

## **GTHL GOVERNANCE BY-LAW AND RULE AMENDMENTS**

### **MOTION 1 - Amendment to By-Law Number One regarding Club Qualification**

**RESOLVED** that each of Article 3.10 and Article 5.15 of By-Law Number One be amended by deleting the existing Article 3.10 and Article 5.15 and substituting the following therefor (the text that is underlined being the additions and changes to the existing Article):

“3.10 APPLICATION FOR MEMBERSHIP In order for a Club, Division or Affiliated Group to be admitted and continue as a member of the Corporation, it must be incorporated as a non-share corporation under either the Corporations Act (Ontario) or Part II of the Canada Corporations Act and it must operate on a not-for-profit basis. A Club or Division may become a member of the Corporation by making application to the Corporation’s administrative office, on or before the 1<sup>st</sup> day of March, and an Affiliated Group on or before the 1<sup>st</sup> day of June, or in either case such other date as the Board shall from time to time decide upon, and such application shall be limited to the year in which membership is sought. The application shall be signed by the Club Officials or other officials of the applicant Club, Division or Affiliated Group or by any other person or persons duly authorized by it and acceptable to the Board. The application shall contain an undertaking by the applicant Club, Division or Affiliated Group to abide by the By-laws, Rules and Regulations and the Constitution of the Corporation. A Club, Division or Affiliated Group that is not incorporated as a non-share corporation as of March 5, 2005 shall file with the League Office, on or before April 1, 2005, a copy of its application to revive its charter or an application for Letters Patent as a non-share corporation pursuant to the Corporations Act (Ontario) or Part II of the Canada Corporations Act.”

“5.15 POWERS The Directors of the Corporation are empowered to set policy and manage the affairs of the Corporation to fulfill its objects and to make or cause to be made for the Corporation, in its name, any kind of contract which the Corporation may lawfully enter into. Save as hereinafter provided, the Directors of the Corporation may exercise all such other powers and do all such other acts and things as the Corporation is by its Letters Patent or otherwise authorized to exercise and do. Without limiting the generality of the foregoing, and subject to the provisions of Article 5.11, the Directors are expressly empowered, from time to time, to pass by-laws, rules or regulations to ensure that the Corporation and all Clubs, Divisions and Affiliated Groups operate on a not-for-profit basis in an open and accountable manner, to purchase, lease or otherwise acquire, alienate, sell, exchange or otherwise dispose of shares, stocks, rights, warrants, options and other securities, lands, buildings and other property, moveable or immovable, real or personal, or any right or interest thereon owned by the Corporation, for such consideration and upon such terms and conditions as they may deem advisable.”

**MOTION 2 - Amendment to By-Law Number One regarding Transfer of Clubs**

**RESOLVED** that By-Law Number One be amended by adding the following as Article 3.10A:

**3.10A APPROVAL OF TRANSFERS**

- (a) Every transfer or other disposition of control of a Club member or of a majority of the assets of or any interest in a Club member and every change of control, in law or in fact, of a Club member must be approved by the Board, such approval not to be unreasonably withheld. Where the Board intends to deny approval for any such proposed transfer or other disposition, the Board shall notify the Club member in writing of such intention and the reason for it and the Club member shall be permitted an opportunity to appear and make representations before the Board.
- (b) For such approval to be granted, a copy of all agreements or proposed agreements must be filed at the Corporation's office at least 14 days prior to the Board meeting at which the parties wish it to be considered. The names and résumés of the transferees must be filed at the same time. If any of the transferees is a corporation, the names and brief résumés of all persons having an interest in the ownership or operation of such corporation ("principals") must be included.
- (c) No such transfer, disposition or change of control will be considered for approval unless it adheres to the following minimum guidelines:
  - (i) all debts and obligations of any kind to the Corporation must be settled by the transferors;
  - (ii) no party to the transaction, including principals, may be involved in litigation with respect to the Corporation or hockey matters, save matters where coverage is being provided by Hockey Canada's insurers;
  - (iii) none of the transferees/principals can be an undischarged bankrupt or have been convicted of a criminal offence involving moral turpitude; and
  - (iv) a copy of a current Directors' and Officers' Liability Policy covering the activities of the proposed Directors and Officers of the Club member must be filed.
- (d) If the change of control occurs as a result of regular elections within a Club member not involving the transfer of any interest in or assets of the Club member, a), b) and c) above do not apply, except that no principal of a Club member can be an undischarged bankrupt or have been convicted of a criminal offence involving moral turpitude.

