

Karate Nova Scotia Bylaws

Updated: July 29, 2021

Karate Nova Scotia Bylaws

A Bylaw relating generally to the conduct of the affairs of Karate Nova Scotia (KNS).

ARTICLE I GENERAL

- 1.1 Purpose** - These Bylaws relate to the general conduct of the affairs of Karate Nova Scotia, a Society incorporated under the Nova Scotia *Societies Act*.
- 1.2 Definitions** - The following terms have these meanings in these Bylaws:
- a. *Act* – the Nova Scotia Societies Act, as amended from time to time and any legislation that may be substituted therefore.
 - b. *Society* – Karate Nova Scotia (KNS).
 - c. *Auditor* – an individual appointed by the Board to audit the books, accounts, and records of KNS.
 - d. *Officer* – an individual elected or appointed to serve as an Officer of KNS pursuant to these Bylaws.
 - e. *Director* – an individual elected or appointed to serve on the Board pursuant to these Bylaws.
 - f. *Board of Directors (Board)* - The Board of Directors of KNS.
 - g. *Member Clubs* - clubs, dojos, or societies in good standing with KNS.
 - h. *Days* – will mean days including weekends and holidays.
 - i. *Ordinary Resolution* – a resolution passed by not less than a majority of the votes cast at a meeting of the Board, meeting of a Committee, meeting of the Executive or a meeting of Members.
 - j. *Special Resolution* – a resolution passed by not less than three-fourths of such members entitled to vote as are present in person at an Annual General Meeting or Special Meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given.
 - k. *Registrar* – the Registrar of Joint Stock Companies appointed under the Companies Act and includes the Deputy Registrar and a person authorized under that Act to perform duties of the Registrar in their absence.
- 1.3 Registration** - KNS shall be incorporated as a volunteer, non-profit Society under the Societies Act of Nova Scotia.
- 1.4 Head Office** - The head office of KNS will be always located within the Province of Nova Scotia.
- 1.5 Corporate Seal** - KNS may have a corporate seal which may be adopted and may be changed by resolution of the Directors.

- 1.6 **No Gain for Members** - KNS will be carried on without the purpose of gain for its Members and any profits or other accretions to KNS will be used in promoting its objectives.
- 1.7 **Conduct of Meetings** - Unless otherwise specified in the Act or these Bylaws, meetings of Members and meetings of the Board will be conducted according to Robert's Rules of Order (current edition).
- 1.8 **Interpretation** - Words importing the singular will include the plural and vice versa, words importing the masculine will include the feminine and vice versa, and words importing persons will include bodies corporate.
- 1.9 **Operational** - The official language of KNS shall be English.
- 1.10 **Headings** - The headings used in the Bylaws are inserted for convenience of reference only.

ARTICLE II MEMBERSHIP

Categories of Membership

- 2.1 **Categories** - KNS has the following categories of membership:
 - a. Member Clubs
 - b. General Membership
 - c. Honorary Membership
 - d. Lifetime Membership
- 2.2 **Member Clubs** - Refers to clubs or dojos in good standing with KNS. A Member Club in good standing has registered with KNS for the current year, paid all applicable dues and fees, has abided by the bylaws of KNS, and operates in the spirit of karate do. If a Member Club is suspended, or does not fulfill registration requirements, its students cease to be members of KNS and the dues paid are forfeit. Any Member Club who is a member of KNS will abide by the provision of the By-laws and regulations as well as those of Karate Canada (KC).
- 2.3 **Individual Members** - Refers to the individual members at a club in good standing including all athletes, instructors, coaches, officials and karate practitioners.
- 2.4 **Honorary Members** - This shall be conferred upon an individual, for a period of time and reasons determined by the Executive, and ratified by Ordinary Resolution at the Annual General Meeting. This person shall, without payment of dues, enjoy all rights and privileges of a member except those of voting or holding office in KNS for the period prescribed.
- 2.5 **Lifetime Members** - This may be presented by a unanimous vote of the Executive, and ratified by Ordinary Resolution at the Annual General Meeting, to any persons who by their diligence

has contributed to the welfare of KNS. This person shall retain all rights and privileges of KNS, including paid membership in Karate Canada, and shall be exempt from paying regular annual dues for their lifetime.

