



Canadian Tourism
Commission

Commission canadienne
du tourisme

BY-LAWS

FOR

CTC CROWN CORPORATION

APPROVED BY
CTC BOARD OF DIRECTORS
JANUARY 5, 2001

Amended March 20, 2003

Amended February 22, 2005

Amended March 2, 2006

Amended September 7, 2006

Amended October 30, 2006

Amended January 31, 2011 – NB: Section 3.01 came into force on March 20, 2012

Amended February 8, 2013

Canada

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TABLE OF CONTENTS

BY-LAW NO. 1

A By-law respecting the management and conduct of the affairs of the CTC

1.	Interpretation	
1.01	Definitions	1
1.02	Interpretation	1
1.03	Headings	1
2.	General	
2.01	Passage/Amendments/Repeal of By-laws	1
2.02	Seal	1
2.03	Financial Year	1
2.04	In Force	1
3.	Board	
3.01	Directors	1
3.02	Chairperson	1
3.03	Vice-Chairperson	2
3.04	President	2
4.	Committees of the Board	
4.01	General	2
4.02	Terms of Reference	
4.03	Number of members	2
4.04	Ex-officio Member	2
4.05	Committee Chairperson	2
4.06	Term of Office	2
4.07	Vacancies	2
4.08	Reports to Board	2
5.	Executive Committee	
5.01	Members	2
5.02	Chairperson	2
5.03	Standing Committee	2
6.	Governance and Nominating Committee	
6.01	Members	3
6.02	Mandate	3
6.03	Standing Committee	3
7.	Audit and Pension Committee	
7.01	Members	3
7.02	Mandate	3
7.03	Standing Committee	3
8.	Human Resources Committee	
8.01	Members	3
8.02	Mandate	3
8.03	Standing Committee	3

9.	Advisory Committee	
9.01	General	3
9.02	Chairperson	3
9.03	Members	3
9.04	Proceedings	3
9.05	Guidelines	4
9.06	Reports to Board	4
9.07	Meetings with the Board	4
9.08	Review	4
10.	Meetings	
10.01	Time and Place of Meeting	4
10.02	Notice of Meeting	4
10.03	Quorum	4
10.04	Votes to Govern	4
10.05	Participation by Telephone	4
10.06	Minutes of Meeting	5
10.07	Third Parties	5
10.08	Errors and Omissions	5
11.	Corporate Secretary	
11.01	Duties and Responsibilities	5
12.	Officers of the Commission	
12.01	Officers	5
12.02	Duties and Responsibilities	5
13.	Banking	
13.01	Accounts	5
13.02	Authorized Persons	5
14.	Execution of Documents	
14.01	Signing and Approvals	5
14.02	Affixing of seal	6
15.	Corporate Plan and Budgets	
15.01	Approval by Board	6
16.	Annual Report and Financial Statement	
16.01	Approval by Board	6

BY-LAW NO. 2

A By-law establishing a code of ethics for directors, members of the advisory committees and employees of the CTC

1.	Code of Ethics	
1.01	Principles	6
1.02	Compliance	6
	Schedule A, Code of Ethics	
	Principles	6
	Compliance	7
	Certificates and Confidential Reports	7

Implementation	8
President's Role	8
Proposals to Commission	8

BY-LAW NO. 3
A By-law establishing a contracting policy for the CTC

1. Contracting Policy	
1.01 Policy	9

BY-LAW NO. 1

A By-law respecting the management and conduct of the affairs of the Canadian Tourism Commission.

1. Interpretation

1.01 **Definitions** - In this By-law and in any other By-law of the Canadian Tourism Commission

“Act” means *The Canadian Tourism Commission Act* and amendments thereto;

“Board” means the Board of Directors of the Commission;

“By-laws” means this By-law and any other By-law of the Commission from time-to-time in force and effect;

“Chairperson” means the Chairperson of the Board;

“Commission” means the Canadian Tourism Commission;

“Committee” means a Committee of the Board other than a advisory committee referred to in section 9;

“Director” means a member of the Board; and

“President” means the President of the Commission.

1.02 **Interpretation** - In this By-law and in any other By-law, unless the context otherwise requires and subject to section 1.01, words and phrases shall be interpreted in accordance with the Act. Words in the singular include the plural and vice-versa; and words importing gender include the masculine, feminine and neuter genders; words importing persons include corporations, commissions, partnerships and any number or aggregate of persons.

1.03 **Headings** - Headings have been inserted for the convenience of reference only and do not form part of the By-laws.

