

**GENERAL BY-LAWS
OF
KENT & ESSEX MUTUAL INSURANCE COMPANY**

(Consolidated to include amendments passed February, 2007,
January 2016, January 2017, January 2018, January 2020, July 2023)

WHEREAS Kent & Essex Mutual Insurance Company was organized on the 13th day of June, 1888, and commenced business on the 27th day of July, 1888, under and pursuant to the provisions of "An Act to authorize the establishment of Mutual Insurance Companies in the several districts of this province," being Chapter 18 of the Consolidated Statutes of Upper Canada, 6 William 4 (1836) as amended:

AND WHEREAS the Corporation is now carrying on business by license issued under the Insurance Act, being chapter 18 of the Revised Statutes of Ontario, 1990 as amended, and is subject to the provisions of Part V of the Corporations Act, being chapter C.38 of the Revised Statutes of Ontario, 1990 as amended (herein the "Act");

AND WHEREAS the directors and members of the Corporation deem it advisable to revise the existing general by-laws of the Corporation, and to enact certain revised and consolidated general by-laws in lieu thereof:

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

INTERPRETATION

1. In this By-law and in all other By-laws of the Corporation hereafter passed, words importing the singular member or the masculine gender shall, unless the context otherwise requires, include the plural number or the feminine gender, as the case may be, and persons shall include firms and Corporations.

OBJECTS

1. Subject to the power granted under the charter, the purpose and business of the Corporation shall be insuring under any class of insurance for which a Company may be licensed in Ontario, pursuant to the Insurance Act.

SEAL

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

HEAD OFFICE

3. The Head Office of the Corporation shall be located in the City of Chatham, Ontario.

MEMBERSHIP

4. Any person, trustee board, partnership, or Corporation insured under a policy issued by the Corporation shall, from the date upon which the insurance becomes effective, be deemed a member of the Corporation so long as such insurance remains in force, and shall cease to be a member when such insurance is terminated or expires. A reinsurance policy issued to any other fire insurance company shall not qualify it or any representative of it, for membership in the Corporation. (*Amended February 2007*)
5. Members' Liability. No member shall be liable in respect of any loss or claim or demand against the Corporation beyond the amount of the member's unpaid premium. (*Amended February 2007, January 2020*)

ANNUAL MEETING

6. The Annual Meeting of the members for the election of Directors and the transaction of other business shall be held on such date and at such time and place as the Directors may determine in accordance with the Act. (*Amended February 2007*)
7. Before the election, the annual statement for the year ending on the previous 31st of December shall be presented. (See the Act, S. 159, ss. 2.) (*Amended 2016*)
8. If an election of Directors is not made on the day on which it ought to have been made, the Corporation shall not for that cause be dissolved, but the election may be held on a subsequent day at a meeting to be called by the Directors, or as otherwise provided by the by-laws of the Corporation, and in such case the Directors then in office shall continue to hold office until their successors are elected. (See the Act, S. 160.)
9. Notice of every Annual or Special General meeting of the Corporation shall be given to the members of the Corporation in the manner prescribed by the Act. (*Amended February 2007*)
10. The Directors may call a Special General Meeting of the Corporation at any time. (See the Act. S. 161, ss. 2.)
11. The Directors shall cause the annual statement for the year ending on the previous 31st of December to be delivered, served upon or made available to each member in the manner prescribed from time to time by the Act, which shall be certified by the auditors and be in

the form prescribed by the regulations made under the Insurance Act. (*Amended February 2007*)

QUORUM

12. Five (5) members present in person shall constitute a quorum for the transaction of business at any General Meeting other than a meeting to vote on demutualization, wind up, or any other form of dissolution of the Corporation or the amalgamation or merger of the Corporation with another Mutual Insurance Company.

The quorum for a meeting called to vote on demutualization, wind up or any other form of dissolution of the corporation (except for the discontinuance of the Corporation as a result of its amalgamation with another), shall require a quorum equalling at least fifty-six percent (56%) of all members, present in person.