2.6 Qualifications for Membership.

- a Member Clubs
 - i. Must adhere and follow all KNS policies and procedures.
 - ii. Must pay their annual membership fees and dues as prescribed by KNS.
 - iii. Must complete accurate registration information on their club and general members annually as prescribed by KNS.
- b Individual Members
 - i. Must be a member at a Member Club in good standing with KNS.
 - ii. Must adhere and follow all KNS policies and procedures.
 - iii. Must pay their annual membership fees and dues in a timely manner.
- c. Honorary Members
 - i. Requires a unanimous vote of the Board and ratified by Ordinary Resolution at the Annual General Meeting.
 - ii. All rights of individual members except those of voting or holding office for the prescribed period.
- d. Lifetime Members
 - i. Requires a unanimous vote of the Board and ratified by Ordinary Resolution at the Annual General Meeting.
 - ii. All rights of individual members except those of voting or holding office for their lifetime.

2.7 Admission of Member Clubs. No entity, or organization will be admitted as a Member Club of KNS unless:

- a The candidate Member Club has made an application for membership in a manner prescribed by KNS;
- b The candidate Member Club is not subject to a disciplinary investigation or action of KNS;
- c The candidate Member Club has been admitted by a majority vote of the Board;
- d Once admitted by the Board, the candidate Member Club is conditional until ratified by an Ordinary Resolution at the next Annual General Meeting;
- e The candidate Member Club has paid dues as prescribed by the Board;
- f The candidate Member Club must register every student and instructor to KNS; and
- g Within one year of being ratified as a Member Club of KNS at the Annual General Meeting, the Member Club must meet all requirements outlined in the KNS policies and procedures.

Membership Duration and Dues

2.8 Fiscal Year - Unless otherwise determined by the Board, the membership year of KNS shall commence annually on the 1st of January, and shall run until the 31st of December.

2.9 Duration - Membership is accorded on an annual basis as determined by the Board, and all Member Clubs will re-apply for membership each year.

2.10 Dues - Membership dues for all categories of membership will be determined by the Board.

Withdrawal and Termination of Membership

2.11 Resignation - A Member Club or Individual Member may resign by delivering written notice of such resignation to the Board.

2.12 Arrears - A Member Club or Individual Member will be expelled from KNS for failing to pay membership dues or money owed to KNS by the deadline dates prescribed by KNS or otherwise fails to comply with all other policies of KNS by way of Ordinary Resolution of the Board.

2.13 Discipline - In addition to expulsion for failure to pay membership dues, a Member Club or Individual Member may be suspended or expelled from KNS in accordance with KNS's policies and procedures relating to discipline of the membership.

2.14 Removal - A Member Club or Individual Member may be removed by Ordinary Resolution of the Voting Members present at an Annual General Meeting or Special Meeting, provided the Member Club has been given fourteen (14) days written notice of and the opportunity to be present and to be heard at such a meeting.

Good Standing

2.15 Definition - A Member Club of KNS will be in good standing provided that the Member Club:

- a. Has not ceased to be a Member Club;
- b. Has not been suspended or expelled from membership, or had other membership restrictions or sanctions imposed;
- c. Has completed and remitted all documents and certifications as required by KNS;
- d. Has complied with the Bylaws, policies, rules and regulations of KNS;
- e. Is not subject to a disciplinary investigation or action by KNS, or if subject to disciplinary action previously, has fulfilled all terms and conditions of such disciplinary action to the satisfaction of the Board; and
- f. Had paid all required membership dues.

2.16 Cease to be in Good Standing - Member Clubs who cease to be in good standing, as determined by the Board, will not be entitled to vote at Meetings of Members or be entitled to the benefits and privileges of membership until such time as the Board is satisfied that the Member Club has met the definition of good standing as set out above.