2. General

2.01 **Passage/Amendments/Repeal of By-laws** -, By-laws of the Commission may be enacted, amended or repealed by the Board, provided that notice of the proposed enactment, amendment or repeal has been given in writing at least 30 days prior to the meeting at which the Board is to consider the By-law. Any request to amend or repeal a By-law shall be submitted in writing to the Chair of the Governance and Nominating Committee at least 60 days prior to the Board meeting at which the Board is to consider the By-law.

2.02 **Seal** - The seal of the Commission is in the form impressed on the margin hereof.

2.03 **Financial Year** - The financial year shall correspond with the calendar year.

2.04 **In Force** - This By-law and any other By-law shall come into force on the date it is enacted by the Board.

3. Board

3.01 **Directors** - The Board will consist of not more than 12 directors, appointed pursuant to sections 8 to14 of the Act. The Board will manage the affairs and business of the Commission. **(NB: This section is not in force)**

3.02 **Chairperson** - The Chairperson shall preside at meetings of the Board.

3.03 ***Vice-Chairperson*** - The Board may designate a director as Vice-Chairperson to exercise the powers and perform the duties and functions of the Chairperson in the event of the absence or incapacity of the latter or if the office of the Chairperson is vacant. Where the absence, incapacity or vacancy exceeds 90 days, the designation must be approved by Governor in Council.

3.04 ***President*** - The President is the chief executive officer of the Commission.

Unless otherwise precluded by law, the President may delegate any power, duty or function conferred on him or her to any other person.

In the event of the absence or incapacity of the President, or if the office of the President is vacant, the Board may designate any person to exercise the powers and perform the duties and functions of the President. Where the absence, incapacity or vacancy exceeds 90 days, the designation must be approved by Governor in Council.

4. Committees of the Board

4.01 ***General*** - The Board may, from time to time, appoint committees of directors to make recommendations to the Board on matters referred to the committees. The committees may exercise such powers as may be delegated to them by the Board. Unless otherwise provided, the Board may, by resolution, dissolve its committees.

The Board may, from time to time, by resolution, establish ad hoc committees composed of members of the Board and/or other persons (the committee may seek outside assistance as it, from time to time, sees fit) for a maximum period of two years to advise the Board, provide information, investigate and develop strategies on tourism related matters or issues that affect the tourism industry. The Board may, by resolution, dissolve its ad-hoc committees.

4.02 ***Terms of Reference*** - Each committee of the Board shall develop terms of reference and submit them to the Governance and Nominating Committee and the Board for review and approval.

4.03 ***Number of Members*** - Unless otherwise provided, each committee shall consist of not fewer than 3 and not more than 5 directors, including ex-officio members, appointed by the Board on the recommendation of the Chairperson.

4.04 ***Ex-officio Member*** - The Chairperson is an ex-officio member of each committee, with the right to vote.

4.05 ***Committee Chairperson*** - The Board shall designate a chairperson of each committee established. The members may designate one among them to preside if the committee chairperson is absent for a meeting.

4.06 ***Term of Office*** - Each committee member will serve during the pleasure of the Board.

4.07 ***Vacancies*** - Where vacancies exist, the remaining members may exercise all the powers and duties of the committee so long as a quorum exists.

4.08 ***Reports to Board*** - Each committee shall report orally and in writing the actions taken and decisions made at each of its meetings to the Board at the next meeting of the Board.

5. Executive Committee

5.01 ***Members*** - An Executive Committee of the Board is hereby established, consisting of all members of the Board.

5.02 ***Chairperson*** - The Chairperson of the Board is the chairperson of the Executive Committee.

5.03 The Executive Committee is a standing committee of the Board

6. Governance and Nominating Committee

6.01 *Members* - The Governance and Nominating Committee will consist of a minimum of three and a maximum of five directors including ex officio members. The Chair of the Board is an ex officio member of the Committee.

6.02 *Mandate* - The primary purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities regarding recommendations to the Minister on the appointment of board members and the development of the corporate approach to governance issues.

The Committee is an "arm" of the Board, advising and supporting directors in applying the CTC's corporate governance principles.

6.03 The Governance and Nominating Committee is a standing committee of the Board.

7. Audit and Pension Committee

7.01 *Members* - The President cannot be a member of the Audit and Pension Committee.

7.02 *Mandate* - In addition to the duties and functions mandated by the *Financial Administration Act*, the Audit and Pension Committee reviews and makes appropriate recommendations to the Board on the adequacy of the Commission's processes for identifying and managing risk, its internal control system and its processes for complying with laws and regulations. The Committee oversees the administration, financial reporting and investment activities of the Commission's pension plan.