For a meeting called to vote on the amalgamation or merger of the Corporation with another Mutual Insurance Company, no less than 50 members of the Corporation present in person shall be required to constitute a quorum. (*Amended 2016*)

VOTING AT GENERAL MEETINGS

13. **Method of Voting:**

- (a) At any General Meeting, unless a poll is demanded, a declaration by the Chair that a resolution has been carried, and an entry to that effect in the minutes, shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. If a poll is demanded, it shall be taken in such manner as the Chair directs consistent with these by-laws. (See the Act, S. 93, 1(f) and ss. 3.)
- (b) Subject to section 30 hereof, a vote may be conducted entirely by one or more telephonic or electronic means or by a combination of one or more telephonic or electronic means and voting in person. (*Added 2023*)

14. In the case of an equality of votes at any General Meeting of the Corporation, the Chair shall be entitled to a second or casting vote. (See the Act, S. 93, ss. 1(c).)
15. A member of the Corporation who is not in arrears for any cash payment due by the member to the Corporation is entitled at all meetings of the Corporation to one vote if the amount of premium paid by the member annually is in excess of \$25.00 and no member is entitled to more than one vote. (See the Act, S. 162, ss. 1) (*Amended January 2020*)

16. Where a policy is made to two or more persons, one only is entitled to vote, and the right of voting belongs to the one first named on the register of policyholders, if the person is present or, if not present, to the one who stands second, and so on. (See the Act, S. 162, ss. 2.)
18.
 - (a) Where property is insured by a trustee board, any member of the board or its secretary-treasurer duly appointed in writing pursuant to its resolution may vote on its behalf. (See the Act, S. 162, ss. 3.)
 - (b) Where property is insured by a partnership or a corporation, any one member of the partnership or any one director or officer of the corporation who is duly appointed in writing pursuant to a resolution of the partnership or corporation may vote on behalf of the partnership or corporation.
19. No applicant for insurance is competent to vote or otherwise take part in the Corporation's proceedings until his application has been accepted. (See the Act, S. 163.)
20. The Chair of the Board, or in their absence the Vice-Chair (or First Vice-Chair if there is more than one), shall act as Chair at meetings of the Members. (*Amended 2016*)

ELECTRONIC MEETINGS

21. A meeting of Members may be held entirely by one or more telephonic or electronic means or by any combination of in-person attendance and telephonic or electronic means, provided:
 - (a) the Corporation makes available means for the holding of such meetings that permit Members to communicate adequately with each other during the meeting and to reasonably participate; and
 - (b) if there is to be an election of directors at such meeting, the Corporation has implemented a process by which votes may be verified as having been made by Members entitled to vote and the Corporation is not able to identify how each Member voted.

Any member who participates in the meeting by telephonic or electronic means or votes shall be deemed to be present in person at the meeting. (*Added 2023*)

22. Subject to section 21, the directors may determine that any meeting be held entirely by telephonic or electronic means. (*Added 2023*)

DIRECTORS

23. Number of Directors. Until changed in accordance with the Act, the business of the Corporation shall be conducted by nine (9) Directors, who shall be residents of the Province of Ontario. (See the Act, S. 165, ss. 1.) (*Amended 2023*)
24. Qualification of Directors.
- (a) A Director shall be eighteen (18) years of age, and be a resident of the Province of Ontario.
 - (b) No undischarged bankrupt shall be a Director.
 - (c) Prior to election or appointment as a Director the person shall provide to the Board such satisfactory background checks as the Board may then require, which may include by way of example, a clear criminal record report. (*Amended January 2020*)
 - (d) No person is eligible to be or shall act as a Director unless the person is a member of the Corporation and insured therein at the time the person is elected or appointed to office and the person remains a member of the Corporation and insured therein and is entitled to vote, for the time the person holds office. (*Amended 2018*)
 - (e) No person shall be eligible for election or re-election as a Director after having served eighteen years as a director provided always that (*Amended 2023*):
 - (i) for those persons serving as Directors on January 1, 2017, only one – half of their years of service prior to such date shall be included in determining their length of service on the Board; and
 - (ii) if in any given year more than 2 Directors will no longer be eligible to be re-elected as a result of having served for eighteen years, one of them shall be eligible to be re-elected for one more term, and if those Directors cannot agree on who will be eligible to be re-elected the Director who shall be eligible shall be determined by lot; and
 - (iii) in addition to a Director who shall be eligible to be re-elected pursuant to subsection (ii) above, if a Director who has served eighteen years is then the Chair or a Vice-Chair of the Board of Directors of the Farm Mutual Reinsurance Plan Inc. or the Ontario Mutual Insurance Association or a Trustee of the Fire Mutuals Guarantee Fund, the Director may be elected for one further 3 year term so as to allow such Director to complete the