**MOTION 3 - Addition to Article 1 of the Rules**

**RESOLVED** that the following two Rules be added to Article 1 of the Rules of the GTHL:

**“Rule 1.2 Operation as a Non-profit Organization** The League shall operate as a non-profit organization for the purposes described in its Mission Statement set forth in Rule 1.1 above. As a non-profit organization, the League will prepare its budgets and run its operations with the intent that its annual revenues not exceed its annual expenses, other than to create and maintain such endowments, reserves and contingency funds as the Board in its discretion and from time to time, considers necessary, appropriate or desirable and other than to ensure that the League is able to meet its financial obligations as they become due. Furthermore, to the extent that in any financial year, the revenues of the League exceed its expenses, such excess revenues shall be retained by the League, shall not be distributed and shall be used following such financial year to pay expenses of the League incurred in the furtherance of its purposes.”

**“Rule 1.3 Publication of Financial Summary** Within 60 days after the end of each financial year, the League will publish its audited financial statements or a financial summary that shall present, in summary fashion, the Income and Expenses Statement and Balance Sheet of the League for such then completed financial year. The audited financial statements or financial summary shall include a brief commentary from the Board, including a letter signed by two of its Officers, including the Officer who is responsible for financial matters, that confirms that the League, as of its most recent financial year-end, has continued to operate as a non-profit organization. If a financial summary is published, it shall provide at least the same level of disclosure as required of a Club, Division or Affiliated Group by Rule 5.6. The audited financial statements or financial summary shall, in addition to any other means of publication approved by the Board, be available on the League’s website. Copies shall be available to Club Officials, Team Officials, players (including any parent or guardian of any such player) and media at the League Office. The League shall mail a copy of the audited financial statements or a financial summary to any Club Official, Team Official, player (including any parent or guardian of such player) who requests a copy.”

**MOTION 4 - Addition of Rule 4.8**

**RESOLVED** that the following rule be added to Article 4 of the Rules of the GTHL:

**“Rule 4.8 Change in Club Name or Logos** A Club shall not make any material changes to its name, or logos without the prior approval of the Board, which approval shall not be withheld unless the Board, acting reasonably, concludes that there are unresolved intellectual property rights issues, that the name and/or logo would be confusingly similar to that of a current Club, or that the name or logo is inappropriate for a minor hockey club. Where the Board intends to deny any such approval, it shall notify the Club member in writing of such intention and the reasons for it and the Club member shall be permitted an opportunity to appear and make representations before the Board.”

**MOTION 5 - Addition of Article 5 on Governance**

**RESOLVED** that Article 5 entitled “Governance” be added to the GTHL Rules and that the existing Articles 5 to 19, inclusive, be renumbered as Articles 6 to 20, inclusive, and appropriate cross-reference amendments be made to the GTHL Rules.

## **MOTION 6 - Addition of Rules relating to Corporate Disclosure**

**RESOLVED** that the following five rules be added to Article 5 of the Rules of the GTHL:

**“Rule 5.1 Each Club Must be Separately Incorporated** Each Club, Division or Affiliated Group must be separately incorporated and operate only one hockey organization and no other organization. As a result, each Club may operate a group of Teams under only one club/team name. This Rule shall not, however, prohibit or prevent a Club or Affiliated Group from operating a House League organization and an associated group of competitive Teams, provided that the associated group of competitive Teams constitutes only one competitive organization that otherwise complies with all of the League’s Rules.

**Rule 5.2 Provision of By-laws to the League** Each year when a Club, Division or Affiliated Group applies for membership in the League (and in the case of Clubs, applies for Teams), it shall submit to the League, together with its application for membership, a full and complete copy of its then current by-laws, or if the copy of the by-laws last submitted to the League remains current, a letter signed by one of its Officers confirming that. Whenever a Club, Division or Affiliated Group amends its by-laws during a Season, it shall, within 30 days of such by-law amendment becoming effective, file a copy of such by-law amendment with the League.

