

PROVINCE OF ONTARIO

BY THE HONOURABLE

M A C K I N N O N P H I L L I P S, M. D. C. M., LL. D.,

PROVINCIAL SECRETARY

TO ALL TO WHOM THESE PRESENTS SHALL COME

GREETING

WHEREAS The Corporations Act, 1953 provides that with the exceptions therein mentioned the Lieutenant-Governor may in his discretion, by Letters Patent, issue a Charter to any number of persons, not less than three, of twenty-one or more years of age, who apply therefor, constituting them and any others who become shareholders or members of the corporation thereby created a corporation for any of the objects to which the authority of the Legislature extends; _____

AND WHEREAS by the said Act it is further provided that the Provincial Secretary may in his discretion and under the Seal of his office have, use, exercise and enjoy any power, right or authority conferred by the said Act on the Lieutenant-Governor; _____

AND WHEREAS by their Application in that behalf the persons herein named have applied for the issue of a Charter constituting them a corporation for the due carrying out of the undertaking hereinafter set forth; _____

AND WHEREAS it has been made to appear that the said persons have complied with the conditions precedent to the issue of the desired Charter and that the said undertaking is within the scope of the said Act; _____

NOW THEREFORE KNOW YE that under the authority of the hereinbefore in part recited Act I DO BY THESE LETTERS PATENT issue a Charter to the Persons hereinafter named that is to say:

C h a r l e s T e r r y C a r s o n, of the City of Windsor,
in the County of Essex and Province of Ontario, Professional
Engineer;

J o h n H o l l o w a y F o x, Professional Engineer, and
T h o m a s M e r l e M e d l a n d, Executive Director,
both of the City of Toronto, in the County of York and Province
of Ontario;

A n d r e w W i l l i a m F r a s e r M c Q u e e n, of
the City of Niagara Falls, in the County of Welland and Province
of Ontario, Professional Engineer; and G o r d o n M o r r i s
M c H e n r y, of the City of London, in the County of Middlesex
and Province of Ontario, Professional Engineer; constituting
them and any others who become members of the Corporation hereby
created a corporation without share capital under the name of

O n t a r i o P r o f e s s i o n a l E n g i n e e r s
F o u n d a t i o n f o r E d u c a t i o n

for the following objects, that is to say:

(a) TO promote the training and education of professional en-
gineers, and to do all such things as are incidental or conducive
to the foregoing objects, and in particular: (i) TO use, apply,
give, grant or distribute from time to time all or any part of
the property of the Corporation and/or the income therefrom for
educational purposes and to educational agencies or institutions,
including universities, colleges or schools, in Ontario or else-

where in Canada; (ii) TO provide for scholarships to persons attending or proposing to attend any school, college or university or undertaking or proposing to undertake post-graduate study or research in Ontario or elsewhere in Canada; (iii) TO provide for bursaries or financial assistance, including loans or gifts to persons attending or proposing to attend any school, college or university or undertaking or proposing to undertake post-graduate study or research in Ontario or elsewhere in Canada; (iv) TO assist, by way of gifts, grants, loans or otherwise, through other charitable institutions, teachers and persons proposing to become teachers in Ontario or elsewhere in Canada; and (v) TO co-operate with other organizations whether incorporated or not which have objects similar in whole or in part to the objects of the Corporation; provided that no members of the Corporation shall receive any such grants, scholarships, bursaries or assistance;

(b) TO solicit, receive and accept all manner of contributions, gifts, bequests and legacies from any person, firm or corporation, including but not limited to the Association of Professional Engineers of the Province of Ontario and its members, and to enter into and carry out contracts and undertakings incidental thereto, and to hold such contributions, gifts, bequests and legacies and the income therefrom as the property of the Corporation and for the purposes of the Corporation, provided that no part of the income or capital of the Corporation or of such property shall be paid to or otherwise available to or for the benefit of any member of the Corporation;

(c) For the further attainment of the above objects, to hold, manage, sell or convert any of the real or personal property from time to time owned by the Corporation, and to invest and deal in the moneys of the Corporation not immediately required for the objects of the Corporation in such manner as may be determined by the directors, without being restricted to investments authorized by law for the investment of trust funds, and, subject to the provisions of The Mortmain and Charitable Uses Act, to retain any real or personal property in the form in which it may be when received by the Corporation as a permanent investment or for such length of time as may be deemed best; and

