



Canada Deposit Insurance Corporation

Corporate By-law

**Approved by the Board of Directors of the Canada Deposit Insurance Corporation on
March 6, 2024**

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CANADA DEPOSIT INSURANCE CORPORATION

CORPORATE BY-LAW

A by-law relating generally to the regulation of the affairs and conduct of the business of Canada Deposit Insurance Corporation.

PART 1 - INTERPRETATION

1.01 Definitions

Definitions in the *Canada Deposit Insurance Corporation Act* and the *Financial Administration Act* (FAA) apply unless otherwise specified in this by-law.

The definitions in this section apply in this by-law:

“Act” «Loi»

means the *Canada Deposit Insurance Corporation Act*;

“Alternate” «substitut»

means any individual designated as an alternate for an *Ex officio* Director and who is deemed to be a member of the Board of Directors pursuant to section 5(2) of the Act;

“CDIC Business Continuity Plan” « plan de continuité des activités de la SADC »

means the document that describes the resources and activities required to ensure the safety of its employees and continuity of critical business functions during a disruption event;

“Chief Executive Officer” « premier dirigeant »

means the president and chief executive officer of the Corporation, appointed by the Governor in Council;

“Chief Internal Auditor” « chef de l’audit interne »

means the chief internal auditor of the Corporation;

“Committee” « comité »

means any committee of the Board of Directors established pursuant to Part 3 of this by-law;

“Committee Chair” « président du comité »

means the chair of a Committee;

“Director” « administrateur »

means any director of the Corporation, as defined in section 5 (1) of the Act, or an Alternate. Reference to a particular director means the individual holding that position for the time being;

“Emergency” « urgence »

means (1) an event in which the CDIC Business Continuity Plan has been activated by management; and; (2) an event during the existence of any catastrophe, or other similar emergency condition, as a result of which a quorum of the Board of Directors or a Committee cannot readily be convened for action;

“Employee” « employé »

means any employee of the Corporation, whether full or part-time and whether employed for an indefinite or a fixed or otherwise limited term;

“Ex officio Director” « administrateur désigné d’office »

means any of the Deputy Minister of Finance, the Governor of the Bank of Canada, the Superintendent of Financial Institutions, the Commissioner of the Financial Consumer Agency of Canada, the Deputy Superintendent of Financial Institutions or an Officer of the Office of the Superintendent of Financial Institutions, appointed as a director pursuant to the Act, and the Chief Executive Officer. “Non-ex officio director” correspondingly means any of the other directors;

“External Auditor” « auditeur externe »

means the Auditor General of Canada;

“Management” « la direction »

means the corporate officers and senior administrators of CDIC that coordinate resources and activities to accomplish strategic objectives;

“Observer” « observateur »

means an individual who is designated as an alternate for an *Ex officio* Director, who attends the meeting with the *Ex officio* Director and is not deemed to be a member of the Board of Directors;

“Officer” « dirigeant »

means any officer appointed by the Board of Directors in accordance with section 4.01 of this by-law;

“Person” « personne »

includes an individual, a body corporate, a general or limited partnership, a joint venture, a trust, an unincorporated organization or association, a government or an agency or instrumentality of a government.

1.02 Number, Gender and Headings

In this by-law, words in the singular include the plural and vice-versa and include all genders. The use of headings and its division into parts, sections and other subdivisions are for reference purposes only.

PART 2 - MEETINGS OF THE BOARD OF DIRECTORS

2.01 Calling of Meetings

(1) The Chairperson may call a Board or Committee meeting by giving notice to all of the other Directors stating the time and place of, and the business to be transacted at the meeting, or by directing the Corporate Secretary to do so.

(2) Any two Directors may cause the Chairperson to call a Board or Committee meeting. Requests should be made to the Chairperson in writing or orally, but if the latter, should be confirmed in writing as soon as possible.

(3) If the Chairperson is absent or incapacitated, two Directors, one of whom is an *Ex officio* Director, may call a Board or Committee meeting in place of the Chairperson.

(4) Notices of Board or Committee meetings will be given to each Director in paper format (via courier service or mail) or electronically, no less than 48 hours before the meeting date. Notice is not necessary if:

- (i) all Directors are already present at the place of the meeting;
- (ii) those absent have waived notice, or consented for the meeting to proceed; or
- (iii) the meeting relates to an urgent matter where 48 hours’ notice is not possible.

(5) Items dispatched by courier service shall be deemed to arrive on the day of delivery, those sent by electronic means shall be deemed to arrive on the day of successful transmission and items mailed shall be deemed to arrive on the fifth day following the post-marked date.

