

**BY-LAWS OF
WADO INTERNATIONAL KARATE-DO FEDERATION, CANADA
(the "Corporation" or "WIKF Canada")
Effective February 23rd, 2013**

ARTICLE I - INTERPRETATION

1.1 Definitions

In this by-law and all other by-laws of the Corporation, unless the context otherwise requires:

"**Act**" means the *Canada Not-For-Profit Corporations Act* S.C. 2009, c.23 including the Regulations made pursuant to the Act, and any statute or regulations that may be substituted, as amended from time to time;

"**articles**" means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation;

"**Board**" means the board of directors of the Corporation and "director" means a member of the board;

"**by-law**" means this by-law and any other by-law of the Corporation as amended and which are, from time to time, in force and effect;

"**club**" shall be comprised of a minimum of 10 students training in one location with an instructor who is approved by WIKF Canada's Chief Instructor;

"**meeting of members**" includes an annual meeting of members or a special meeting of members; "special meeting of members" includes a meeting of any class or classes of members and a special meeting of all members entitled to vote at an annual meeting of members;

"**ordinary resolution**" means a resolution passed by a majority of not less than 50% plus 1 of the votes cast on that resolution;

"**proposal**" means a proposal submitted by a member of the Corporation that meets the requirements of section 163 (Shareholder Proposals) of the Act;

"**Regulations**" means the regulations made under the Act, as amended, restated or in effect from time to time; and

"**special resolution**" means a resolution passed by a majority of not less than two-thirds (2/3) of the votes cast on that resolution.

1.2 Rules of Interpretation

In the interpretation of this by-law, words in the singular include the plural and vice-versa, words in one gender include all genders, and "person" includes an individual, body corporate, partnership, trust and

unincorporated organization. Any terms not defined herein shall have the meaning given thereto in the Act.

Other than as specified above, words and expressions defined in the Act have the same meanings when used in these by-laws.

ARTICLE II – FINANCE AND MANAGEMENT

2.1 Execution of Documents

Deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring execution by the Corporation may be signed by any two (2) of its officers or directors. In addition, the board may from time to time direct the manner in which and the person or persons by whom a particular document or type of document shall be executed. Any person authorized to sign any document may affix the corporate seal (if any) to the document. Any signing officer may certify a copy of any instrument, resolution, by-law or other document of the Corporation to be a true copy thereof.

2.2 Financial Year

The financial year end of the Corporation shall be December 31 in each year.

2.3 Banking Arrangements

The banking business of the Corporation shall be transacted at such bank, trust company or other firm or corporation carrying on a banking business in Canada or elsewhere as the board of directors may designate, appoint or authorize from time to time by resolution. The banking business or any part of it shall be transacted by an officer or officers of the Corporation and/or other persons as the board of directors may by resolution from time to time designate, direct or authorize.

2.4 Borrowing Powers

The directors of the Corporation may, without authorization of the members,

- borrow money on the credit of the corporation;
- issue, reissue, sell, or pledge debt obligations of the corporation;
- give a guarantee on behalf and
- mortgage, pledge or otherwise create a security interest in all or any property of the corporation, owned or subsequently acquired, to secure any debt obligation of the corporation.

2.5 Auditor

A qualified, independent auditor shall be appointed by the members each year at the Annual General Meeting. The auditor shall conduct an audit of the books and accounting records of the Corporation for each fiscal year and at other times if so directed by the Board. The auditor's report shall be presented to the Members of the Corporation at the Annual General Meeting.

2.6 Annual Financial Statements

The Corporation shall send to the members a copy of the annual financial statements and other documents referred to in subsection 172(1) (Annual Financial Statements) of the Act or a copy of a

publication of the Corporation reproducing the information contained in the documents. Instead of sending the documents, the Corporation may send a summary to each member along with a notice informing the member of the procedure for obtaining a copy of the documents themselves free of charge. The Corporation is not required to send the documents or a summary to a member who, in writing, declines to receive such documents.

2.7 Books and Records

The Board shall ensure that all necessary books and records of the Corporation required by the by-laws of the Corporation, the Act or any other applicable statute or law, including without limitation the minute books of the Corporation, are regularly and properly kept. Such books and records shall be kept at the registered and head office of the Corporation. Any member may inspect such books and records, other than books and records determined to be confidential by the Board, by giving reasonable notice to the President of the Corporation and, unless otherwise permitted by the Board, such inspection will only take place at the registered and head office of the Corporation during regular business hours.