(d) For the further attainment of the above objects, to employ and pay such officers and employees, and to procure, equip and maintain such offices and other facilities, and to incur such reasonable expenses as may be ^{deemed} necessary;

THE HEAD OFFICE of the Corporation to be situate at the said City of Toronto; and

THE FIRST DIRECTORS of the Corporation to be Charles Terry Carson, John Holloway Fox, Andrew William Fraser McQueen, Gordon Morrison McHenry and Thomas Merle Medland, hereinbefore mentioned;

AND IT IS HEREBY ORDAINED AND DECLARED that the Corporation shall be carried on without the purpose of gain for its members and any profits or other accretions to the Corporation shall be used in promoting its objects;

AND IT IS HEREBY FURTHER ORDAINED AND DECLARED that the directors shall serve without compensation and no director shall, directly or indirectly, receive any profit from his position as such; reasonable expenses incurred by any director in the performance of his duty may be paid;

AND IT IS HEREBY FURTHER ORDAINED AND DECLARED that upon the dissolution of the Corporation and after the payment of all debts and liabilities, the remaining property of the Corporation shall be distributed or disposed of to charitable organizations which carry on their work solely in Ontario. _____

GIVEN under my hand and Seal of office at the City of Toronto
in the said Province of Ontario this seventh
day of May in the year of Our Lord one
thousand nine hundred and fifty-nine.

" M. Phillips "

Provincial Secretary.

Dated May 7, A.D. 1959

PROVINCE OF ONTARIO

LETTERS PATENT

Incorporating

Ontario Professional

Engineers Foundation

for Education

Recorded this 13th
day of May A.D. 1959
as Number 84
in Liber 899

Grace C. Dunsford
Recording Officer

Provincial Secretary's Office
Toronto, Ontario.



Please quote this reference

Miss L.V.Kilmury,
Legal Branch.

DEPARTMENT OF NATIONAL REVENUE - TAXATION DIVISION
444 SUSSEX DRIVE - OTTAWA 2 ONT

18th November, 1959.

McCarthy & McCarthy,
Barristers & Solicitors,
Canada Life Building,
330 University Avenue,
TORONTO 1, Ontario.

Dear Sirs:

Re: Ontario Professional Engineers Foundation
for Education, 236 Avenue Road, Toronto, Ont.

Receipt is hereby acknowledged of your letter of the 19th October and completed form T-511, certified copy of the Letters Patent and By-laws numbers 1 and 2 of the above Foundation, together with a copy of a resolution passed by the board of directors on the 13th October, 1959.

This is to advise you that having examined the purposes of this corporation, we are of the view that they are of a charitable nature, and if the corporation operates within the provisions of section 62(1)(f) of the Income Tax Act, it will be exempt from tax and donations to it will be deductible by the donors pursuant to the provisions of section 27(1)(a) of the Act.

It is understood that the corporation will file a return each year with The Director of Taxation, Dominion Public Building, 1 Front Street west, Toronto, Ontario, to assist the Department in determining that it is qualified and will continue to qualify as a charitable corporation under section 62(1)(f) of the Income Tax Act.

Yours very truly,

L. V. Kilmury
for Director, Legal Branch.

LVK/cb.

FRONT

COPY FROM

MCCARTHY & MCCARTHY

CANADA LIFE BUILDING
330 UNIVERSITY AVENUE
TORONTO 1

September 17, 1959.

Association of Professional Engineers
of the Province of Ontario,
236 Avenue Road,
TORONTO, Ontario.

Attention: Colonel T. Medland,
Executive Director.

Dear Colonel Medland:

Re: Ontario Professional Engineers Foundation for
Education

We have completed our work in connection with the incorporation of the Ontario Professional Engineers Foundation for Education. There still remains some work to be done in connection with the qualification of this Foundation to accept charitable donations, as far as the Income Tax Department is concerned, but we thought it desirable that we report to you now on the organization of the Foundation.