(6) Each Director shall provide the Corporate Secretary with a mailing address, an electronic mail (e-mail) address, and a telephone number at which the Director may be contacted, and where written communications and other documents can be dispatched to their attention.

(7) Adjourned meetings will be reconvened without notice if the time and place is announced at the time of adjournment. A reminder of the time/date shall be sent as a courtesy by the Corporate Secretary no less than forty-eight hours prior to the meeting unless the meeting relates to an urgent matter.

(8) Board or Committee meetings may be held in person at any place, or by using an electronic medium whereby Directors can speak and hear each other.

2.02 Validity of Actions

(1) Resolutions adopted at a Board meeting are valid, regardless of whether there was an immaterial error in, or omission from the contents of the notice.

(2) The Board or Committees may approve a resolution in writing between meetings. Such resolutions are to be sent via electronic means, and must be approved unanimously in writing by all Directors eligible to vote (i.e., are not in a conflict of interest situation) to be considered adopted and valid. A copy of each such resolution shall be kept by the Corporate Secretary.

2.03 Quorum for Meetings

Quorum for a Board meeting is the majority of the Directors, provided two of the Directors present are non-*Ex officio* Directors, other than the Chairperson, and two are *Ex officio* Directors (or alternates when representing their respective Directors).

2.04 Procedure at Meetings

The Chairperson determines the procedures and conduct of Board meetings.

2.05 Voting at Meetings

Any motion made or other matter put to a vote at a Board meeting will be decided by a majority of the votes cast by Directors (or Alternates in the absence of Directors). The Chairperson only casts a vote in the event of a tie.

2.06 In Camera Sessions

(1) At each regular Board meeting, the agenda shall include an in camera session for Directors without management present. Observers and management may attend at the invitation of the Chairperson. This item may be waived if no member identifies a need for an in camera session.

(2) Business conducted or motions carried at an in camera session will be communicated to the Corporate Secretary who will record the decision/resolution in a confidential version of the minutes, where appropriate.

(3) In camera sessions may be held without the Chief Executive Officer present, at the Chairperson's discretion. In these instances, the Chairperson must brief the Chief Executive Officer on any substantive and relevant matters discussed at the meeting.

2.07 Declarations of Interest

(1) Directors must recuse themselves from a discussion or a vote, or may be asked to do so by the Chairperson, should they be in a real or perceived conflict of interest, in accordance with section 5.02 of this by-law.

(2) Directors may submit a written declaration of a conflict of interest to the Corporate Secretary, a copy of which will be sent to the Chairperson by the Corporate Secretary as soon as possible.

2.08 Notices of Dissent

Directors may submit a written notice of dissent to the Corporate Secretary, a copy of which will be sent to all other Directors by the Corporate Secretary as soon as possible.

2.09 Coordination Through Chairperson

The Chairperson is the principal channel of communication for matters of significance concerning the Corporation between individual Directors and the Board, and between the Board and the Minister.

2.10 Emergency Procedures

Where an Emergency exists:

(a) requirements related to Board meetings, including requirements related to notices and quorum, do not apply, and the Board may meet as required in accordance with the Board Business Continuity Plan;

(b) quorum is three Directors, provided that one of the Directors present is an *Ex officio* Director (or alternate representing their respective Director) and one is a non-*Ex officio* Director;

(c) If the Chief Executive Officer is not present at the meeting, the Board should ensure that at least one Officer is in attendance;

(c) where the Chairperson is absent, one of the Directors present at the meeting who is chosen to act by the Directors present shall preside and have all the powers of the Chairperson.

2.11 Corporate Secretary

(1) The Corporate Secretary is an Officer appointed by the Board and is responsible for:

(a) circulating all notices and agendas of meetings of the Board and Committees;

(b) attending all meetings of the Board and Committees, unless otherwise instructed by the Chairperson or the Committee Chair;

(c) recording and maintaining minutes of all proceedings of the Board or of Committees;

(d) being the custodian of the seal of the Corporation and all minute books and all instruments in writing executed under the seal of the corporation; and

(e) such other duties and responsibilities incident to the office or as may be assigned from time to time by the Board, or the Chairperson.

(2) Any individual may act for, and perform the duties of the Corporate Secretary in their absence, with the approval of the Chairperson. The Corporate Secretary may designate another Employee to assist in the performance of their duties.

(3) Minutes are to be recorded in a manner that accurately reflect the deliberations and decisions taken at a meeting. Copies of the minutes are to be distributed to all participants after each meeting, and are to be approved by the Board or relevant Committee at the next meeting.

