



MUNICIPAL PROPERTY ASSESSMENT CORPORATION

BY-LAW NO. IL

A by-law relating generally to the transaction of the affairs of

**MUNICIPAL PROPERTY ASSESSMENT CORPORATION/SOCIÉTÉ
D'ÉVALUATION FONCIÈRE DES MUNICIPALITÉS**

**BE IT ENACTED as a by-law of Municipal Property Assessment Corporation/ Société
d'évaluation foncière des municipalités (the "Corporation") as follows:**

1. Head Office

The head office of the Corporation shall be at 1340 Pickering Parkway, Pickering, Ontario, L1V 0C4, in the City of Pickering, in the Regional Municipality of Durham, in the Province of Ontario, or at such place as the Directors may from time to time determine.

2. Seal

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



BOARD OF DIRECTORS

3. Composition

The affairs of the Corporation shall be managed by a Board of fifteen (15) Directors. Eight (8) Directors shall be elected officials of a municipality or officers or employees of a municipality provided that at least one (1) such Director shall be an elected official of a municipality; five (5) Directors shall be individuals who represent the interests of property taxpayers; and two (2) Directors shall be individuals who represent the interests of the Province of Ontario. At all times, Directors shall act with a view to the best interests of the Corporation.

4. Term of Office

A Director shall hold office at pleasure for a term not exceeding three years and may be reappointed for no more than two further terms not exceeding three years each.

5. Appointment of Directors

The Board of Directors shall be appointed by the Minister of Finance (the Minister) in accordance with the *Municipal Property Assessment Corporation Act, 1997* (the Act).

Provided the Minister receives a list of municipal representatives from the Association of Municipalities of Ontario containing recommended Director appointees pursuant to subsection 3(3.1) of the Act, the Minister (i) shall appoint a Director as a municipal representative provided the Minister receives the list at least 30 days before the expiry of the term of an existing municipal representative and (ii) may use the most recent list to appoint a municipal representative to fill a vacancy of municipal representative during the balance of their term.

6. Vacancies, Board of Directors

A Director shall cease to hold the office of a Director:

1. in respect of any representative of a municipality, if he or she ceases to be an elected official of a municipality or ceases to be an officer or an employee of a municipality;
2. if a Director resigns his or her office by delivering a written resignation to the Secretary of the Corporation, with a copy of such resignation to the Minister;
3. if he or she is found by a court to be of unsound mind;
4. if he or she becomes bankrupt; or
5. on death.

If a Director ceases to hold office before his or her term expires or if he or she is unable to perform his or her duties for a period of three (3) consecutive months, the Chair of the Board shall notify the Minister. If there are at least eight (8) Directors in office, the Board shall be deemed to be properly constituted for a period not exceeding ninety (90) days after the deficiency in the number of Directors first occurs.

7. Quorum and Meetings of the Board

Subject to the provisions of Section 132 (5.1) of the *Business Corporations Act*, a majority of the total members of the Board of Directors, but not fewer than eight (8), shall form a quorum for the transaction of business. The Board of Directors may hold its meetings at such place or places within Ontario as it may determine from time to time. No formal notice of any such meetings shall be necessary if all the Directors are present, or if those absent have signified consent to the meeting being held in their absence. Directors' meetings may be formally called by the Chair or by the Secretary. Notice of such meetings shall be delivered by prepaid post or by facsimile, e-mail or other means of telecommunication transmission to each Director not fewer than seven (7) business days before the meeting is to take place. The statutory declaration of the Chair or Secretary that notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of the giving of such notice. The Board may appoint a day or days in any month or months for regular meetings at an hour to be named and at such regular meeting no notice need be sent. The Directors may consider and transact any business, either special or general, at any meeting of the Board. The Chair shall preside at all meetings of the Board. In the absence of the Chair, the Vice-Chair shall preside at that meeting. In the absence of both the Chair and Vice-Chair, the Directors present at the meeting shall elect from among themselves a Chair to preside at that meeting.

8. Errors in Notice

No error or omission in giving such notice for a meeting of Directors shall invalidate such meeting or invalidate or make void any proceedings taken or had at such meeting and the Directors may at any time waive notice of any such meeting and may ratify and approve of any or all proceedings taken or had thereat.