Director's term on the executive of the Farm Mutual Reinsurance Plan Inc. or the Ontario Mutual Insurance Association or as a Trustee of the Fire Mutuals Guarantee Fund.

(f) Nomination:

- (i) The Board shall annually appoint a Recruitment Committee consisting of no less than four Members, all of whom need not be Directors. The mandate of the Committee will each year compile a list of nominees for election to the Board from those persons who have filed notice of their intention to seek election in accordance with section 24(f)(ii) and persons identified by the Committee as potential nominees, having regard to the Board's skill set requirements and needs. *(Amended 2023)*
- (ii) Any person wishing to seek election or re-election as a Director must file their intention in writing with the Chair of the Committee prior to the 1st day of December preceding the Annual General Meeting at which election or re-election as a Director is sought. *(Amended January 2020)*
- (iii) The Committee shall consider all persons who have filed notice of their intention to seek election, including incumbent Directors who have filed a notice. The Committee shall conduct the following due diligence on each person seeking election or re-election as a Director:
 - 1. confirm each person's qualification to be elected as a Director;
 - 2. assess each person's personal and professional integrity and commitment to promote the long term interests of the Corporation, and each person's commitment to devote adequate time to serve as a Board member;
 - 3. interview each person.
- (iv) No less than 60 days in advance of the meeting at which Directors are to be elected the Recruitment Committee shall present to the Board the names of the nominees it, by majority vote, recommends for election as Directors. The names of those persons recommended by the Recruitment Committee who are then approved by the Board shall be submitted to the Members with the notice of the Annual General Meeting. Those persons not recommended by the Recruitment Committee and approved by the Board shall be so advised.

- (v) Any person who filed their intention in writing with the Chair of the Committee to seek election as a Director who is not approved by the Board and who is otherwise qualified to be elected as a Director may seek election as a Director provided that such person gives notice of their intention to the Corporation no less than 45 days prior to the annual meeting at which the election is to be held. *(Amended 2017)*
- 25.
 - (a) Where a trustee board or partnership has the qualifications that would qualify an individual to be a Director of the Corporation, one member of the trustee board or partnership is eligible to be a Director of the Corporation.
 - (b) The President or Director of a member corporation that has the qualifications that would qualify an individual to be a Director is eligible to be a Director of the Corporation. *(Amended February 2007)*
- 26. Notwithstanding any other provision of the By-laws of the Corporation, the following persons are not eligible to be elected as a Director of the Corporation and shall not interfere in the election of Directors:
 - (a) An Insurance Broker or Insurance Agent associated with the Corporation or anyone having a financial interest in an insurance brokerage or insurance agency associated with the Corporation;
 - (b) A Director, Officer, shareholder, employee or agent of an Insurance Brokerage or Insurance Agency business associated with the Corporation;
 - (c) An agent or paid Officer of the Corporation, (subject to the right of the Chair, Vice-Chairs and Committee Chairs to be compensated as a result of their holding those offices);
 - (d) An officer of the Bankers of the Corporation;
 - (e) An employee of the Corporation;
 - (f) A Director or Officer of another Insurance Company, other than the Farm Mutual Reinsurance Plan Inc.;
 - (g) The President of the Corporation;
 - (h) A spouse, child, parent, parent-in-law or sibling of any of the persons identified in subsections (a) through (g) inclusive. For the purposes hereof, "spouse" shall be as defined in Part III of the Family Law Act of Ontario and "child" shall include step-children. *(Amended 2016)*