(4) The Chairperson and the Corporate Secretary shall certify the minutes of Board proceedings after they have been approved by the Board.

PART 3 - COMMITTEES OF THE BOARD OF DIRECTORS

3.01 Audit Committee

(1) There shall be an Audit Committee, the members of which shall be two or more of the non-*Ex officio* Directors and one or more of the *Ex officio* Directors, one of whom shall be a member of the Risk Committee, as named by the Board. All members appointed to the Audit Committee shall either be financially literate upon appointment or undertake to be financially literate within a reasonable period of time after their appointment to the Committee. Subject to availability, at least one member of the Audit Committee shall have financial expertise. Alternates may attend and vote at Committee meetings in the absence of their respective Directors.

(2) The Audit Committee shall carry out the functions required by the applicable provisions of the FAA and the Act, as well as such other functions as assigned or delegated to it by the Board, as per the approved Committee Charter.

(3) The Chief Internal Auditor and External Auditor of the Corporation are entitled to receive notice of every meeting of the Audit Committee, and to attend and be heard at each meeting. The External Auditor attends at the expense of the Corporation. The Chief Internal Auditor and External Auditor may call a meeting of the Audit Committee at any time, as deemed necessary.

(4) At each regular meeting of the Audit Committee, the agenda will include separate in camera sessions:

- (a) for Directors only;
- (b) with the Chief Internal Auditor present; and
- (c) with the External Auditor present.

These items may be waived if no Committee member identifies a need for an in camera session. In addition, the Committee Chair may call an in camera meeting with select members of management any time to discuss sensitive matters or information. Observers may attend the in camera sessions at the invitation of the Committee Chair.

3.02 Governance and Human Resources Committee

(1) There shall be a Governance and Human Resources Committee, the members of which shall be two or more of the non-*Ex officio* Directors, one of whom shall be the Chairperson of the Board, one or more of the *Ex officio* Directors, as named by the Board. Alternates may attend and vote at Committee meetings in the absence of their respective Directors.

(2) The Governance and Human Resources Committee shall carry out the functions as assigned or delegated to it by the Board, as per the applicable provisions of the FAA and the Act, and the approved Committee Charter.

(3) At each regular meeting of the Governance and Human Resources Committee, the agenda will include an in camera session for Directors only. In addition, the Committee Chair may call an in camera meeting with select members of management to discuss sensitive matters or information. Observers may attend the in camera sessions at the invitation of the Committee Chair. This session may be waived if no member identifies a need for an in camera session.

3.03 Risk Committee

(1) There shall be a Risk Committee, the members of which shall be two or more of the non-*Ex officio* Directors, one of whom shall be a member of the Audit Committee and one of whom shall be a member of the Governance and Human Resources Committee, and one or more of the *Ex officio* Directors one of whom shall be a member of the Board who is either the Superintendent of Financial Institutions, a Deputy Superintendent of Financial Institutions, or an Officer of the Office of the Superintendent of Financial Institutions, as named by the Board. Alternates may attend and vote at Committee meetings in the absence of their respective Directors.

(2) The Risk Committee shall carry out the functions as assigned or delegated to it by the Board, as per the approved Committee Charter. These include overseeing the Corporation's Enterprise Risk Management (ERM); examining member risk assessments, to identify, assess, and manage key risks to which the Corporation is or may be exposed; and reviewing the functioning of CDIC's internal risk function.

3) At each regular meeting of the Risk Committee, the agenda will include an in camera session for Directors only. In addition, the Committee Chair may call an in camera meeting with select members of management at any time to discuss sensitive matters or information. Observers may attend the in camera sessions at the invitation of the Committee Chair. This session may be waived if no member identifies a need for an in camera session.

3.04 Other Committees

The Board may establish additional Committees and determine their charters, membership, and duration.

3.05 Strategic Planning

The Board with the assistance of Committees will:

- (a) periodically assess CDIC's objects to ensure their continuing relevance and, if appropriate, propose changes for consideration by the Minister of Finance;
- (b) adopt a strategic planning process, including an annual planning session;
- (c) at least annually, approve operating objectives and strategies, an operating budget, capital budget, borrowing plan, the five-year corporate plan and recommend premium rates that are appropriate and prudent considering CDIC's objects, current and anticipated environment, risks, resources and financial position;
- (d) regularly evaluate CDIC's performance in implementing its approved plans, and budgets.

3.06 Terms of Membership

(1) The Board may set lengths of term for members of Committees, and membership should be changed on an appropriate, regular, and rotation basis.