2.8 Policies, Rules and Regulations

The board of directors may prescribe such policies, rules and regulations not inconsistent with these by-laws relating to the management and operation of the Corporation as they deem expedient.

2.9 Head Office and Registered Office

The head office and registered office of the Corporation shall be in Campbell River, British Columbia. The Board may change such head office and registered office by resolution and may establish such other offices as the affairs of the Corporation may require.

ARTICLE III - MEMBERSHIP

3.1 Members

A Member shall be a club whose application for membership has been accepted in accordance with the policies, rules and regulations of the Corporation. Each Member in good standing shall be entitled to (i) receive notices of members' meetings; and (ii) appoint one (1) delegate who shall be entitled to attend all members' meetings and exercise the Member's voting rights at such meeting. The member shall notify the President of the Corporation in writing of the identity of its delegate for any meeting of members.

Membership is non-transferable.

3.2 Members' Voting Rights

Members shall be entitled to exercise voting rights in accordance with their registered membership as follows:

A club with 1 to 30 registered members shall be entitled to 1 vote;
A club with 31 to 50 registered members shall be entitled to 2 votes; and
A club with over 50 registered members shall be entitled to 3 votes.

3.3 Good Standing.

Members shall at all times observe these by-laws and the policies, rules and procedures of the Corporation. A member shall be deemed to be in good standing provided that they have paid the required membership fee, as described in section 3.5, and are not subject to a disciplinary investigation or action by the Corporation. Members who are not in good standing may have privileges suspended and will not be entitled to vote at meetings of members or be entitled to the benefits and privileges of membership.

3.4 Registration of Members

The Corporation shall keep a register of members in which shall be entered the names, addresses, contact number and electronic address of all members as well as the date the member was admitted as a member, the class of membership and, if applicable, the date the member ceased to be a member. It shall be the responsibility of the Members to provide The Corporation with their current information, including a mailing address and an electronic mail address for delivery of notice.

3.5 Membership Fees

Membership fees for all categories of members will be determined annually by the Board of Directors and must be paid upon the date determined by the Board of Directors.

Non-payment of annual membership fees by a member for more than ninety (90) days shall result in the member being suspended without requirement for further notice or action. If a member has been suspended for non-payment of annual membership fees for more than one year the member's membership in the Corporation shall be terminated without requirement for further notice or action.

3.6 Members' Meetings

(a) The annual general meeting shall be held yearly and not more than 15 months after the preceding annual general meeting, at such time and on such day as shall be determined by the Board. At every annual general meeting, in addition to any other business that may be transacted, the business of the meeting shall include the election of directors, the appointment of the auditors for the ensuing year and the presentation of the report of the directors, the annual financial statements and the report of the auditors.

(b) Every meeting of members, other than the annual general meeting, shall be a special meeting. The board of directors may, when it thinks fit, call a special meeting and shall call a special meeting on written requisition of members carrying not less than a majority of the voting rights. If the directors do not call a meeting within twenty-one (21) days of receiving the requisition, any member who signed the requisition may call the meeting.

(c) Notice of a meeting of members shall be given to each member entitled to vote at the meeting by the following means:

- by mail, courier or personal delivery to each member entitled to vote at the meeting, during a period of 21 to 60 days before the day on which the meeting is to be held; or

- by telephonic, electronic or other communication facility to each member entitled to vote at the meeting, during a period of 21 to 35 days before the day on which the meeting is to be held.

Such notice shall specify the place, day and time of the meeting and, in case of special business, the general nature of that business and sufficient information to permit the member to form a reasoned judgment on the decision to be taken.

(c) A member entitled to vote at a meeting of members may vote by mailed-in ballot or by means of a telephonic, electronic or other communication facility if the Corporation has a system that:

- enables the votes to be gathered in a manner that permits their subsequent verification, and
- permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each member voted.

(d) Subject to the Regulations under the Act, any proposal may include nominations for the election of directors if the proposal is signed by not less than 5% of members entitled to vote at the meeting at which the proposal is to be presented. The member who submitted the proposal shall pay the cost of including the proposal and any statement in the notice of meeting at which the proposal is to be presented unless otherwise provided by ordinary resolution of the members present at the meeting.