27. **Retirement of Directors in Rotation.** One-third, or if the number of Directors is changed in accordance with the Act to a number that is not divisible by three, as close to one-third as is mathematically possible of the Directors shall retire annually in rotation. (See the Act, S. 167.) (*Amended 2023*)
28. (a) **Annual Election to Fill Vacancies.** At every Annual General Meeting one-third of the total number of Directors shall be elected for a period of three years to fill the places of the retiring Directors, who are eligible for re-election. (See the Act, S. 168.) In the event the number of directors is changed to a number that is not divisible by three, the number whose terms expire in any given year shall not exceed by more than one the number whose terms expire in any other year. (*Amended 2023*)
- (b) In the event at any Annual General Meeting a successor Director is not elected to replace all directors whose terms have expired those Directors for whom a successor Director has not been elected shall continue in office until a successor is elected or appointed in accordance with this By-law and the Act. (*Amended 2023*) If there are more Directors whose terms have expired than there are positions on the Board for which successors have not been elected, and all of those Directors whose terms have expired wish to continue in office then the Director or Directors who will continue in office until a successor or successors are elected or appointed shall be determined by lot. (*Added, 2018*)
- (c) **Removal of Director.** A Director may be removed from their office and shall thereupon cease to be a Director of the Company, upon a resolution being passed for their removal as a Director by at least 2/3 of the votes cast at a General Meeting of which notice specifying the intention to pass such a resolution was properly given. (*Amended February 2007*)
29. **Election of Directors.** The election of Directors shall be held and made by such members as attend for that purpose in person, or in the case of a Corporation or partnership, by a Director, officer or member authorized in writing to represent it. (See the Act, S. 171, ss. 1.)
30. The election shall be by ballot. (See the Act, S. 171, ss. 2.) Members may vote for up to the number of directors as there are positions to be filled but need not vote for all positions available, and may only cast one vote per candidate on a ballot. (*Amended 2016*)
31. If two or more members have an equal number of votes, so that less than the whole number to be elected appear to have been chosen Directors by a majority of votes, the members present shall proceed to ballot until it is determined which of the persons so having an equal number of votes shall be the Director, or Directors. (See the Act, S. 171, ss.3)

32. **Interim Vacancies on Board.** If a vacancy occurs among the Directors, during the term for which they have been elected, by death, resignation, ceasing to have the prescribed qualifications, insolvency or by absence without previous leave of the Directors from three successive regular meetings, which shall by reason of that fact create such vacancy, or as a result of a Director being removed from office by a resolution passed pursuant to section 28(c), the vacancy may be filled, until the next Annual General Meeting, by any person duly qualified, chosen by a majority of the remaining Directors as soon as may be, after the vacancy occurs, and at the next Annual General Meeting the vacancy shall be filled for the portion of the term still unexpired. (See the Act, S. 172.) *(Amended February 2007)*

An election separate from the election referred to in section 26 hereof shall be held to fill the vacancy; and if there is to be a separate election to fill the remaining portion of a vacancy on the Board, when filing notice of their intention to seek election as a Director under section 24(f)(ii) or 24(f)(v), such notice shall specify if they are seeking election to fill the remaining portion of the vacancy or seeking election for a three year term. *(Amended January 2020)*

33. **Meetings.** All meetings of the Directors shall be held at the head office of the Corporation or at such other place as the Board may determine from time to time, at the call of the Chair. Directors shall meet no less than 10 times in each twelve month period, with the first meeting to be held immediately after the Annual General Meeting. Regular meetings may be scheduled for such day and time and place as the Board of Directors may determine. A special meeting of the Directors may be called at any time by the Chair, and shall be called at any time when required by three Directors. *(Amended January 2020)*

No notice need be given for regularly scheduled meetings of the Board. Notice of all other meetings shall be mailed, delivered, sent by facsimile or e-mail or other electronic transmission, or otherwise given to each Director not later than the third business day preceding the date of the meeting. *(Amended January 2020)*

If all the Directors present at or participating in the meeting consent, a meeting of Directors or of a Committee of Directors may be held by such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a Director participating in the meeting by those means is deemed to be present at the meeting. *(Amended 2016)*