(2) Where vacancies exist in a Committee, the remaining members may exercise all the powers and duties of the Committee so long as a quorum exists.

3.07 Application of General Rules

(1) Part 2 of this by-law relating to Board meetings applies to Committee meetings.

(2) The following also applies to all Committee meetings:

(a) The Committees shall be chaired by one of their members who is a non-*Ex officio* Director, as selected by the Board.

(b) The Committee Chair may call a Committee meeting by giving notice to all of the other members stating the time and place of, and the business to be transacted at the meeting, or by causing the Corporate Secretary to do so.

(c) Quorum for a Committee meeting constitutes three Committee members, provided one private sector Director and one *Ex Officio* Director are present. Alternates attending Committee meetings in the absence of their respective Director are included in quorum.

(d) Any motion made, or other matter put to a vote at a Committee meeting will be decided by a majority of the votes cast. Alternates may cast votes when attending meetings in the absence of their respective Director. The Committee Chair only votes in the event of a tie.

PART 4 – OFFICERS AND CHIEF INTERNAL AUDITOR

4.01 Board-Appointed Officers

The Board is responsible for the appointment and removal of all Officers of the Corporation, on the advice of the Chief Executive Officer. The Board shall appoint the following Officers: General Counsel, Corporate Secretary, and Chief Financial Officer, and any other Officer position that involves the exercise of significant discretion, strategic, independent and autonomous decision-making authority. The Corporate Secretary maintains an up-to-date and accurate list of Officers.

4.02 Chief Internal Auditor

The Board has delegated authority to the Audit Committee for approving decisions regarding the appointment and removal of the Chief Internal Auditor. The Audit Committee is responsible for evaluating the performance of the Chief Internal Auditor, who reports functionally to the Audit Committee and administratively to the Chief Executive Officer to maintain independence from Management.

4.03 Terms of Appointment

(1) An Officer or Chief Internal Auditor holds that office at the pleasure of the Board.

(2) An individual may hold more than one office with the Corporation with the exception of the Chief Internal Auditor.

4.04 Position Descriptions

(1) The Board shall approve general descriptions of the respective roles and responsibilities and authorities of:

(i) the Chairperson,

(ii) the Chief Executive Officer, and

(iii) any other Board-appointed officer as outlined in section 4.01 of this by-law.

The Audit Committee shall approve the position description for the Chief Internal Auditor.

(2) The Board, in consultation with the Chief Executive Officer, may from time to time vary, add to, or limit the duties and responsibilities of any Officer.

4.05 Delegating Functions

(1) If the CEO is absent for 30 days or less, the CEO can designate any officer to act on their behalf and said officer would have full delegation and related signing authorities. Should the absence be more than 30 days but not exceeding 90 days, the Board will delegate the functions of the CEO to any officer. Should the period of absence or incapacitation exceed 90 days, the Board shall request that the Minister commence a Governor in Council appointments process. Regardless of the length of time, the Chairperson is to be informed of all CEO absences, with advance notice wherever possible.

(2) In the case of a temporary absence or incapacity, the Board may delegate certain functions of the Chief Internal Auditor to the Manager, Internal Audit. Should the period of absence or incapacitation exceed 90 days, the Board shall appoint an interim replacement.

4.06 Advisors

The Board and Committees may seek legal or other advice from advisors, in accordance with the Corporation's current standards of independence and Policy respecting Engagement of Separate Independent Counsel or other Advisors.

PART 5 - CONFLICTS OF INTEREST

5.01 Oath

Every Director, Observer, Officer, Chief Internal Auditor, and Employee shall take an oath or solemn affirmation of fidelity and secrecy in the form of Schedule 1 to this by-law.

5.02 Conflicts of Interest

Every Director, Observer, Officer, Chief Internal Auditor, and Employee shall abide by the applicable provisions of the *Conflict of Interest Act*, as well as the conflicts of interest code of the Corporation approved by the Board, both during and, to the extent applicable, following their tenure with or employment by the Corporation.

5.03 Separation of Roles

The positions of Chairperson and Chief Executive Officer shall remain separate, and held by different individuals, subject to any law, regulations, or guidance to the contrary.

PART 6 - PROTECTION OF DIRECTORS AND OFFICERS

6.01 Liability

In accordance with section 45.1 of the Act, a present or former Director, Chief Executive Officer, or Officer shall not be liable to the Corporation, for any loss, damage or expense suffered or incurred by the Corporation as a result of any neglect or default of that individual or of any other present or former Director, Chief Executive Officer, or Officer.

6.02 Indemnification

In accordance with section 119 of the FAA, if a present or former Director, Chief Executive Officer, or Officer were liable to the Corporation, they would be entitled to be indemnified in respect of that liability.

