall hold office until the next Annual Meeting of Members or until their successors have been elected or appointed: provided however, that any vacancy occurring in any office owing to the resignation or any other cause may be filled by the Executive Committee of the Board until the next meeting of Members.
- 4.6 All officers, agents and employees of the Corporation shall receive such remuneration, if any, as may be determined by the Directors on recommendation by the Executive Committee from time to time.
- 4.7 In the case of vacancy, temporary absence, or disability of any officer, the Executive Committee may delegate the duties of such officer to any other officer until in the case of the Chairman, Vice-Chairman, and Secretary-Treasurer, the next Annual or Special Meeting of the Directors, or in the case of the Chairman of the Members or Vice-Chairman of the Members, the next Annual or Special Meeting of the Members.
- 4.8 Officers, agents and employees shall receive such reimbursement for expenses incurred in carrying out their duties as the Directors may determine from time to time.
- 4.9 The Chairman of the Members and Vice-Chairman of the Members may be removed from office for cause which, without limiting the generality of the foregoing, shall include criminal conviction, insanity, incapability, incapacity or similar evidence of inability to serve as an officer, upon two-thirds (2/3) affirmative vote of the Members.

4.10 The terms of office for all officers elected after November 1, 2002, with the exception of Secretary-Treasurer, shall be two (2) years.

## **5. DUTIES OF OFFICERS**

5.1 The Chairman of the Board shall preside at meetings of the Directors, and shall have such other duties and responsibilities as may be assigned by the Directors from time to time, not inconsistent with the By-laws of the Corporation.

5.2 The Chairman of the Members shall preside at meetings of Members, and shall have such other duties and responsibilities as may be assigned by the Directors or the Members, consistent with the By-laws of the Corporation.

5.3 The Vice-Chairman of the Members shall in the absence of the Chairman of the Members, preside at meetings of the Members, and shall have such other duties and responsibilities as may be assigned by the Directors or Members, consistent with the By-laws of the Corporation.

5.4 The Secretary-Treasurer shall attend and act as Secretary for all meetings of the Directors and Members, and shall have such other duties and responsibilities as may be assigned by the Directors, consistent with the By-laws of the Corporation.

5.5 The Secretary-Treasurer shall maintain the financial records of the Corporation including all receipts and expenditures, shall render such records when required, and shall have such other duties and responsibilities as may be assigned by the Directors, consistent with the By-laws of the Corporation.

## **6. BOARD OF DIRECTORS**

6.1 The property, business and operation of the Corporation shall be managed by, and under the authority of, a Board of Directors elected by the Members at an Annual or Special meeting of Members.

6.2 The Board of Directors shall be composed of not less than thirteen, nor more than twenty four, individuals having an interest in the affairs of the Corporation. It shall be the responsibility of the Members to elect the required minimum number of Directors.

6.2.1 The Chairman of the Members shall be a voting Director, ex officio.

6.2.2 There shall be five (5), and not more than seven (7) Directors selected from Canadian lumber manufacturers, chosen with due consideration for a balanced geographical representation and volume of production.

6.2.3 There may be one (1), and not more than two (2) Directors selected from national residential builders' organizations.

6.2.4 There may be one (1), and not more than two (2) Directors selected from mortgage lenders or authorities related to mortgage lending.