9. Voting

Questions arising at any meeting of Directors shall be decided by a majority of votes. All votes at any such meeting shall be taken by recorded vote if so demanded by any Director present, but if no such demand is made, the vote shall be taken in the usual way by assent or dissent. A declaration by the Chair that a resolution has been carried and an entry to that effect in the minutes shall be admissible in evidence as prima facie proof of the number of the votes recorded in favour of or against such resolution.

10. Powers

The Board shall be responsible for the overall management of the Corporation and shall provide the strategic direction and framework for the Corporation. The Board shall make or cause to be made for the Corporation, in its name, any kind of contract which the Corporation may lawfully enter into and, save as hereinafter provided, generally, may exercise all such powers and do all such acts and things as the Corporation is by the Act incorporating it or by policy, procedure or standard established by the Minister or otherwise authorized to exercise and do.

Without in any way derogating from the foregoing, the Directors are expressly empowered, from time to time, to cause the Corporation, to purchase, lease or otherwise acquire, alienate, sell, exchange or otherwise dispose of shares, stocks, rights, warrants, options and other securities,

lands, buildings and other property, movable or immovable, real or personal, or any right or interest therein owned by the Corporation, for such consideration and upon such terms and conditions as they may deem advisable.

11. Meetings by Telephone

If all of the Directors, or a committee of Directors of the Corporation present at or participating in the meeting consent, a meeting of Directors or of a committee of Directors may be held by means of such telephone, electronic or other communication facilities to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a Director or committee member participating in such a meeting by such means is deemed to be present at that meeting. Notwithstanding the notice provisions of section 7 hereof, notice of a meeting to be conducted by telephone shall be delivered by facsimile, e-mail or other means of telecommunication transmission to each Director on the Board or committee member not fewer than eight (8) hours prior to the time at which the meeting is to take place.

12. Action in Writing

A resolution in writing (including a facsimile of such writing) signed or confirmed by electronic means by a majority of 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. It is recognized that any resolution may be signed or confirmed by electronic means in counterparts.

13. Remuneration

Unless prohibited by law, a Director who is not a municipal officer or employee or a public servant (within the meaning of Part III of the *Public Service of Ontario Act, 2006*) shall be paid such remuneration as the Board may from time to time determine, including as set out in the Board's prevailing Remuneration and Expense Policy, Directors shall be entitled to be reimbursed for all reasonable expenses incurred in the course of performing their duties. In the case of a Director who is a municipal officer or employee or a public servant, the Corporation shall, unless prohibited by law, compensate (i) the municipality, where the individual is a municipal representative and (ii) the employer of the individual where such person is a public servant, an amount of money equal to the remuneration that a Director receives for the time in which such Director was engaged in performance of Board duties with the Corporation.

FINANCIAL YEAR

14. Unless otherwise ordered by the Board of Directors, the fiscal year end of the Corporation shall be the 31st day of December in each year.

OFFICERS OF THE CORPORATION

15. Officers

There shall be a Chair, a Vice-Chair, a Chief Administrative Officer, and a Secretary, who is also the Chief Administrative Officer, a Treasurer, and a Freedom of Information Coordinator and such other officers as the Board of Directors may determine from time to time.

The Board of Directors shall appoint a Quality Service Commissioner who shall be an employee, but not an Officer of the Corporation, who will be responsible for the requirements set out in Section 4.1 of the Act.

16. Chair

The Board of Directors shall elect a Chair from among the Directors who are elected officials of a municipality, who shall chair all meetings of the Board. The Chair of the Board of Directors is responsible for the oversight of the strategic direction, the risk appetite framework, executive compensation and succession, and the performance of Municipal Property Assessment Corporation (MPAC) within MPAC's mandate as defined by the *MPAC Act s 3(1)*. The Chair will work with the Board and Chief Administrative Officer to develop corporate strategic direction and priorities and, in consultation with the Chief Administrative Officer, will develop the agenda for Board meetings. The Chair provides leadership to the Board of Directors in carrying out its fiduciary duty and duty of care, and takes all reasonable steps to ensure that the Board operates as a cohesive unit. The Chair shall take all reasonable steps to see that all orders and resolutions of the Board are carried into effect. The Chair is the principal link between the Board, which provides strategic, risk, compensation and policy oversight, and the Chief Administrative Officer who is responsible for the planning and execution of MPAC's strategies, policies and business affairs. The Chair shall act as spokesperson for the Corporation and shall generally represent the Corporation to the public, particularly in dealings with elected officials at all levels of government. The Chair has joint accountability to the Board as a whole, and to the Minister of Finance, for the performance of MPAC. The term of office for the Chair shall be one (1) year, and he or she may hold office for more than one (1) term. The Chair shall be responsible for liaising with municipalities that are members of MPAC.