(e) Subject to compliance with section 159 (Place of Members' Meetings) of the Act, meetings of the members may be held at any place within Canada determined by the board or, if all of the members entitled to vote at such meeting so agree, outside Canada.

(f) The only persons entitled to be present at a meeting of members shall be those entitled to vote at the meeting, the directors and the auditors of the Corporation and such other persons who are entitled or required under any provision of the Act, articles or by-laws of the Corporation to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or by resolution of the members.

(g) In the event that the chair of the board is absent, the members who are present and entitled to vote at the meeting shall choose one of their number to chair the meeting.

(h) A quorum at any meeting of the members (unless a greater number of members are required to be present by the Act) shall be 50% percent of the members entitled to vote at the meeting. If a quorum is present at the opening of a meeting of members, the members present may proceed with the business of the meeting even if a quorum is not present throughout the meeting. If a quorum is not attained, the members present shall adjourn the meeting as provided in paragraph (l) below.

(i) At any meeting of members every question shall, unless otherwise provided by the articles or by-laws or by the Act, be determined by a majority of the votes cast on the questions. In case of an equality of votes either on a show of hands or on a ballot or on the results of electronic voting, the chair of the meeting in addition to an original vote shall have a second or casting vote.

(j) If the Corporation chooses to make available a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during a meeting of members, any person entitled to attend such meeting may participate in the meeting by means of such telephonic, electronic or other communication facility in the manner provided by the Act. A person participating in a meeting by such means is deemed to be present at the meeting. Notwithstanding any

other provision of this by-law, any person participating in a meeting of members pursuant to this section who is entitled to vote at that meeting may vote, in accordance with the Act, by means of any telephonic, electronic or other communication facility that the Corporation has made available for that purpose.

(l) Any members' meeting may be adjourned to any date, time and place, and any business may be transacted at any adjourned meeting that might have been transacted at the original meeting from which the adjournment took place. No notice is required for any adjourned meeting provided that when a members' meeting is adjourned for more than thirty (30) days notice must be given in the same manner as for any members' meeting. Quorum for any adjourned meeting shall be such Class A Members represented by Delegates and Class B Members present at the adjourned meeting.

(a) All members may agree to and sign a written resolution which will be as valid as a resolution passed at a Members' Meeting.

3.8 Withdrawal and Termination of Membership

Membership in the Corporation is terminated when:

- the member dies, or, in the case of a Class A Member, upon dissolution or upon that club failing to carry on business for a period of not less than 6 consecutive months;
- the member resigns by delivering a written resignation to the chair of the board of the Corporation in which case such resignation shall be effective on the date specified in the resignation provided that such member will remain liable for payment of any fees or other amounts owing to the Corporation at such date;
- a member has failed to remain a member in good standing for 12 consecutive months;
- the membership is otherwise terminated in accordance with these by-laws or the policies, rules and procedures of the Corporation.

Subject to the articles, upon any termination of membership, the rights of the member, including any rights in the property of the Corporation, automatically cease to exist. Termination of membership will not relieve a person from liability for any debts owing to the Corporation.

3.9 Discipline of Members

The board shall have authority to suspend or expel any member from the Corporation for any one or more of the following grounds:

- violating any provision of the articles, by-laws, or written policies and procedures of the Corporation;
- carrying out any conduct which may be detrimental to the Corporation as determined by the board in its sole discretion;
- for any other reason that the board in its sole and absolute discretion considers to be reasonable, having regard to the purpose of the Corporation.

ARTICLE IV – DIRECTORS

4.1 Composition of Board of Directors

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

The Articles of the Corporation specify that the board shall consist of a minimum of three (3) and a maximum of six (6) directors. The fixed number of directors shall be determined from time to time by resolution of the board. In the case of a soliciting corporation (as defined in the Act) the minimum number of directors may not be fewer than three (3), at least two of whom are not officers or employees of the Corporation or its affiliates.