**Rule 5.3 Provision of Annual Filings to the League** Each year when a Club, Division or Affiliated Group applies for membership in the League (and in the case of a Club, applies for Teams), it shall submit to the League, together with its application for membership, a copy of the last annual filing that it has made to the Ministry of Consumer and Business Services (or its successor), together with any change notices filed since the last annual filing. Whenever a Club, Division or Affiliated Group makes an annual filing or files a change notice with the Ministry of Consumer and Business Services (or its successor) during the Season, the Club, Division or Affiliated Group shall deliver a copy of such annual filing or change notice to the League Office within 30 days of such filing being made to the Ministry.

**Rule 5.4 Provision of a List of Members to the League** Each year when a Club, Division or Affiliated Group applies for membership in the League (and in the case of a Club, applies for Teams), it shall submit to the League, together with its application for membership, a then current list of its members, except that if it has more than 25 members, it may instead submit a then current list of its Board of Directors or Executive Board or Committee. Whenever during the Season there is a change to the list submitted, the Club, Division or Affiliated Group shall deliver to the League Office a written notice of such changes within 30 days of such change occurring.

**Rule 5.5 Provision of a List of Corporate Officers to the League** Each year when a Club, Division or Affiliated Group applies for membership in the League (and in the case of a Club, applies for Teams), it shall submit, together with its application for membership, an up-to-date list of those persons who are its then current officers and directors for corporate purposes, unless it has already done so pursuant to Rule 5.4. In any filing made with the League pursuant to Rule 4.6 to designate the Registered Representatives of a Club, no person shall be designated in such filing as holding an office unless that person holds that office for corporate purposes. Whenever

during the Season there is a change in the composition of its officers or directors, a Club, Division or Affiliated Group shall deliver to the League Office an updated listing of its officers and directors reflecting such change. Such notice shall be delivered to the League Office within 30 days of such change occurring.”

**MOTION 7 - Addition of Rule regarding Non-profit Status and Financial Disclosure**

**RESOLVED** that the following rule be added to Article 5 of the Rules of the GTHL:

**“Rule 5.6 Provision of Annual Declaration of Not-for-Profit Status** Each year when a Club, Division or Affiliated Group applies for membership in the League (and in the case of a Club, applies for Teams), it shall submit, together with its application for membership, a letter signed by two of its Officers, including the Officer who is responsible for financial matters, that confirms that the Club, Division or Affiliated Group, as of its most recent financial year-end, has continued to operate as a non-profit organization. At the same time it shall also submit, to the League, a completed form of financial statement in the form attached as Schedule A hereto, as of its most recent financial year-end. If the Club, Division or Affiliated Group files a financial statement with a municipality that provides ice to the League, or publicly distributes its financial statement, it may submit such financial statement instead. The financial statement of the Club, Division or Affiliated Group shall be made available to any participant of the Club, Division or Affiliated Group upon request.

**MOTION 8 - Addition of Rule regarding Club Policies**

**RESOLVED** that the following rule be added to Article 5 of the Rules of the GTHL:

**“Rule 5.7 Provision of Club Policies** Each Club shall prepare in writing a set of Club Policies in whatever format it deems appropriate. The Club Policies shall describe the Club’s rules, policies and procedures with respect to the topics listed in Schedule B to these Rules. The Club Policies must be made available to each player (which for this purpose, where the player is under 18 years of age, shall include at least one of the player’s parents or legal guardians), prior to or at the time he signs a Registration Certificate. The player (including the parent or legal guardian to whom it has been provided), must be afforded an opportunity to review the Club Policies before a Registration Certificate is signed. Each Club will be required to file a copy of its then current Club Policies with the League prior to the League’s try-out period. In order for a Team’s Registration Certificates to be filed and accepted for registration by the League, each Club will be required to have a Club Official or a Team Official who has been involved with the signing of such Registration Certificate certify that the Club Policies for such Club have been made available to each player who signs a Registration Certificate with the Club, and to such player’s parent or legal guardian, prior to the signing of a Registration Certificate.”