17. Vice-Chair

The Vice-Chair of the Board of Directors shall be appointed by the Minister from among the provincial representatives who shall act as Chair in the absence of the Chair. The term of office for the Vice-Chair shall be one (1) year, and he or she may hold office for more than one (1) term. The Vice-Chair shall carry out such other duties and responsibilities as may from time to time be assigned to him or her by the Chair or by the Board of the Corporation.

18. Committee Chair

Each Committee shall annually elect, from among its members, a Chair to preside over the meetings. The Committee Chair provides leadership to the Committee in carrying out its duties as outlined in their Terms of Reference. The Committee Chair is the principal link between the Board of Directors and the Committee.

19. Board Member

Board Members shall be responsible for fulfilling the Position Description applicable to individual Directors, and other position descriptions, terms of reference, or mandate that applies, as the case may be; and shall possess the competencies and skills that each Director is expected to possess to be a member of the Board and to be a member of a particular Committee of the Board.

A Board Member shall provide independent and objective oversight to the Corporation. As a member of an interdependent, multi-disciplinary team, Board members are responsible for providing oversight in setting the goals, objectives, and strategic directions for the Corporation within its mandate. Collectively, members of the Board oversee the direction and performance of the Corporation and are accountable to the Board as a whole and to the Minister of Finance.

20. Chief Administrative Officer

The Board of Directors is responsible for the appointment, evaluation, compensation, and as necessary, dismissal, of a Chief Administrative Officer for the Corporation who is also known as the President of the Corporation and the filling of any vacancy in that office. The Chief Administrative Officer shall be responsible for the day-to-day leadership, direction and operation of the Corporation and shall implement the priorities and procedures established by the Board. He or she shall act as spokesperson for the Corporation in dealings with appointed representatives of municipalities, provincial governments and other stakeholders on administrative and day-to-day management matters. The Chief Administrative Officer shall also be responsible for liaising with municipalities that are members of the Corporation. He or she shall be responsible for the timely communication to the Board of the Corporation's operating policies, risks and priorities. The Chief Administrative Officer shall work with the Chair and the Board to develop strategic direction and priorities for the Corporation and shall perform such other duties as may be assigned by the Board or the Chair.

21. Secretary

The Secretary shall be ex officio clerk of the Board and all committees; attend all meetings of the Board and the committees to record all facts and minutes of those proceedings in the books kept for that purpose; give all notices required to be given to members and Directors; be the custodian of the corporate seal of the Corporation and of all books, papers, records, correspondence, and documents belonging to the Corporation; recommend amendments to the by-laws; ensure timely filing of all corporate returns; and perform the other duties from time to time prescribed by the Board or which are ancillary to the office of Secretary.

22. Treasurer

The Treasurer will be the Chief Financial Officer of the Corporation and shall keep full and accurate accounts of all receipts and disbursements of the Corporation in proper books of account and shall deposit all monetary funds or other valuable effects in the name and to the credit of the Corporation in such bank or banks as may from time to time be designated by the Board. The Treasurer shall prepare, in consultation with the Chief Administrative Officer, all budgets and shall be responsible for the development and implementation of financial management and control systems. He or she shall present budgets and financial statements to the Audit Committee and Board. The Audit Committee shall recommend to the Board the

appointment of the Corporation's External auditors. The Treasurer shall also perform such other duties as may from time to time be determined by the Board or which are ancillary to the office of the Treasurer.

23. Freedom of Information Coordinator

The Freedom of Information Coordinator has all the duties and powers of the Head of the Corporation as determined under the *Municipal Freedom of Information and Protection of Privacy Act* (MFIPPA), 1990. At the discretion of the Chief Administrative Officer, or delegate of the Chief Administrative Officer, the Freedom of Information Coordinator may perform other duties as may be assigned to the incumbent from time-to-time.