4.2 Powers of Directors

The Board shall have the power to do all things necessary for managing the affairs of the Corporation in accordance with the Act and these by-laws. Without limiting the generality of the foregoing, the Board shall have the following powers:

- Except as otherwise provided in the Act or the by-laws, all powers of the Corporation including the power to delegate any of its powers, duties and functions;
- The power to discipline members in accordance with these by-laws and the policies, rules and procedures of the Corporation;
- The power to direct that disputes within the Corporation be managed in accordance with the policies, rules and procedures of the Corporation;
- The power to establish committees and to appoint members to committees;
- The power to employ such persons as it deems necessary for carrying out the work of the Corporation; and
- The power to establish rules, policies and procedures not inconsistent with the Act or these by-laws relating to the management and operation of the Corporation.

4.3 Nomination of Directors

(a) Not less than sixty (60) days prior to the Annual General Meeting the Board shall appoint a nominating committee consisting of at least three (3) members, none of whom may be a director standing for re-election. The nominating committee shall prepare a slate of candidates for the positions of directors open for election and shall obtain the candidates' written consent to stand for election. The nominating committee shall submit the slate to the Board no later than thirty (30) days prior to the Annual General Meeting. The list of nominees shall accompany the notice for the Annual General Meeting.

(b) Any member in good standing may make additional nominations for director provided that each such nomination is made in writing signed by two (2) members in good standing and consented to in writing by the nominee. Each such nomination must be delivered to the President of the Corporation on or before the seventh business day preceding the date of the Annual General Meeting.

4.4 Election to the Board

Where the number of nominations corresponds to the number of vacancies on the Board, the nominees shall be declared elected by acclamation. If the number of nominees validly nominated for election to the Board exceeds the number to be elected:

- The Chair shall appoint the Secretary to act as scrutineer.
- The President shall cause to be prepared and provided to each member a ballot containing, in alphabetical order, the names, affiliations, and places of residence, of all nominees for election to the Board, and a notice stating the number of nominees to be elected;
- Any ballot which is marked in favour of more nominees than are to be elected shall be invalid;
- The Secretary shall count from the valid ballots the number of votes cast in favour of each nominee and then shall prepare, sign, and present to the Annual General Meeting a written list of those nominees elected to the Board;
- The written list of those nominees elected to the Board prepared and signed by the Secretary shall be final and conclusive as to the election of those nominees to the Board notwithstanding any irregularity or informality or any accidental omission to supply a ballot to, or the non-receipt of a ballot by any member, and the Chair at the Annual General Meeting shall declare such nominees elected as directors.

Directors shall be elected to hold office for a two year term.

4.5 Director Vacancies

The office of a director shall be automatically vacated if the director:

- (a) delivers a written resignation to the Board;
- (b) fails to remain a member in good standing;
- (c) becomes of unsound mind or is found to be mentally incompetent or is physically unable to carry out his/her duties;
- (d) dies; or
- (e) is removed from office by an ordinary resolution passed by members at a duly called meeting of members.

If a vacancy shall occur, the Board may, by majority vote, fill the vacancy with a member in good standing if they see fit to do so and otherwise such vacancy shall be filled at the next Annual General Meeting. Any director appointed to fill such a vacancy shall hold office for the unexpired term of his/her predecessor director.

4.6 Meetings of Board of Directors

(a) Meetings of the Board may be called by the President or any two (2) directors at any time. If the Corporation has only one director, that director may call and constitute a meeting.

(b) Notice of the time and place for the holding of a meeting of the Board shall be given to every director of the Corporation not less than 2 days before the time when the meeting is to be held. Notice of a meeting shall not be necessary if all of the directors are present and none objects to the holding of the meeting, or if those absent have waived notice of or have otherwise signified their consent to the holding of such meeting. Notice of an adjourned meeting is not required if the time and place of the adjourned meeting is announced at the original meeting.

- (c) A majority of directors shall form a quorum for the transaction of business.
- (d) At all meetings of the board, every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the chair of the meeting in addition to an original vote shall have a second or casting vote.
- (e) Directors may participate in meetings of the Board or a committee by means of telephone or such other communications facilities as permit all persons participating in the meeting to hear each other and a director participating in such a meeting is deemed to be present at the meeting.
- (f) A resolution in writing signed by all directors entitled to vote on that resolution is as valid as if it had been passed at a meeting of the Board or a committee of the Board. Facsimile or electronic signatures shall be satisfactory for the purpose of executing any such resolution in writing.