All members of the Audit and Pension Committee should be "financially literate" and at least one member should have accounting or related financial expertise.

7.03 The Audit and Pension Committee is a standing committee of the Board.

8. Human Resources Committee

8.01 *Members* - The President cannot be a member of the Human Resources Committee.

8.02 *Mandate* - The Human Resources Committee reviews as required the Commission's human resources policies and plans, including succession plan, compensation and benefits plans, and makes recommendations to the Board as appropriate.

8.03 The Human Resources Committee is a standing committee of the Board.

9. Advisory Committees

9.01 *General* - The Board may from time-to-time appoint such advisory or ad-hoc committees composed of such persons, as it may deem necessary to advise it on any matters pertaining to the affairs of the Commission.

9.02 *Chairperson* - The Board will designate a chairperson for each committee established.

9.03 *Members* - Members of each committee will be designated by the chairperson of the committee, based on the guidelines established by the Board.

9.04 *Proceedings* - Each committee will determine its procedures and keep a record of all proceedings.

- 9.05 Guidelines** - The Governance and Nominating Committee will recommend guidelines to the Board regarding the membership, mandates, and reporting responsibilities of the advisory committees.
- 9.06 Reports to Board** - Each committee shall report orally and in writing the actions taken and decisions made at its meetings to the Board.
- 9.07 Meetings with the Board** - The Chairs of the Advisory Committees will meet at least twice a year with the Board.
- 9.08 Review** - The Governance and Nominating Committee will review the mandates, composition and functioning of each committee periodically and make recommendations to the Board as appropriate.

10. Meetings

- 10.01 Time and Place of Meeting** - Meetings of the Board may be held at such time and place as the Chairperson may designate provided that the Board meets at least six times a year and holds one strategic planning session per year. In the Chairperson's absence, a meeting may be convened by the Vice-Chairperson.

In addition to the required six meetings a year, a meeting shall be convened by the Chairperson upon the written request of the majority of directors.

A meeting of a committee shall be held at such time and place as the chairperson of the committee or in the absence of the chairperson, any two members of the committee may from time-to-time decide.

- 10.02 Notice of Meeting** - Notice of meetings, agendas and background materials shall be delivered, mailed, facsimile transmitted, or electronically mailed to be received by each director or committee member not less than seven clear calendar days before the date of the meeting.

No notice of a meeting shall be necessary if all directors or committee members are present at the place of the meeting or if those absent from the place of the meeting have previously waived notice of the meeting, or have otherwise signified their consent to the holding of such a meeting.

No error or omission in the giving of notices, agendas or background materials or in the notice itself shall invalidate such a meeting or render void any proceedings taken or had at such a meeting and any director, or any member of a committee, may at any time waive notice of such a meeting and may ratify and approve any or all proceedings taken at that meeting.

- 10.03 Quorum** - For Board meetings, the majority of directors constitutes a quorum.

For committee meetings, a majority of the members constitutes a quorum.

- 10.04 Votes to Govern** - Questions arising at any meeting of the Board or a committee shall be decided by a majority of votes.

The Chairperson shall not vote at a Board meeting except in the case of an equality of votes. The chairperson of a committee meeting is entitled to vote and may cast a second vote in case of an equality of votes.

A resolution consented to at any time by the signatures of two thirds (2/3) of the directors or committee members entitled to vote at a meeting is valid and effective as if passed at a meeting duly called, constituted and held for that purpose.

- 10.05 Participation by Telephone** - A director or committee member may participate in a meeting of the Board or of a committee, by means of telephone or other communicating facilities that permit all persons participating in the meeting to hear and be in direct and instantaneous communication with each other. A person participating in a meeting by such means is considered to be present at that meeting.

10.06 Minutes of Meeting - The Corporate Secretary shall prepare or cause to be prepared and distributed as soon as practicable thereafter, to the directors and committee members to whom notice of the meeting had been given, minutes of all proceedings of said meeting.

Minutes shall include a record of the names of directors or committee members present at the meeting and all resolutions and proceedings of the meeting.

Minutes of Board and committee meetings are available upon request to all directors.

10.07 Third Parties - The chairperson may invite such persons as may be deemed fit from time-to-time to attend meetings at which he or she presides to assist in the discussion and consideration of matters being addressed.

10.08 Errors and Omissions - The non-receipt by any director or committee member of any notice duly given, or an error in any notice not affecting the substance thereof cannot invalidate any action taken at any meeting of the Board or of a committee held pursuant to such notice or otherwise founded thereon.