Incorporation

The Foundation is incorporated as a corporation without share capital under the laws of the Province of Ontario and under the provisions of The Corporations Act, 1953, as amended, part III. Letters patent incorporating the Foundation under the name ONTARIO PROFESSIONAL ENGINEERS FOUNDATION FOR EDUCATION were issued by the Provincial Secretary of Ontario dated May 7, 1959. The letters patent were recorded on May 13, 1959 as number 84 in Liber 899.

Since the Foundation is incorporated as a corporation without share capital, it has no shareholders and no shares. In place of shareholders, the Foundation has "members". It is specifically provided in Section 109 of

The Corporations Act and in the letters patent that the Foundation shall be carried on without the purpose of gain for its members and any profits or other accretions to the Foundation shall be used in promoting its objects.

The letters patent also provide that the directors shall serve without compensation and no director shall, directly or indirectly, receive any profit from his position as such. This does not preclude the payment of reasonable expenses incurred by any director in the performance of his duties.

The letters patent provide that the head office of the Foundation shall be situated in the City of Toronto.

Objects

The objects for which the Foundation has been incorporated, as set out in the letters patent, are as follows:

- "(a) To promote the training and education of professional engineers, and to do all such things as are incidental or conducive to the foregoing objects, and in particular: (i) to use, apply, give, grant or distribute from time to time all or any part of the property of the Corporation and/or the income therefrom for educational purposes and to educational agencies or institutions, including universities, colleges or schools in Ontario or elsewhere in Canada; (ii) to provide for scholarships to persons attending or proposing to attend any school, college or university or undertaking or proposing to undertake post-graduate study or research in Ontario or elsewhere in Canada; (iii) to provide for bursaries or financial assistance, including loans or gifts to persons attending or proposing to attend any school, college or university or undertaking or proposing to undertake post-graduate study or research in Ontario or elsewhere in Canada; (iv) to assist, by way of gifts, grants, loans or otherwise, through other charitable institutions, teachers and persons proposing to become teachers in Ontario or elsewhere in Canada; and (v) to co-operate with other organizations, whether incorporated or not, which have objects similar in whole or in part to the objects of the Corporation, provided

that no members of the Corporation shall receive any such grants, scholarships, bursaries or assistance;

- "(b) To solicit, receive and accept all manner of contributions, gifts, bequests and legacies from any person, firm or corporation, including but not limited to the Association of Professional Engineers of the Province of Ontario and its members, and to enter into and carry out contracts and undertakings incidental thereto, and to hold such contributions, gifts, bequests and legacies and the income therefrom as the property of the Corporation and for the purposes of the Corporation, provided that no part of the income or capital of the Corporation or of such property shall be paid to or otherwise available to or for the benefit of any member of the Corporation.
- "(c) For the further attainment of the above objects, to hold, manage, sell or convert any of the real or personal property from time to time owned by the Corporation, and to invest and deal in the moneys of the Corporation not immediately required for the objects of the Corporation in such manner as may be determined by the directors, without being restricted to investments authorized by law for the investment of trust funds and, subject to the provisions of The Mortmain and Charitable Uses Act, to retain any real or personal property in the form in which it may be when received by the Corporation as a permanent investment or for such length of time as may be deemed best; and
- "(d) For the further attainment of the above objects, to employ and pay such officers and employees, and to procure, equip and maintain such offices and other facilities, and to incur such reasonable expenses as may be deemed best; and Fraser McQueen

Directors, Officers and Members

At the present time, the directors, officers and members of the Foundation are as follows:

a. Directors

John Holloway Fox
Thomas Merle Medland
Andrew William Fraser McQueen

Directors (cont'd.)

David L. Turner
Dwight S. Simmons

b. Officers

President	-	A. W. P. McQueen
Vice-President	-	J. H. Fox
Secretary	-	T. M. Medland
Treasurer	-	D. L. Turner

c. Members

John Holloway Fox
Thomas Merle Medland
Andrew William Fraser McQueen
David L. Turner
Dwight S. Simmons
Charles Terry Carson
Gordon Morris McHenry

Further members may be admitted to membership in the Foundation in accordance with the provisions of the Foundation's by-laws. By-law No. 1 of the Foundation, in section 16 (a) provides that members shall be admitted by resolution of the Board of Directors, provided they are eligible for membership, and section 16 (b) provides that the following persons shall be eligible for membership;

- (a) All persons who are from time to time members of the Council of the Association of Professional Engineers of the Province of Ontario, elected or appointed in accordance with the provisions of the Professional Engineers Act of the Province of Ontario in force at the time of such election or appointment.
- (b) The Executive Director and the Registrar of the Association of Professional Engineers of the Province of Ontario.
- (c) Other officers and employees of the Association of Professional Engineers of the Province of Ontario.