Directors may determine that any meeting be held entirely by telephonic or electronic means. *(Added 2023)*

If Directors are permitted to attend and participate by telephonic or electronic means, the notice of the meeting must include instructions for attending and participating in the meeting by the telephonic or electronic means that will be made available for the meeting,

including, if applicable, instructions for voting by such means at the meeting. (*Added 2023*)

34. **Quorum.** A majority of the Directors shall constitute a quorum for the transaction of business, and in the case of an equality of votes at any meeting, the question passes in the negative. (See the Act, S. 173, ss. 1.)
35. A Director disagreeing with the majority at a meeting may have their dissent recorded with their reasons therefor. (See the Act, S. 173, ss. 2.)
36. **Remuneration.** Directors of the Corporation shall be entitled to an amount determined by the Board of Directors from time to time for attending meetings of the Board, Committees of the Board or Members at which their attendance is required by these By-laws or the Chair of the Board and for fulfilling their duties as Board Members; which amount shall be reported to the Members at an Annual General Meeting. The Chair, Vice-Chairs and Committee Chairs may be paid a sum annually for acting as such, as determined by the Board of Directors from time to time. In addition, each Director shall be paid such sums in respect of their mileage and out-of-pocket expenses incurred in the performance by them of their duties as the board may from time to time approve. (*Amended 2016, 2020, 2023*)

OFFICERS

37. **Chair and Vice-Chairs.** The Directors shall at their first meeting held after each Annual General Meeting of the Corporation, elect by ballot from among themselves a Chair and one or more Vice-Chair(s), and the Secretary shall preside at such elections. They shall hold office for one year, or until their successors are elected. The Chair and Vice-Chairs are eligible to be re-elected to the same positions for up to 3 consecutive terms of one year. The Chair shall preside at all meetings of the Directors, and shall perform other duties as may pertain to the office of the Chair. In the absence of the Chair, the Vice-Chair (or first Vice-Chair if there is more than one) shall perform the duties of the Chair. (*Amended 2016*)
38. **Other Officers.** The other officers of the Corporation, who shall be appointed by the Board of Directors, shall be the President, Secretary, Treasurer (who may also be known as the Chief Financial Officer), and such other officers as the Directors deem necessary from time to time. The President shall be the Chief Executive Officer responsible to the Board of Directors for the overall operation of the Corporation. (*Amended 2016*)
39. **Appointment.** Such other officers of the Corporation shall be appointed by the Directors who shall specify their duties and remuneration and they shall hold office at the pleasure of the Directors.

40. **Duties may be Delegated.** In the case of the absence or inability of the Chair or a Vice-Chair, or any other officer of the Corporation, a majority of the remaining Directors may delegate the powers and duties of such officers to any other officer or to any Director for the time being.
41. **Bond.** The security given by the Treasurer or other officer having charge of the money of the Corporation shall not be less than \$10,000.00 or such greater amount as may be required by the Superintendent. (See the Act, S. 174, ss. 2.)

COMMITTEES

42. (a) **Executive Committee.** The Chair and Vice-Chairs or such persons as are designated by the Board from time to time, shall constitute the executive committee of the Corporation, and shall meet at the call of the Chair to advise and assist the President in dealing with emergency business during the intervals between meeting of the Directors, or to dispose of routine business in accordance with instructions of the Directors. During the absence or inability of a member of the Executive Committee, some other Director shall be invited to act on the Executive Committee in the members place and stead. *(Amended 2016)*
- (b) **Other Committees.** The Board shall constitute as Standing Committees of the Board an Audit Committee, a Governance/Conduct Review Committee, an Investment Committee, a Risk Management Committee and a Recruitment Committee, the terms of reference of which shall be as prescribed by the Insurance Act and the Board. The Board shall also establish or designate a Committee to monitor the application of procedures established by the Board for identifying potential conflicts of interest and resolving conflicts of interest that may arise. *(Amended January 2020)*

The Board shall constitute such other Committees of the Board as may be required from time to time by the Act or deemed expedient by the Board. Subject to the Act, the terms of reference of such other Committees shall be as determined from time to time by the Board. *(Amended 2016)*

Such other Committees of the Board shall meet at the call of the Chair of the Board or the Chair of the Committees.