BOARD COMMITTEES

24. Constitution

An Audit Committee shall be established and any additional Committees of the Board may be established by the Board at any time as is deemed necessary for the consideration of such matters as the Board may in writing expressly refer to such committee. Members of a Committee shall be selected from among members of the Board. Members of a Committee must not be drawn solely from any one of the representative groups. The Chair and Vice Chair of the Corporation may be members of a Committee(s). A Committee shall dissolve on the date, if any, to be determined by the Board at the time of establishing such Committee or such date as the Board may subsequently determine. Each member of a Committee shall serve during the pleasure of the Board and, in any event, only as long as he or she shall be a Director. The Board may fill vacancies on a Committee by election from amongst its members. If a vacancy exists in a Committee, the remaining members may exercise all of its powers as long as its quorum remains in office.

25. Powers

With respect to every Committee of the Board, the Board shall from time to time, determine its terms of reference, Committee composition, meeting frequency and any other matters considered appropriate by the Board.

26. Quorum

Unless otherwise determined by the Board, a majority of the total members of any Committee but not fewer than three (3), shall constitute a quorum for the transaction of business of meetings. No business may be transacted by a Committee except at a meeting of its members in person or otherwise in accordance with Board authorized procedures at which a quorum of a Committee is present.

27. Place of Business

The meetings of a Committee may be held at the head office of the Corporation or at any other place within Ontario as specified in the notice calling a meeting.

BOOKS AND RECORDS, AUDIT AND ACCOUNTING

28. Books and Records

The Directors shall see that all necessary books and records of the Corporation required by the by-laws of the Corporation or by any applicable statute or law are regularly and properly maintained.

29. Financial Statements and Annual Reports

The Corporation shall prepare an annual report within 120 days after the end of each fiscal year on the affairs of the Corporation. The annual report shall include the audited financial statements and a statement concerning the Corporation's compliance with the quality service standards developed by the quality service commissioner and under Section 10 of the Act, with respect to the policies, procedures and standards established by the Minister. The annual report must be signed by the Chair and at least one other Director. The Corporation shall provide a copy of the annual report to the Minister, to each of its members, and to the Association of Municipalities of Ontario.

30. Auditor

The Board of Directors, upon the recommendation of the Audit Committee, shall appoint an External Auditor. The External Auditor shall report to the Board of Directors as to whether the financial statements and records of the Corporation present fairly, in all material respects, the financial position of the Corporation in accordance with generally accepted accounting principles. No Director, officer or employee of the Corporation shall be entitled to be appointed as the Corporation's External Auditor. The Board shall fill any vacancy occurring in the office of the External Auditor within a reasonable period of time following the occurrence of the vacancy.

ANNUAL MEETING OF MEMBERS

31. Each year, the Corporation shall hold a meeting of its members. All members shall be invited to attend the meeting at which the affairs of the Corporation will be discussed.

EXECUTION OF DOCUMENTS

32. Deeds, Transfers, Contracts, etc.

Expenditure Authority Levels for the President and Chief Administrative Officer

Authority levels are predicated on the existence of approved current and capital budgets and Board approved policies and procedures. Expenditures contemplated within such Delegation of Authority levels are to be made in furtherance of the goals and objectives enunciated in those business plans. Expenditures which pursue any other directions must first be approved by the Board of Directors.

Requests for approval exceeding the President and Chief Administrative Officer's authority for any expenditure will be brought before the Board for approval.

The authorization of the President and Chief Administrative Officer shall be amended to the extent, if any, that this authorization is inconsistent with any authorization contained in a financial and/or fiscal policy and policy decision of the Corporation, reviewed by the Audit Committee and approved by the Board of Directors, then the current Delegation of Authority policy as approved by the Board, would prevail.

33. Resolutions Directing Execution

Notwithstanding any provisions to the contrary contained in the by-laws of the Corporation, the Board of Directors may at any time by resolution direct the manner in which, and the person or persons by whom, any particular instrument, contract or obligations of the Corporation may or shall be executed.

CONFLICT OF INTEREST

34. Directors and Officers

Subject to and in accordance with the provisions of section 132 of the *Business Corporations Act*, a Director or officer of the Corporation who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, or is a Director or an officer of or has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, shall disclose in writing to the Corporation or request to have entered in the minutes of meetings of Directors the nature and extent of such interest, and any such Director shall absent himself or herself from any meeting at which the material contract or transaction or proposed material contractor transaction is considered and shall refrain from voting in respect thereof unless otherwise permitted by the *Business Corporations Act*.

