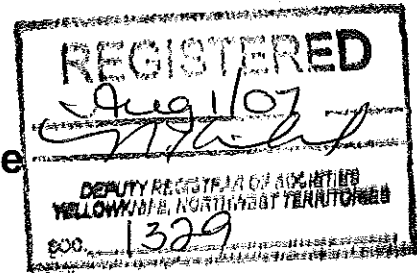


Arctic Energy Alliance By-Laws



1. Membership

Any person, organization or company residing in, or conducting business in, the Northwest Territories shall be eligible for admission as a Member of the Society.

There shall be two types of membership in the Society, namely:

- a) General Membership: General membership in the Society is reserved for any person, organization or company that has a primary interest in energy development, production, conservation or use in the Northwest Territories. Parties shall be eligible for submission to the Society as a General Member upon approval of an application to the President, and payment of the membership fee. General membership provides priority access to all energy management services provided by the Society. General Members may sit as a member of the Board of Directors of the Society. Voting rights on budgetary matters and financial management of the Society is an exclusive privilege of Directors.
- b) Sustaining Membership: Sustaining membership in the Society is open to any person, organization or company that wishes to support the mandate and objects of the Society. Parties shall be eligible for submission to the Society as a Sustaining Member upon approval of an application to the Executive Director, and payment of the membership fee. Sustaining membership provides access to joint venture partnership opportunities and specialized advisory assistance in managing energy and utility costs, but does not include membership on the Board of Directors or any voting rights in the financial affairs of the Society. Sustaining Members may vote on all other issues.

2. Rights of Members

All Members of the Society shall have the right to attend and take part in meetings of the Society and are entitled to receive reports and advisory and consultation services on energy management issues.

3. Obligation of Members

Each existing and incoming General Member or Sustaining Member shall be charged an annual membership fee as determined by the Board of Directors.

Members shall pay their annual membership fees to the Alliance in one lump sum payment on the first business day of the Alliance's fiscal year, or as soon as practicable thereafter.

4. Withdrawal and Expulsion of Members

Any member may withdraw from membership in the Society by notice in writing to the Executive Director prior to December 31, with termination effective at the end of the Society's current fiscal year.

Any member whose conduct is considered detrimental to the Society or who is more than thirty days in default in paying annual fees may be removed from the Society by a resolution passed by a majority of the Directors of the Society.

5. Meetings

An annual general meeting of the Society shall be held between 31 and 180 days after the date of the fiscal year end of the Society.

General meetings of the Society shall be held at the call of the President.

Any three General Members may call a meeting by presenting a signed request to the President, who shall call a meeting within fifteen working days after receipt of such request.

Notice of any general or special meeting shall be given at least seven working days prior to the date set for the meeting by delivery of a notice to the Members in person, by telecopier or by electronic E-mail at such address as the member may provide to the Society from time to time.

A quorum at all meetings of the Society shall consist of the President or the Vice-President plus two Directors who are General Members of the Society. Each Member is entitled to one vote on any motion or resolution at all meetings, except motions or resolutions that concern budgetary or financial management affairs of the Society, which are the exclusive privilege of the Board of Directors. Voting may occur by proxy.

6. Directors

The Board of Directors shall be made up of one representative from each General Member.

The Directors shall be responsible for conducting the affairs of the Society in accordance with the objects, By-Laws and the Societies Act.

Any Director may be removed from the Board by a majority vote of Directors for proven dishonesty, or gross misconduct, or failing or refusing to carry out their duties as Director as described in these By-Laws.

Directors or other officers may be paid travelling and living allowances to compensate for expenses incurred by them in the conduct of their duties. Such allowances shall be consistent with the “Government of the Northwest Territories Duty Travel Rates”, as revised from time to time.

7. Officers

The Directors shall, at their meeting accompanying each annual general meeting, elect a President, Vice-President, Treasurer, and such other officers as the Board may deem necessary or appropriate.

The Directors may hire an Executive Director or other person who shall be responsible for the general management and supervision of the affairs and operation of the Society and shall serve as Secretary of the Society.

The Executive Director or other person shall cause notice of all meetings of the Society and all meetings of Directors to be communicated to those people entitled to attend and shall be responsible for keeping minutes of all such meetings.

8. Borrowing Powers

The Directors may, by a unanimous vote, borrow funds for the Society in such a manner as they see fit, including the issue of promissory notes, except that in no case shall debentures be issued except pursuant to extraordinary resolution.

9. Disposal of Funds

All monies received by or on behalf of the Society shall be deposited in one or more bank accounts in trust for the Society, which account shall be with one or more Canadian financial institutions.

All disbursements for the Society's accounts shall be made in accordance with any signing authorities approved by the Board from time to time.

10. Auditor

The members shall appoint an auditor at each annual general meeting for the ensuing year.

At each annual general meeting an audited financial statement prepared according to generally accepted accounting principles containing:

- i) The assets and liabilities of the Society in the form of a balance sheet, and
- ii) Receipts and disbursements of the Society since the date of the previous financial statement,

And signed by the auditor, shall be presented for approval of the Members.

11. Seal and Signing Authority

The seal of the Society shall have the name of the Society in a circle around the word "seal".

The seal shall be kept in custody of the Executive Director and shall not be affixed to any instrument or document except by authority of a resolution of the Directors, and in the presence of the Executive Director and at least one other Director.

The Executive Director and at least one other Director shall have the authority to sign instruments or documents on behalf of the Society.

The Executive Director shall have the authority to sign consulting contracts, contribution agreements from government agencies, and other service contracts, on behalf of the Society.

12. Minutes of Meetings, Books and Records

All books and records of the Society shall be open to the inspection of all Members and Directors at all times.

13. Fiscal Year

The fiscal year shall end on the 31st day of March of each year.

14. Capital

For the purposes of these By-Laws and all matters relating to the Society, the capital of the Society includes the amounts of its members' fees and other contributions, the retained earnings of the Society and other surpluses of the Society, but does not include any loans, advance, or other indebtedness of the Society.

15. Distribution of Assets

The Society shall not distribute any part of its assets or income to any of its members during the existence of the Society. This does not preclude the payment of reasonable salaries or employee benefits, nor does it preclude the reimbursement of reasonable out-of-pocket expenses. On a winding-up of the Society, all remaining capital of the Society, after payment of all debts and liabilities, shall be paid to either another Society(s), or to the Consolidated General Revenue Fund of the Government of the Northwest Territories (GNWT) on behalf of GNWT General Members and to other General Members on a pro rata basis.

16. Arbitration

Any dispute arising out of the affairs of the Society, in the circumstances set forth in Section 7 of the Societies Act, shall be decided by arbitration under the Arbitration Act.

17. Making, Altering and Rescinding By-Laws

By-Laws of the Society may be rescinded, altered or added to at the annual general meeting or by extraordinary resolution of the Society at a general meeting and not otherwise, but no recession, alteration or addition shall have effect until it has been registered by the Registrar of Societies.