- 6.2.5 There may be two (2), and not more than four (4) Directors selected from governments concerned with forest products industry matters.
- 6.2.6 There may be one (1), and not more than two (2) Directors selected from national research organizations.
- 6.2.7 There may be one (1), and not more than three (3) Directors selected from national certification or national rules-writing agencies recognized in the forest products field.
- 6.2.8 There may be one (1), and not more than two (2) Directors selected from authorities having jurisdiction over building construction.
- 6.2.9 There may be one (1) and not more than two (2) Directors selected from outside of those categories listed in clauses 6.2.2 to 6.2.8 above.
- 6.2.10 The number of Directors elected to fill the positions described in clauses 6.2.1 and 6.2.2 above shall not exceed the number of Directors elected to fill positions described in clauses 6.2.3 to 6.2.8 above, inclusive.
- 6.3 The Chairman of the Board shall preside at meetings of the Board. In the absence of the Chairman, the Vice-Chairman shall preside or in his/her absence, the Chairman of the Members or a Chairman pro-tempore to be elected by the Directors present.
- 6.4 Directors shall serve for a term of three (3) years or until their successors have been elected, provided however that terms of one (1), two (2) or three (3) years may be designated at the discretion of the Members in order to assure continuity together with reasonable rotation.
- 6.5 Any vacancy owing to resignation or any other cause may be filled by the Directors for the balance of the unexpired term, or until the next Annual or Special meeting of Members, at the discretion of the Directors.
- 6.6 Alternates to Directors are not permitted.
- 6.7 Directors shall be removed only for cause which, without limiting the generality of the foregoing, may include criminal conviction, insanity, incapacity, absenteeism, or evidence of inability to serve as Director, upon an affirmative two-thirds vote of the Members.
- 6.8 The remuneration of all officers, agents, employees and committee members shall be fixed by the Directors by resolution. Such resolution shall have force and 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 of Members.
- 6.9 Directors and committee members as such, shall not receive any stated remuneration for their services, but by resolution of the Directors, expenses of their attendance may be allowed for their attendance at each regular or Special meeting of the Directors. Nothing herein contained shall be construed or to preclude any Director from serving the Corporation as an officer or in

any other capacity and receiving compensation therefore. The Director shall serve as such without remuneration and no Directors 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 and provided further that any Director who is engaged in or is a member of a firm engaged in any business or profession may act in and be paid the usual professional costs and charges for any professional business required to be done in connection with the administration of the affairs of the Corporation.

## **7. FUNCTIONS OF DIRECTORS**

- 7.1 The Directors shall be responsible for the management of the property, operations and business affairs of the Corporation, including determination of dues, employment of staff, authorization of expenditures, and all other matters relating to the business of the Corporation.
- 7.2 The Directors may establish standing and special committees from time to time as may be necessary to deal with the affairs of the Corporation.
- 7.3 The Directors may authorize such Regulations as may be required for the orderly carrying out of the purposes and object of the Corporation.
- 7.4 The Directors shall approve or disapprove Agencies for accreditation and may suspend or terminate the accreditation of any Member subject to the By-laws and Regulations of the Corporation.
- 7.5 The Directors may, by Regulation, delegate the power to suspend the accreditation of any Member or otherwise discipline a Member up to the point of de-accreditation.
- 7.6 The Directors shall approve or disapprove grading-rules or other standards to be utilized in the accreditation of agencies to certify lumber manufacturers or operators of a facility, according to procedures provided for from time to time in the Regulations.
- 7.7 The Directors shall appoint a President & Chief Executive Officer (CEO) for the Corporation. The President & CEO will be responsible to the Executive Committee for the administration of the Corporation's business.
- 7.8 The Directors may also appoint an Executive Director for the Corporation. The Executive Director shall report to the President & CEO.

## **8. MEETING OF DIRECTORS**

- 8.1 A regular meeting of Directors shall be held within ninety (90) days following each Annual General Meeting of Members, in order to elect a Chairman of the Board, and generally to organize the business of the Corporation.
- 8.2 Special Meetings of Directors may be held at such other times as may be determined by the Directors themselves.

8.3 A Special Meeting of Directors shall be called on request of one-third or more of the Directors, in writing, filed with the Secretary-Treasurer, who shall announce the time and place of such meeting.

8.4 A majority of Directors eligible to vote, shall constitute a quorum, provided however, that, for the purpose of quorum, the number of Directors named in clause 6.2.1 to 6.2.2 above shall not exceed the number of Directors named in 6.2.3 to 6.2.9 inclusive.