**MOTION 9 - Addition of Rules regarding Required Financial Disclosure**

**RESOLVED** that the following three rules be added to Article 5 of the Rules of the GTHL:

**“Rule 5.8 Disclosure Relating to Fees** Each Club or Affiliated Group shall provide a player (which for this purpose, where the player is under 18 years of age, shall include at least one of the player’s parents or legal guardians) prior to or at the time he signs a Registration Certificate, with a statement in writing disclosing the full amount to be paid to the Club or the Affiliated Group as fees for the Season and setting forth the goods, equipment and services that will be provided to the player for the fee. If a final fee amount cannot be provided, any element that is subject to adjustment, and the reason for that, should be clearly identified and described.

**Rule 5.9 Disclosure of Payments to be made to Club or Team Officials**  
**Tabled to AGM - See page 19**

**Rule 5.10 Mandatory Disclosure of Involvement of Club and Team Officials**  
**Tabled to AGM - See page 19**

**MOTION 10 - Addition of Rules regarding Team Disclosure**

**RESOLVED** that the following two rules be added to Article 5 of the Rules of the GTHL:

**“Rule 5.11 Management of Team Finances** Each Club shall be responsible for ensuring that each of its Teams provides financial disclosure and financial controls with respect to the funding of the Team’s activities in accordance with this Rule. Pursuant to this Rule, each Team shall:

- (a) provide an estimated budget for the Team to each player (which for this purpose, where the player is under 18 years of age, shall include at least one of the player’s parents or legal guardians) prior to or at the time he signs a Registration Certificate, which estimated budget shall be in reasonable detail and shall specify in reasonable detail the things (such as practice ice, tournaments, on-ice skills instructors etc.) on which Team monies will be spent and how it is proposed that they will be paid for;
- (b) except for items that were clearly indicated as being reasonable estimates and subject to finalization, no material adjustment shall be made to such budget or to the programme described in such estimated budget without the prior concurrence of the Team Officials and a majority of the parents of players;
- (c) provide interim financial updates on or about September 15, November 15 and January 15 regarding the Team finances and the approved budget;
- (d) provide a final, year-end statement of Team revenues and expenses within four weeks of the last Team event for such Team;
- (e) require that there be at least three signing authorities for each Team bank account including at least one Team Official and at least two parents who are unrelated to and independent from any Team Official or Club Official;
- (f) require that at least two signatures be necessary for each Team cheque or withdrawal, including the signatures of at least one least one of the parent representatives referred to in (e) above;
- (g) require that the season-end financial statement referred to in (d) above be signed by at least two of the signing authorities, including at least one of the parent representatives referred to in (e) above; and
- (h) require that any surplus funds remaining with the Team at the season-end from normal operations be dealt with in accordance with the Club’s stated Policies.

**Rule 5.12 Provision of Any Team Rules and Policies** To the extent that the Club Policies permit its Teams to establish certain rules or policies for their operation, the Club shall ensure that the Team provides to each of its players (which for this purpose, where the player is under 18 years of age, shall include at least one of the player’s parents or legal guardians) a statement in writing setting forth any such Team rules or policies prior to the player signing his

Registration Certificate. Such Team rules and policies may be amended or changed from time to time, with the concurrence of the Team Officials and the approval of a majority of the Team's parents, so long as any amendments or changes to the Team rules or policies are confirmed in writing to each player (which for this purpose, where the player is under 18 years of age, shall include at least one of the player's parents or legal guardians) prior to becoming effective."

**MOTION 12 - Addition of Rules to provide Club Dispute Resolution Process**

**RESOLVED** that the following two rules be added to Article 5 of the Rules of the GTHL:

**“Rule 5.14 Establishment of Club Dispute Resolution Process** Each Club and Affiliated Group shall establish a dispute resolution process within the Club’s or Affiliated Group’s structure. Such dispute resolution process shall permit a player (which for this purpose, where the player is under 18 years of age, shall include at least one of the player’s parents or legal guardians) to seek to resolve any complaint about (i) any financial matter relating to the registration fees of the Club or Affiliated Group or payment thereof, (ii) any Team fees payable by the player or payment thereof, or (iii) any other problem related to compliance with the rules and policies of the Club or the Affiliated Group, as specified in the Club Policies or any documentation published by the Affiliated Group, and have such complaint resolved. The complaint shall be heard within 15 days of receipt of the complaint by one or more directors, officers or members of the Club or the Affiliated Group who are independent of the Team for which the player is registered. While the exact process to be used by the Club or the Affiliated Group shall be determined by the Club or the Affiliated Group, the details of the process shall be set forth in the Club Policies or in materials published by the Affiliated Group.