EXECUTION OF DOCUMENTS

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

such documents as executed aforesaid and these shall be binding upon the Corporation.
(Amended 2016, 2023)

MINUTES

44. Minutes of all meetings of the Directors and of all Committees of the Board shall be recorded by the President or Secretary or someone appointed by the Board or Committee.

Such minutes shall be open for inspection by any Director at any reasonable time.
(Amended 2016)

BANKS AND BANKING

45. (a) The bank of the corporation shall be such bank as the Directors may from time to time appoint.
- (b) All monies received by the Treasurer or such other officers as are authorized from time to time by the Board to do so, shall be deposited forthwith in the name of the Corporation in the said bank, excepting such amounts as may be expended for small losses, rebates or office expenses, which shall be supported in each case by proper receipts.
- (c) All monies shall be withdrawn from the bank in such manner and by such persons as are in accordance with the policies of the Corporation as set down from time to time by the Directors.
- (d) All cheques and post office money orders in favour of the Corporation shall be receipted for or endorsed for deposit to the credit of the Corporation by the Treasurer or such person or persons as are authorized by the Directors.
- (e) Such person or persons as is authorized by the Board from time to time, may appoint may grant receipts for the payment of interest or rents due.
- (f) Such person or persons as is authorized by the Board from time to time shall have access to any safety deposit box rented by the Corporation.
- (g) The Directors of the Corporation may from time to time:
- (i) borrow money upon the credit of the Corporation in such amounts and upon such terms as may be deemed necessary;
 - (ii) charge, mortgage, hypothecate or pledge all or any of the real or personal property of the Corporation, present or future, including book debts and

unpaid calls, right, powers, franchises and undertaking to secure any liabilities or any money borrowed or other debt or any other obligation or liability of the Corporation.
(Amended 2016)

INVESTMENTS

46. The Corporation shall invest its funds in any securities and other investments in which, under the Insurance Act as may be amended from time to time, the Corporation may invest its funds. (See the Act, S. 433-435).

The Directors shall formulate policies, standards and procedures for the investment of the funds of the Corporation, which policies, standards and procedures shall be reviewed no less than annually and revised as necessary. (Amended 2016)

47. Such person or persons as are authorized by the Board from time to time, may give, on behalf of the Corporation, and on payment of the money at maturity, a legal discharge of any security for money held by the Corporation. (Amended 2016)

INSURANCE

48. **Contracts of Insurance.** Subject to the foregoing articles and any applicable legislation, the Directors, or those to whom the Directors may delegate the responsibility, shall determine the forms, terms, conditions, rates and premiums for all contracts of insurance undertaken by the Corporation except prescribed automobile contracts which are developed by the Farm Mutual Reinsurance Plan Inc. and approved by the Financial Services Regulatory Authority of Ontario. (Amended February 2006, January 2020)
49. Subject to the foregoing articles and the limitations of the charter and license powers of the Corporation, the Directors shall fix the limits of liability which the Corporation may assume under any insurance contract, and may vary and alter the same from time to time, and may determine what risk or classes of risk shall be undertaken or refused by the Corporation. (See Articles 1, 48 and 49, supra.)
50. **Adjustment and Settlement of Claims.** Subject to the foregoing articles and instructions of the Directors, all claims shall be adjusted in accordance with the policies of the Corporation, as determined from time to time by the Directors, and the terms and conditions of the prevailing policy of insurance and governing legislation. (Amended 2016)

REFUNDS FROM SURPLUS

51. The Directors may declare a refund from surplus at the end of a calendar year upon such terms and subject to such conditions as they may determine. (*Amended 2016*)

AUDITORS

52. One or more auditors shall be appointed by resolution at each Annual General Meeting and shall hold office until the next Annual General Meeting unless previously removed by a resolution of the members in a General Meeting. The remuneration of the auditors shall be fixed by the Board of Directors.