11. Corporate Secretary

11.01 Duties and Responsibilities - The Board may, on the recommendation of the President, designate an employee of the Commission as Corporate Secretary. The Corporate Secretary fulfills a role central to the effective functioning and governance of the Commission. His or her primary role is to act as the gateway between the Board and management. All directors should have access to the advice of the Corporate Secretary, who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Corporate Secretary reports to the Chairperson of the Board on matters relating to the Board and its committees and to the CEO on matters relating to the Commission.

12. Officers of the Commission

12.01 Officers - The officers of the Commission include the Chairperson, the President, the Corporate Secretary and the Chief Financial Officer and such other employees of the Commission as the Board may from time-to-time appoint.

12.02 Duties and Responsibilities - The duties and responsibilities of officers shall be those which appertain normally to their respective offices. In addition to the duties specified in the By-laws, the Board or the President may from time-to-time vary, add to or limit the duties and responsibilities.

13. Banking

13.01 Accounts - The Board will determine from time to time one or more members of the Canadian Payments Association where the Commission may maintain bank accounts.

13.02 Authorized Persons - All banking business will be transacted on behalf of the Commission by its officers and such other persons as may be designated by the Board. Each financial institution that maintains a bank account for the Commission will be advised in writing of the person or persons authorized to transact banking business on behalf of the Commission and the nature of their authority. All bills of exchange or other orders for the payment of money will be issued, accepted or endorsed on behalf of the Commission by such officers or employees as is determined from time to time by the Board.

14. Execution of Documents

14.01 Signing and Approvals - All contracts, leases and other instruments with aggregate payments exceeding \$2.5 million, requiring execution by the Commission will be signed by two persons, being officers or such other employees as are so authorized from time to time by the Board.

14.02 Affixing of Seal - The seal of the Commission may be affixed to such documents as required.

15. Corporate Plan and Budgets

15.01 Approval by Board - Each corporate plan and budget, including each amendment thereto, which the Commission is required, pursuant to the Financial Administration Act, to submit to the Minister of Industry will be approved by the Board before it is submitted to the Minister.

16. Annual Report and Financial Statement

16.01 Approval by Board - The annual report, including the financial statements, which the Commission is required, under the Financial Administration Act, to submit to the Minister of Industry, will be approved by the Board before the annual report is submitted to the Minister.

BY-LAW NO. 2

A By-law establishing a code of ethics for directors, members of the advisory committees and employees of the Canadian Tourism Commission.

1. Code of Ethics

1.01 Principles - Each director, advisory committee member and employee of the Commission will, both during and after his or her appointment or employment, be subject to and act in accordance with the Code of Ethics. The Code of Ethics is set out in Schedule A to this By-law.

1.02 Compliance - The Code of Ethics includes compliance measures to be observed by directors, advisory committee members and employees to assist them in complying with the Code of Ethics and resolving any issues that may arise in relation to its application.

The President may augment the compliance measures with additional procedures and administrative requirements from time to time.

**Schedule A
CODE OF ETHICS**

Principles

1. Directors, advisory committee members and employees will act honestly and uphold the highest ethical standards so that public confidence and trust in the integrity, objectivity and impartiality of government are conserved and enhanced.
2. Directors, advisory committee members and employees will perform their official duties and arrange their private affairs in a manner that will bear the closest public scrutiny, and this obligation is not fully discharged by simply acting within the law.
3. Directors, advisory committee members and employees, in fulfilling their official duties, will make decisions in the public interest and with regard to the merits of each case.
4. Directors, advisory committee members and employees cannot have private interests, other than those permitted pursuant to this Code that would be affected particularly or significantly by government actions in which they participate.

5. On appointment to office, and thereafter, directors, advisory committee members and employees will arrange their private affairs in a manner that will prevent real, potential or apparent conflicts of interest from arising but if such a conflict does arise between their private interests and official duties, the conflict will be resolved in favour of the public interest.
6. Directors, advisory committee members and employees will not solicit or accept transfers of economic benefit, other than incidental gifts, customary hospitality, or other benefits of nominal value, unless the transfer is pursuant to an enforceable contract or property right of the director, advisory committee member or employee.
7. Directors, advisory committee members and employees will not step out of their official roles to assist private persons or entities in their dealings with the government where this would result in preferential treatment to any person or entity.
8. Directors, advisory committee members and employees will not knowingly take advantage of, or benefit from, information that is obtained in the course of their official duties and that is not generally available to the public.
9. Directors, advisory committee members and employees will not directly or indirectly use, or allow the use of, government or the Commission's property of any kind, including property leased to the government or the Commission, for anything other than officially approved activities.
10. Directors, advisory committee members and employees will not act, after they leave public office, in such a manner as to take improper advantage of their previous office.