**Rule 5.15 Appeal to Special Committee regarding Club Dispute Resolution Process**

**TABLED - See page 21**

**MOTION 13 - Addition of Rule to Impose Sanctions**

**RESOLVED** that the following rule be added to Article 5 of the Rules of the GTHL:

**“Rule 5.16 Sanctions** The following sanctions shall apply with respect to any breach of or failure to comply with the Rules or Articles indicated:

- (a) **Rule 5.1 (Separate Incorporation):** Any Club, Division or Affiliated Group that fails to comply with the requirements of this rule may have its membership suspended by the Board if it has not come into compliance within 30 days after the Board has delivered to it a written notice of such failure. The Board may enter into a written agreement, on terms set by the Board, that provides a Club, Division or Affiliated Group with a specified period of time to bring itself into compliance with such Rule.
- (b) **Rules 5.2 to 5.6 (Provision of By-laws, annual filings, list of members, list of corporate officers and declaration of not-for-profit status):**
  - (i) Any Club, Division or Affiliated Group that fails to provide with its annual application for membership the documents required by these rules, may have its application for membership rejected and will not be considered for membership in the League until such documents have been provided to the League.
  - (ii) Each Club Official or director or officer of a Division or Affiliated Group who has knowledge of, or who acquiesces in a failure to provide the League with any updating documentation required by these rules may be suspended by the Board, or by a Special Committee, for a period of up to one year.
  - (iii) If at any time a Club, Division or Affiliated Group remains in breach of these rules 30 days after the League gives it written notice of such breach then the League shall be entitled to refuse to accept for filing its Registration Certificates until such breach has been rectified and all its Teams will be denied approvals for tournament applications that are submitted after the giving of such notice until it has made the required filings.

- (c) **Rules 5.7 and 5.8 (Provision of Club Policies to players/League and disclosure of fees to players/parents):**
- (i) Each Club Official or Team Official who has knowledge of, or who acquiesces in, a Club or Team failing to comply with the disclosure requirements of these rules may be suspended by the Board or by a Special Committee for a period of up to one year. However, a Club Official or Team Official shall not be suspended if he or she is able to demonstrate that he or she made reasonable efforts to ensure that the Club or Team complied with these rules and that he or she did not participate in or acquiesce in the actual failure to make the required disclosure. For this purpose a written directive from the General Manager of the Club to all team managers shall be sufficient evidence of compliance with this rule by the Club Officials.
  - (ii) Any Club Official or Team Official who supplies a false certificate pursuant to Rule 5.7 may be suspended by the Board or by a Special Committee for a period of not less than one year or none at all and up to three years. However, such suspension may be less than one year if the Club Official or Team Official is able to demonstrate that he or she exercised due diligence to ensure the certificate was correct and reasonably believed in good faith that it was correct.
  - (iii) Any Club that has not filed its then current Club Policies with the League as required by Rule 5.7 shall not be entitled to register any Registration Certificates until such filing has been made.
  - (iv) The Registration Certificates of any Team will not be accepted for registration until its Club has filed on its behalf the certificate required by Rule 5.7 certifying that the Club Policies have been provided to the players and parents of that team.
- (d) TABLED, ALONG WITH RULES 5.9 AND 5.10 THEMSELVES
- (e) **Rules 5.11 and 5.12 (Team finances and provision of Team rules/policies):** Each Club Official who knowingly permits, or who acquiesces in, any of the Club's Teams failing to comply with the requirements of these rules may be suspended by the Board or by a Special Committee for a period of up to one year.
- (f) **Article 3.10 of By-law Number One:** Any Club, Division or Affiliated Group that operates on a for-profit basis may be expelled from the League by the Board. Where the Board intends to so expel a Club, Division or Affiliated Group, the League shall notify the Club, Division or Affiliated Group in writing of such intention and the reasons for the intention and it shall be permitted an opportunity to appear and make representations before the Board.

- (g) If a Club Official or Team Official is unable to fulfill any obligation under Article 5 due to a cause beyond his control, then provided that he acts diligently and in good faith to fulfill the obligation, the time period for fulfilling the obligation shall be extended by the time during which the cause prevents him from fulfilling the obligation.