ARTICLE V- OFFICERS

5.1 Appointment of Officers

The Board may designate the offices of the Corporation, appoint officers on an annual or more frequent basis, specify their duties and, subject to the Act, delegate to such officers the power to manage the affairs of the Corporation. An officer may, but need not be, a director unless these by-laws otherwise provide. Two or more offices may be held by the same person.

The officers of the Corporation shall hold office for one (1) year from the date of appointment and shall be subject to removal by resolution of the Board at any time.

ARTICLE VI – COMMITTEES

6.1 Appointment of Committees

The Board may from time to time appoint committees to assist it in carrying out its duties. Such committees shall be composed of members appointed and subject to removal by the Board, whether directors or otherwise, and the duties of such committees shall be specified by the Board from time to time. The Board shall establish such procedures as it deems fit for the operation of committees and, subject to the Act and these by-laws, may delegate any of its powers, duties or functions to a committee. Such committees shall report to the Board on its activities in exercise of the powers delegated by the Board.

ARTICLE VII - PROTECTION OF DIRECTORS AND OFFICERS

7.1 Indemnity and Insurance

(a) Subject to the Act, every director and officer of the Corporation and their heirs, executors and administrators, shall from time to time and at all times be indemnified and saved harmless by the Corporation for and against all costs, charges and expenses (including legal fees on a solicitor and own client basis) that such director or officer sustains or incurs by way of sanction, suit or proceeding commenced against him/her or in respect of any acts, deeds, matters or things whatsoever made, done or permitted by him/her in or about the execution of the duties of his/her office except such costs or charges or expenses which are occasioned by his/her own wilful neglect, fraud, dishonesty or bad faith.

(a) The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or any affiliated entity of the Corporation against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Act.

7.2 Conflicts of Interest

It is the duty of each director and officer of the Corporation who is any way, whether directly or indirectly, interested in a contract or transaction, or proposed contract or transaction, with the Corporation to declare his/her interest at a meeting of the Board and, except as permitted by the laws governing the Corporation, to refrain from voting in respect of any such contract or transaction, or proposed contract or transaction, and otherwise to observe the provisions of said laws.

ARTICLE VIII – GENERAL

8.1 Notice

(a) Any notice to be given (which term includes sent, delivered or served) pursuant to the Act, the Articles, the by-laws or otherwise shall be sufficiently given:

- if delivered personally to the person to whom it is to be given or if delivered to such person's address as shown in the records of the Corporation or in the case of notice to a director to the latest address as shown in the last notice that was sent by the Corporation in accordance with section 128 (Notice of directors) or 134 (Notice of change of directors);
- if mailed to such person at such person's recorded address by prepaid ordinary or air mail;
- if sent to such person by telephonic, electronic or other communication facility at such person's recorded address for that purpose; or
- if provided in the form of an electronic document in accordance with Part 17 of the Act.

A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The secretary may change or cause to be changed the recorded address of any member, director, officer, public accountant or member of a committee of the Board in accordance with any information believed by the secretary to be reliable. The declaration by the secretary that notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of the giving of such notice. The signature of any director or officer of the Corporation to any notice or other document to be given by the Corporation may be written, stamped, type-written or printed or partly written, stamped, type-written or printed.

(b) The accidental omission to give any notice to any member, director, officer, member of a committee of the Board or public accountant, or the non-receipt of any notice by any such person where the Corporation has provided notice in accordance with the by-laws or any error in any notice not affecting its substance shall not invalidate any action taken at any meeting to which the notice pertained or otherwise founded on such notice.

8.2 By-laws and Effective Date

Subject to the articles, the Board may, by resolution, make, amend or repeal any by-laws that regulate the activities or affairs of the Corporation. Any such by-law, amendment or repeal shall be effective from the date of the resolution of directors until the next meeting of members where it may be confirmed, rejected or amended by the members by ordinary resolution. If the by-law, amendment or repeal is confirmed or confirmed as amended by the members it remains effective in the form in which it was confirmed. The by-law, amendment or repeal ceases to have effect if it is not submitted to the members at the next meeting of members or if it is rejected by the members at the meeting.

This section does not apply to a by-law that requires a special resolution of the members according to subsection 197(1) (fundamental change) of the Act because such by-law amendments or repeals are only effective when confirmed by members.

The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.