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

The auditors shall make a report to the members of the accounts examined by them and the balance sheet and other statements shall be in the form prescribed by the Financial Services Regulatory Authority of Ontario. They shall sign a certificate at the foot of the balance sheet stating that they have verified the assets and liabilities of the Corporation as at the date thereof; that it is in accordance with the books and information given to them, and that in their opinion it sets out truly and correctly the financial position of the corporation as on date thereof, and shall take such further actions as are prescribed by the Insurance Act and Regulations thereto and the Act as amended from time to time. (*Amended January 2020*)

LIMITATION OF LIABILITY

53. (a) No Director or Officer or past Director or Officer of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts or any person with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on their part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of their office or in relation thereto, unless the same are occasioned by their own willful neglect or default; but that nothing herein shall relieve any Director or Officer from the duty to act in accordance with the Act, the Insurance Act or any other pertinent legislation affecting the Corporation or from liability for

any breach thereof. *(Amended 2016)*

- (b) Except as provided in the Act or the Insurance Act, every Director and Officer of the Corporation, every former Director or Officer of the Corporation, or a person who acts or acted at the Corporation's request as a Director or Officer of the Corporation or as a Director or Officer of a corporate body of which the Corporation is or was a shareholder or creditor, and their legal representatives shall, from time to time be indemnified and saved harmless by the Corporation from and against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment reasonably incurred by them in respect of any civil, criminal or administrative act or proceeding to which they are made a party by reason of being or having been a Director or Officer of the Corporation if, (i) they acted honestly and in good faith with a view to the best interest of the Corporation; and (ii) in the case of a criminal or administration action or proceeding as enforced by monetary penalty, they had reasonable grounds for believing that their conduct was lawful. *(Amended 2016)*
- (c) Subject to the limitations contained in the Act and the Insurance Act, the Corporation may purchase and maintain such insurance for the benefit of its Directors and Officers as such, as the Board may from time to time determine.

DISCLOSURE BY DIRECTORS OF INTEREST IN CONTRACTS

- 54. A Director who is in any way directly or indirectly interested in a contract or proposed contract with the Corporation shall make the disclosure required by the Act. R.S.O. 1990, c.C. 38 as amended.

AMENDMENTS TO BY-LAWS

- 55. (a) The Directors may pass By-laws not contrary to the Act or the Insurance Act or to the Charter with respect to the conduct and all other particulars of the affairs of the Corporation.
- (b) A By-law passed by the Directors as set out in subclause (a) above and a repeal, amendment or re-enactment thereof, unless in the meantime confirmed at a General Meeting of the members duly called for that purpose, is effective only until the next General Meeting of the members unless confirmed thereat and, in default of confirmation thereat, ceases to have effect at and from that time, and in that case no new By-law of the same or like substance has any effect until confirmed at a General Meeting of the members.
- (c) The members may at a General Meeting mentioned in subsection (b) above, confirm, reject, amend or otherwise deal with any By-law passed by the Directors

and submitted to the meeting for confirmation. No act on or right acquired under any such By-law shall be prejudicially effective by any such rejection, amendment or other dealing. (*Amended 2016*)

REPEAL

56. All General By-laws of Kent & Essex Mutual Insurance Company heretofore enacted are hereby rescinded and repealed as of the date on which the By-law is enacted.

DATED, PASSED AND SEALED, this _____ day of _____, _____.

"Euclid Mailloux"
President

"Bernie MacNeil"
General Manager

As amended by the Board of Directors at the meeting held January 26, 2016, with amendments confirmed by the Members on March 22, 2016

"John Aitken"
Chair

"Joanne Vansevenant"
President

As amended by the Board of Directors with amendments confirmed by the Members on March 21, 2017

"John Aitken"
Chair

"Kevin Konecny "
President

As amended by the Board of Directors January 23, 2018 with amendments confirmed by the Members on March 27, 2018

"Tim McIntosh"
Chair

"Kevin Konecny "
President

As amended by the Board of Directors January 28th, 2020 with amendments confirmed by the Members on March 19, 2020.

"Tim McIntosh"
Chair

"Kevin Konecny "
President

As amended by the Board of Directors July 25, 2023, with amendments confirmed by the Members on September 7, 2023.

"Bill Rhodes"

Chair

"Kevin Konecny "

President