Compliance

In applying the Principles, it must be recognized that some members of the Board of Directors of the Commission and members of the advisory committees have been appointed because of their professional involvement in activities closely related to the tourism mandate of the Commission. To this end, two functions of the Commission must be distinguished.

The Commission provides advice to the government, and it also makes decisions in its own right. The procedures set out below recognize the importance of the full participation of directors in developing advice, while providing safeguards when the Commission is making decisions.

Certificates and Confidential Reports

Each director, advisory committee member and employee must, as soon as practicable after appointment, certify to the President that they agree to comply with the provisions of the Code of Ethics as a condition of holding office or employment.

As soon as practicable after appointment, each director and each management level employee (but not any advisory committee member, non-management level employee, or the President) must make a confidential report in writing to the President, of all assets and interests, other than those assets and interests that are for their private use or that of their families, assets or interests that are not of a commercial nature or assets or interests that do not place them in a real, potential or apparent conflict of interest. The report should include any employment or office held outside the Commission that might place the director or employee in a conflict situation.

(The President, as a full-time Governor in Council appointee, is subject to the provisions of the Conflict of Interest Act administered by the Ethics Counsellor, including the mandatory disclosure of all assets, liabilities and outside activities.)

Each director and management level employee must update their confidential reports whenever changes in their circumstances warrant it and review them annually.

Assets and interests that are not subject to the reporting requirement include:

- (a) residential or recreational property used by directors, employees or their families;
- (b) government or government-guaranteed securities;
- (c) deposits in financial institutions;
- (d) life insurance policies and annuities;
- (e) pension rights;
- (f) investments that are not directly or indirectly self-administered;
- (g) loans receivable from immediate family members and small personal loans; and
- (h) assets and interests that do not place the director or employees in a real, potential or apparent conflict of interest.

Implementation

All employees, but not directors or advisory committee members, must divest assets or interests where it is determined by the President that such assets constitute a real, potential or apparent conflict of interest in relation to the duties and responsibilities of the employee. Divestment of assets can be achieved by selling them in an arm's length transaction or by making them subject to an acceptable trust arrangement.

Directors should feel free to contribute to discussions when the Commission is developing advice to government on subjects within its mandate notwithstanding any apparent conflict of interest.

Where Commission deliberations give or may give rise to a real, potential or apparent conflict of interest or non-compliance with the Code of Ethics, directors and advisory committee members must withdraw from deliberations and voting. However, when the Commission is making decisions that could provide benefit to a director's or advisory committee member's interests, but broad sectorial issues are at stake, the director or advisory committee member must declare the interest to the other participants, may, unless the President or committee chairperson determines otherwise, contribute to the discussion, but must withdraw from decision-making and voting.

Declarations of interest at meetings, as well as subsequent withdrawals, will be recorded in minutes of meetings.

President's Role

The President is responsible for advising directors, advisory committee members and employees concerning appropriate measures to resolve situations where a real, potential or apparent conflict of interest may arise with respect to their assets or interests.

In particular, the President will organize meetings and the flow of information to ensure that conflict situations are avoided.

Proposals to Commission

Organizations represented on the Commission may, like other organizations, make proposals to the Commission; however, directors and advisory committee members must not be personally involved in developing or supporting proposals from their organization.

BY-LAW NO. 3

A By-law establishing a contracting policy for the Canadian Tourism Commission.

1. Contracting Policy

1.01 The Commission will contract to acquire goods and services in a manner that will:

1.01.1 stand the test of public scrutiny in matters of prudence and probity, facilitate access, encourage competition, and reflect fairness in the spending of public funds;

1.01.2 ensure the preeminence of operational requirements;

1.01.3 secure best value to the Commission;

1.01.4 support the mandate of the Commission; and

1.01.5 comply with the Commission's obligations under the *North American Free Trade Agreement*, the *World Trade Organization – Agreement on Government Procurement* and the *Agreement on Internal Trade*.

1.01.6 The Board will approve the policies relating to the procurement of goods and services by the Commission, including without limitation, delegating authority to Commission personnel to contract on behalf of the Commission. The Commission will be responsible to implement procedures in compliance with the approved policies.

1.01.7 The Board may, through its Audit Committee, or otherwise as it sees fit, request reports from the Commission regarding procurement activities.

1.01.8 Employees involved in the procurement of goods or services for the Commission will act in compliance with the Commission's *Code of Ethics* and all applicable policies and procedures.