By-laws

By-law No. 1 of the Foundation, which is the by-law

providing generally for the conduct of the affairs of the Foundation, was passed on June 19, 1959. A copy of this by-law is contained in the minute book under the tab "By-laws". You will note particularly the following provisions:

- (a) Clause 3 provides that the Board of Directors shall consist of five directors to be elected by the members at each annual meeting;
- (b) Clause 5 provides that a majority of the directors (i.e., three) shall form a quorum;
- (c) Clause 20 provides that a quorum for any meeting of members of the Foundation shall be not less than three members present in person or represented by proxy, provided that no meetings be held unless there are two persons present in person;
- (d) Clause 22 provides that the financial year of the Foundation shall end on December 31st of each year.

The above are only some of the matters dealt with in the general by-law and reference should be made to this by-law from time to time, in determining the duties of the officers and in conducting the proceedings of the Foundation.

By-law No. 2, providing for the powers of the directors to borrow and pledge, has also been passed.

Organization Meetings

Since the Foundation is an Ontario corporation under the provisions of Section 310 of The Corporations Act, 1953, any by-law or resolution signed during the Foundation's first year by all directors or by all members is as valid and effective as if passed at a meeting duly called for that purpose. Accordingly, in the organization of the Foundation, by-law No. 1 was passed by the signature thereto in writing of all directors and all members on June 19, 1959. Subsequently, on the same day, an organization meeting of the members of the Foundation was held, followed by an organization meeting of the directors of the Foundation. It will be noted in particular that the following action has been taken, as disclosed in the minute book:

- (a) As stated above, by-law No. 1, the general

by-law of the Foundation, has been passed and confirmed;

- (b) Permanent directors and officers to hold office until the first annual meeting have been elected and appointed;
- (c) Messrs. Britnell and Moore have been appointed auditors of the Foundation;
- (d) By-law No. 2 of the Foundation, providing for the powers of the directors to borrow and pledge, has been passed; this should be confirmed by the signature of all members at the first convenient opportunity;
- (e) A banking resolution has been passed, providing for the conduct of the Foundation's banking business with The Toronto Dominion Bank. This resolution provides that the "signing officers" of the Foundation are the treasurer and any other director (two signatures being required).

Status for Income Tax Purposes

The Foundation was incorporated on the instructions of the Association of Professional Engineers in order that it might receive contributions from your members (and others) to be used for educational purposes, with the intention that these contributions would be deductible as charitable contributions for income tax purposes. It was intended, therefore, that the Foundation should qualify as a "non-profit corporation" under the provisions of Section 62 (1) f of the Income Tax Act. This section defines a non-profit corporation as follows:

"Non-profit corporation - a corporation that was constituted exclusively for charitable purposes, no part of whose income was payable to, or was otherwise available for the personal benefit of, any proprietor, member or shareholder thereof, that has not, since June 1, 1950, acquired control of any other corporation and that, during the period, (i) did not carry on any business, (ii) had no debts incurred since June 1, 1950, other than obligations arising in respect of salaries, rents and other current operating expenses, and (iii) except in the case of a corpora-

tion that was, before the 1st day of January, 1940, constituted exclusively for charitable purposes, expended amounts each of which is:

- (A) an expenditure in respect of charitable activities carried on by the corporation itself,
 - (B) a gift to an organization in Canada the income of which for the period is exempt from tax under this Part by virtue of paragraph (e), or
 - (C) a gift to a corporation resident in Canada the income of which for the period is exempt from tax under this Part by virtue of this paragraph, and
- the aggregate of which is not less than 90% of the corporation's income for the period."