INDEMNIFICATION OF DIRECTORS AND OFFICERS AND EMPLOYEES

35. The Corporation shall indemnify a Director, officer or employee of the Corporation, a former Director, officer or employee 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 the heirs and legal representatives of any such person, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by such person in respect of any civil, criminal or administrative action or proceeding to which the person is made a party by reason of being or having been a Director or officer of such corporation or body corporate, if

- (1) the person acted honestly and in good faith with a view to the best interests of the Corporation; and
- (2) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the person had reasonable grounds for believing that the relevant conduct was lawful.

The Corporation shall, unless a court orders otherwise, indemnify a person referred to above in respect of an action by or on behalf of the Corporation to procure a judgment in its favour, to which the person is made a party by reason of being or having been a Director, officer or employee of the Corporation or body corporate, against all costs, charges and expenses reasonably incurred by that person in connection with such action if the person fulfills the conditions set out in (1) and (2) above.

For greater certainty, a person referred to above is entitled to indemnity from the Corporation in respect of all costs, charges and expenses reasonably incurred by that person in connection with the defence of any civil, criminal or administrative action or proceeding to which the person is made a party by reason of being or having been a Director, officer or employee of the Corporation or body corporate, if the person seeking indemnity,

- (3) was substantially successful on the merits in that person's defence of the action or proceeding; and
- (4) fulfills the conditions set out in (1) and (2) above.

AMENDMENT OF BY-LAWS

36. By-laws of the Corporation may be repealed or amended by by-law enacted by a majority of the Directors present at a meeting of the Board of Directors, provided a quorum is present, duly called for the purpose of considering such by-law, provided that the formula for calculating the amount to be paid to the Corporation for its services in a taxation year pursuant to Section 12(3) of the *MPAC Act*, may be amended only if the formula is approved by at least two-thirds (2/3rds), namely ten (10), of the Directors of the Corporation and if the Minister approves of the method of calculating the amount.

RULES AND PROCEDURES

37. The Board of Directors may prescribe such rules and procedures not inconsistent with the by-laws or any policies, procedures and standards established by the Minister pursuant to Section 10 of the Act relating to the management and operation of the Corporation as they deem expedient.

BORROWING

38. The Directors may from time to time, cause the Corporation to:

- (1) borrow money on the credit of the Corporation; or
- (2) issue, sell or pledge securities of the Corporation; or
- (3) charge, mortgage, or pledge all or any of the real or personal property of the Corporation, including book debts, rights, powers, franchises and undertakings, to secure any securities or any money borrowed, or other debt, or any other obligation or liability of the Corporation.

From time to time the Directors may authorize any Director, officer or employee of the Corporation or any other person to make arrangements with reference to the monies borrowed or to be borrowed as aforesaid and as to the terms and conditions of the loan thereof, and as to the securities to be given therefore, with power to vary or modify such arrangements, terms and conditions and to give such additional securities for any monies borrowed or remaining due by the Corporation as the Directors may authorize, and generally to manage, transact and settle the borrowing of money by the Corporation.

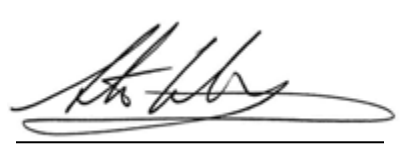
INTERPRETATION

39. In this by-law and all other by-laws of the Corporation hereafter passed unless the context otherwise requires, words importing the singular number shall include the plural number and vice versa and references to a person shall include firms, corporations and other organizations.

REPEAL OF BY-LAW

40. Upon this By-law coming into force, By-law number 1K of the Corporation is repealed. However, such repeal shall not affect the previous operation of such By-law 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 such By-law prior to its repeal. All officers and persons acting under such repealed By-law shall continue to act as if appointed under the provisions of this By-law and all resolutions of the Board with continuing effect passed under such repealed By-law shall continue good and valid, until amended or repealed, except to the extent inconsistent with this By-law.

ENACTED by the Board of Directors on December 10-11, 2015



Secretary

Adopted: December 10-11, 2015 Board Meeting
Report No.: G&HRC-BDR-15-07

HISTORY

Minor Technical Amendments: October 12, 2016
Approval Date: December 10, 2015