6.03 Loan Against Indemnification

(1) If a present or former Director, Chief Executive Officer, or Officer claims indemnification pursuant to the FAA against costs, charges and expenses incurred in respect of an action or proceeding to which they are a party and the same are not paid on behalf of or reimbursed to the individual pursuant to the FAA and regulations thereunder as and when incurred, the Corporation, if so requested, will make one or more advances to the individual or for his or her account in order to pay such costs, charges and expenses, provided that:

- (a) in the opinion of the Board, there is no substantial reason to doubt that the individual is entitled to be indemnified pursuant to the FAA, and
- (b) the individual takes all steps reasonably available to effectively assign to the Corporation, and agrees that the Corporation shall be subrogated to, his or her right to be indemnified pursuant to the FAA and otherwise to recover on account of the costs, charges and expenses in question from any other person.

(2) Any such advances

- (a) shall bear interest calculated at a rate and payable at such times as the Board considers reasonable,
- (b) shall be correspondingly repayable to the Corporation forthwith as and when payments by way of indemnity are made pursuant to the FAA, and
- (c) in any event, shall be repayable to the Corporation in full, together with all accrued but unpaid interest, by no later than the third anniversary of the conclusion of the action or proceeding in question.

6.04 Costs Differential

(1) If a present or former Director, Chief Executive Officer, or Officer is entitled to indemnification pursuant to the FAA against costs, charges and expenses incurred in respect of an action or proceeding and the total amount paid by way of indemnity pursuant to the FAA is less than the total of such costs, charges and expenses, the Corporation will pay the difference.

(2) Any obligation of the Corporation pursuant to subsection (1) shall be satisfied, to the extent applicable, by set-off against any outstanding advance or interest owing by that individual to the Corporation under section 6.03 of this by-law.

6.05 Declarations for Certainty

(1) In this Part, "costs, charges and expenses" has the same meaning as in subsection 119(1) of the FAA.

(2) For the purposes of this Part, the indemnity provided by subsection 119(2) of the FAA shall be construed to apply in addition to, and not to the exclusion of or so as to create a limitation upon, the indemnity provided by subsection 119(1) of the FAA.

(3) The benefits of this Part shall enure to the heirs, executors, administrators and legal personal representatives of a present or former Director, Chief Executive Officer, or Officer.

PART 7 - EXECUTION OF DOCUMENTS

7.01 Authorities

Contracts for the purchase or other acquisition of property or services, or for the disposition or supply of property or services, by the Corporation, guarantees, indemnities and similar commitments by the Corporation, cheques and other negotiable or non-negotiable orders for payment issued or received by the Corporation and promissory notes, bonds, debentures and other negotiable or non-negotiable promises of payment made or received by the Corporation may be signed or endorsed on behalf of the Corporation in accordance with resolutions of the Board.

7.02 Signatures

The signature of an individual on a document or instrument to be signed on behalf of the Corporation may be affixed manually, or printed, stamped, engraved, lithographed or otherwise mechanically reproduced, or affixed through a signature software such as DocuSign, which allows for secure digital identification and authentication.

7.03 Corporate Seal

(1) The seal, an impression of which appears as Schedule 2 to this by-law, is the corporate seal of the Corporation.

(2) An individual who is authorized to sign a document or instrument on behalf of the Corporation may add, or authorize the adding of, the corporate seal.

PART 8 - REVIEW OF BY-LAW

8.01 Coming Into Force and Review Period

(1) This by-law shall come into force on the date it is adopted by the Board.

(2) The Chairperson shall undertake a review of this by-law, or cause the Corporate Secretary to do so at least every three years, and will report to the Chief Executive Officer on the results of the review.

(3) Any such report shall be provided to the Board, accompanied by any recommendations of the Chairperson.

SCHEDULE 1

Oath of Fidelity and Secrecy

I, do solemnly swear that I will faithfully, truly and to the best of my judgement, skill and ability, execute and perform the duties required of me as an Employee [or Director or as indicated in section 5.01 of this by-law] of the Canada Deposit Insurance Corporation and which relate to any office or positions held by me in, or the terms of my appointment with, the said Corporation.

I further solemnly swear that I will treat as confidential

- (a) information regarding the internal affairs of the Corporation, and
- (b) all information regarding the business or affairs of a federal institution or provincial institution or of any Person dealing therewith that is obtained by the Corporation.

SCHEDULE 2

Corporate Seal

The seal, an impression of which appears below, is the corporate seal of the Corporation.