So long as the Foundation falls within the provisions of the foregoing Section 62 (1) (f), it would not itself pay any income tax and any gift made by persons in Canada to the Foundation would qualify as a charitable donation for deduction for income tax purposes under the provisions of Section 27 (1) (a) of the Income Tax Act.

In order to secure the greatest degree of assurance that, when incorporated, the Foundation would be recognized by the Department of National Revenue for purposes of Section 27 (1) (a) of the Income Tax Act, our Mr. John G. McDonald discussed the proposed objects of the Foundation informally with officers of the Department of National Revenue and, as indicated in our letter to you of December 8, 1958, certain changes were made in the language of the objects clauses, as a result of these discussions.

Before the Foundation may solicit contributions with assurance that these would be recognized as charitable contributions for the purpose of Section 27 (1) (a) of The Income Tax Act, it is necessary that the Department of National Revenue form T-511 be completed and filed. In order to prepare this form, it will be necessary to provide the following information:

- (a) full particulars of the purposes for which funds are to be raised,

-8-

- (b) the period during which funds are to be raised,
- (c) the amounts expected to be raised in cash donations,
- (d) the estimated cost of collection, including:
 - (i) salaries, (ii) honoraria, (iii) publicity,
 - (iv) office and other operating costs,
 - (v) travelling and (vi) other expenses,and,
- (e) the full name, address and occupation of each person who will hold money, when collected.

It is also necessary to provide copies of the charter and by-laws. We wish to draw to your attention the necessity for filing this form in order that it may be prepared and submitted in advance of the time when you wish to commence collecting contributions.

Presumably, before the Foundation commences to collect contributions, a general plan will be prepared, setting out what appeal is to be made and how contributions are to be dealt with when they are received. We suggest that the essential features of such a plan be incorporated in a resolution of the directors of the Foundation, in order that a copy of this resolution may be provided to the Department of National Revenue.

Ontario Corporations Tax

So far as payment of Ontario Corporations Tax is concerned, the Foundation may qualify as a non-profit corporation, which is defined by Section 4(29) (3) of The Corporations Tax Act, 1957 in the same terms as a non-profit corporation under Section 62 (1) (f) of The Income Tax Act, set out above. Accordingly, provided the Foundation complies with this section, no Ontario corporation income tax would be payable under Section 4 of The Corporations Tax Act. A "place of business tax" in the amount of \$5.00 per year will be payable under the provisions of Section 6 of The Corporations Tax Act.

The Charities Accounting Act

The Foundation, when it commences operations, will

-9-

also be subject to the provisions of the Charities Accounting Act, Revised Statutes of Ontario, 1950, chapter 50, as amended in 1951 and 1957. Section 1 (1.a) of this statute provides for notice to be given to the Public Trustee where any property is given to a corporation incorporated for any religious, educational, charitable or public purpose; the Foundation falls within the designation of corporations set out in this subsection. The Foundation is required by section 3 of the Act to furnish to the Public Trustee from time to time such information as to the disposition of property given to the Foundation as may be required. Section 4 gives the Public Trustee the power to require the submission of accounts, and there are further provisions in section 6a of the Act for an investigation under order of a judge.

By letter dated August 21, 1959, we have provided the Public Trustee with a notarial copy of the letters patent incorporating the Foundation and with the names and addresses of the officers and directors. We do not anticipate that you should have any problems by reason of the provisions of the Charities Accounting Act but, if any questions do arise, we shall be happy to advise you further.

Matters Requiring Further Attention

As indicated above, it will be necessary to make certain filings with the Income Tax Department before the Foundation is formally qualified as a non-profit corporation under section 62 (1) (f) of The Income Tax Act. When you wish to proceed with this, we shall be happy to receive further instructions from you.

While by-law No. 2 was passed by the directors on June 19th, it has not been confirmed by the members. A copy of the by-law is in the minute book under the tab "by-laws"; it should be signed by the president and secretary and by all the members.

We are forwarding to you under separate cover, the following:

- (a) original letters patent,
- (b) minute book,
- (c) corporate seal and
- (d) a copy of The Corporations Act, 1953.

Yours very truly,

JHCC/jw

M. McCarthy & M. McCarthy