## **9. MEETINGS OF MEMBERS**

9.1 The Annual Meeting of Members shall be held no later than October 31st of each calendar year, at such time and place as the Members may determine.

9.2 Special Meetings of Members shall be held at such other times and places as the Members may determine.

9.3 A Special Meeting of Members shall be called by the Chairman of the Members on request of at least one-third of the Members in writing, or may be called by the Chairman of the Members upon written request of the majority of Directors, filed with the Secretary-Treasurer.

9.4 A majority of eligible Members present in person or by proxy constitutes a quorum at any Annual or Special Meeting of Members. Each Member so present at any meeting shall be entitled to exercise one (1) vote.

## **10. COMMITTEES**

10.1 Committees of the Corporation shall be the Executive Committee and the Operations Committee and such standing and special committees as may be from time to time established. A quorum for any meeting of such committee shall be a majority of the members of that committee as at the date of the meeting of the committee.

10.2 Membership on committees shall consider the need to provide geographical representation.

10.3 Members of a committee may be removed by an affirmative vote of a majority of the Directors.

### **10.4 EXECUTIVE COMMITTEE**

10.4.1 The Executive Committee shall consist of the Chairman of the Members, who shall be Chairman of the Executive Committee; the Chairman of the Board of Directors; the Chairman of the Operations Committee; and up to two (2) Directors; one of whom shall be selected from among those named in Clause 6.2.3 to 6.2.9 above, elected by the Directors themselves.

10.4.2 The Executive Committee shall direct the management of the Corporation between meetings of the Directors. The Committee shall deal with all business matters delegated to it by the Directors, and shall report thereon to the Directors.

10.4.3 Such business matters may include, but are not limited to, establishing and maintaining offices, employing and administering personnel, recommending fees and/or dues, budgeting for income and expenses, and financial management.

10.4.4 The Executive Committee should meet at least quarterly.

#### 10.5 **OPERATIONS COMMITTEE**

10.5.1 The Operations Committee shall consist of not less than three (3), and not more than five (5) Directors. One (1) of whom shall be Chairman; at least two (2) shall be from among those named in 6.2.3 to 6.2.9 inclusive, appointed by the Directors themselves; and at least two (2) representatives of accredited agencies, nominated by the Members and appointed by the Directors. Each member of the committee shall have one vote.

10.5.2 The Operations Committee may recommend to the Directors actions relating to the operations of the Corporation, including but not limited to, Regulations to be established or revised, agencies to be accredited, de-accredited or suspended, disciplinary action, and amendments to the By-laws.

10.5.3 The Operations Committee shall keep the Regulations under constant review in order to make appropriate recommendations to the Directors.

10.5.4 The Operations Committee shall receive and review reports on the performance of agencies; shall receive and review other reports relative to the continuing function of quality assurance in order to make recommendations to the Directors; or to take emergency actions as warranted in accordance with procedures adopted by the Directors.

#### 10.6 **NOMINATING COMMITTEE**

10.6.1 The Executive Committee shall serve as the Nominating Committee.

10.6.2 The President & CEO shall be an ex-officio member of the Nominating Committee.

10.6.3 The Nominating Committee shall provide to the Directors a recommended slate for:

- (i) the Executive Committee;
- (ii) the Operations Committee; and
- (iii) such other Standing Committees as are required from time to time.

10.6.4 The Nominating Committee shall provide to the Members a recommended slate to fill the vacancies of the Board of Directors.

#### 10.7 **STANDING COMMITTEES**

10.7.1 Standing Committees are those that are expected to deal with a general category of subject matter and to be of a continuing nature.

10.7.2 Standing Committee may be established by the Directors as may be required for the efficient operation of the Corporation. In so doing, the Directors shall establish the composition and terms of reference of each Standing Committee.

10.7.3 Members of Standing Committees shall be appointed by the Executive Committee.

## 10.8 SPECIAL COMMITTEES

10.8.1 Special Committees are those which are expected to deal with a specific subject and to complete their assignment by a specified time.

10.8.2 Special Committees may be established by the Directors as may be required for the efficient operation of the corporation. In doing so, the Directors shall establish the composition and terms of each Special Committee.

## 10.9 CONDUCT OF MEETINGS

10.9.1 Committees may conduct their business by: meetings; conference telephone calls; telecommunication devices; couriers or mail, provided that the requirements for a quorum are met in all cases.

10.9.2 Committee activities requiring a vote or ballot in writing by its members must address negative votes when a reason is given. This can be done in one of three ways:

- the Chairman can decide that the reason is either non-persuasive or irrelevant;
- following discussions with the Member, the negative vote is changed or withdrawn in writing;
- through negotiations with the Members by the Chairman or Secretary-Treasurer, the document or concern is modified and made acceptable to all Members and confirmed further by a written vote.

## 11. NOTICE OF MEETINGS

11.1 Notice of meetings of Members shall be provided by the Secretary-Treasurer by ordinary mail, by facsimile or by e-mail at least thirty (30) days in advance of the meeting.

11.2 Notice of meetings of Directors shall be provided by or at the direction of the Chairman of the Board by regular mail at least thirty (30) days in advance of the meeting, or with less notice by agreement of a quorum of the Directors.

11.3 Notice of meetings of the Committees of the Corporation shall be provided by or at the direction of the chairman thereof in the same manner as those of the Board of Directors.

11.4 Any Member, officer or Director may at any time waive any notice required to be given under these By-laws.

## **12. CORPORATE FUNCTION**

- 12.1 The fiscal year of the Corporation shall be the calendar year.
- 12.2 The head office of the Corporation shall be in the Greater Vancouver Regional District of British Columbia, Canada. The Corporation may have other offices at such locations as the Directors may from time to time determine.
- 12.3 The seal of the Corporation shall be in such form as shall be prescribed by the Directors of the Corporation and shall have the words "Canadian Lumber Standards Accreditation Board" inscribed thereon.
- 12.4 The seal and record books of the Corporation shall be kept at the head office under the direction of the President & CEO.
- 12.5 Cheques, drafts or orders for the payment of money, notes, acceptances and bills of exchange, may be drawn, accepted, endorsed and signed by such officers or employees as the Directors may from time to time prescribe.
- 12.6 Deeds, transfers, assignments, contracts and obligations on behalf of the Corporation shall be signed by the Chairman of the Members and the Chairman of the Board or by such employee as may be prescribed by the Directors from time to time. The corporate seal may be affixed to such instruments as required.

## **13. AUDIT OF ACCOUNTS**

- 13.1 One or more auditors shall be appointed by the Members at their first meeting and annually thereafter, but a casual vacancy in the office of auditors may be filled by the Members at any time.
- 13.2 No officer, Member or Director may act as auditor of the Corporation.
- 13.3 The auditors shall report on the financial position of the Corporation to the Members and to the Directors annually. A statement of the said financial position shall be forwarded to each Member and Director prior to or with the applicable notice of meeting.

## **14. INDEMNIFICATION**

- 14.1 The Corporation shall indemnify and save harmless from prosecution, criminal or civil process or other administrative proceeding every Member, officer and Director acting in good faith on matters affecting the Corporation.
- 14.2 No Member, officer or Director shall bear personal financial responsibility for the debts of the Corporation.

**15. AMENDMENTS**

15.1 The By-laws of the Corporation may be, enacted, and the Bylaws repealed or amended by By-law enacted by a majority of the Directors at a meeting of the Board of Directors and sanctioned by an affirmative vote of at least two-thirds of the Members at a meeting duly called for the purpose of considering the said By-law, provided that the enactment, repeal or amendment of such By-law shall not be enforced or acted upon until the approval of the Minister responsible has been obtained.

Confirmed by the Members – October 25, 2002.

Approved by the Directors – November 23, 2002

Approved by the Directors – October 29, 2005

Confirmed by the Members – September 23, 2006

Approved by the Directors – November 18, 2006