ARTICLE III MEETINGS OF MEMBERS

- 3.1 Types of Meetings.** Meetings of Members will include Annual General Meetings and Special Meetings.
- 3.2 Special Meeting.** A Special Meeting of the Members may be called at any time by the President, by the Board or upon the written requisition of twenty (20%) percent or more of the Voting Member who have voting rights. The agenda of special meetings will be limited to the subject matter for which the meeting was duly called.
- 3.3 Location and Date.** KNS will hold Meetings of Members online or in person in Nova Scotia at such date and time as determined by the Board. The Annual General Meeting will be held within 120 days of the fiscal year end.
- 3.4 Notice.** Notice of Meetings of Members will be posted on KNS website at least thirty (30) days prior to the date of the meeting and written or electronic notice will be given to all Member Clubs at least thirty (30) days prior to the date of the meeting. Notice will contain a proposed agenda and reasonable information to permit Voting Members to make informed decisions, and shall be delivered in accordance with Article 8 of these Bylaws.
- 3.5 Adjournment.** Any Meetings of Members may be adjourned to any time and place as determined by the Board and such business may be transacted at such adjourned meeting as might have been transacted at the original meeting from which such adjournment took place.
- 3.6 Agenda.** The agenda for the Annual General Meeting may include:
- a. Call to order
 - b. Establishment of Quorum
 - c. Appointment of Scrutineers
 - d. Approval of the Agenda
 - e. Declaration of any Conflicts of Interest
 - f. Adoption of Minutes of the previous Annual Meeting
 - g. President's Report
 - h. Financial Report
 - i. Board, Staff and Committee Reports
 - j. Election of new Directors
 - k. Business as specified in the meeting notice
 - l. Adjournment
- 3.7 New Business.** Any Member Club or Individual Member who wishes to have new business or a matter placed on the agenda of a meeting that requires a vote, will give written notice to KNS at least fourteen (14) days prior to the meeting date.

- 3.8 Quorum.** A quorum for the transaction at any Meeting of the Members shall consist of not less than 25% of Voting Members present in person or by electronic means, with the exception that quorum for a meeting at which a Special Resolution is proposed requires members to be present in person. If quorum is not obtained, members in attendance may set forth a new date and time at which the meeting is to be rescheduled. Written or electronic notice shall be given to all Member Clubs at least fourteen (14) days prior to the rescheduled meeting date, and at such rescheduled date the members shall, with the exception of passing a Special Resolution, be permitted to transact the meeting with or without quorum.
- 3.9 Closed Meetings.** Meetings of Members will be closed to the public except by invitation of the Board.

Voting at Meetings of Members

- 3.10 Voting Rights of Members.** General Members are allowed to attend and participate but only the following members are entitled to vote at Meetings of the Members:
- a. Member Clubs
 - i. Each Member Club in good standing will receive two (2) votes at Meetings of Members.
 - ii. Each vote will be made by a Voting Delegate that is designated by the Member Club in the manner determined by KNS (section 3.11).
 - iii. A voting Board Member cannot be designated as a Voting Delegate by a Member Club.
 - b. Board Member
 - i. All members of the KNS Board, including the President, are entitled to one (1) vote at Meetings of Members.
- 3.11 Voting Delegates.** The name of a Voting Delegate(s) will be communicated to the KNS Executive in writing or by electronic communication prior to the meeting of members. Delegates must be eighteen (18) years of age and older and a member in good standing. No Delegate may hold voting privileges for more than one Club Member.
- 3.12 Scrutineers.** At the beginning of each meeting, the Board may appoint one or more scrutineers who will be responsible for ensuring that votes are properly cast and counted. The scrutineers are not eligible to be Member Club Voting Delegates.
- 3.13 Proxy Voting.** Voting by proxy is not allowed.
- 3.14 Determination of Votes.** Votes will be determined by a show of hands, in writing, electronically or orally unless a secret or recorded ballot is requested by the majority of Voting Members.
- 3.15 Majority of Votes.** Except as otherwise provided in the Act or these Bylaws, an Ordinary Resolution will decide each issue. In the case of a tie, the issue is defeated.

ARTICLE IV GOVERNANCE

Composition of the Board

- 4.1 Directors.** The Board of not less than five (5) and not more than ten (10) Directors along with the Officers shall be responsible for the management of KNS.
- 4.2 Composition of the Board.** The Board of KNS will consist of the Executive and Directors. The Executive consists of: President, Vice President, Secretary, and Treasurer. When possible, there shall be at least three styles and at least two regions/zones of Nova Scotia represented on the Board.
1. President
 2. Vice-President
 3. Secretary
 4. Treasurer
 5. Director at Large
 6. Director at Large
 7. Director at Large
 8. Director at Large
 9. Athlete Director

Election or Appointment of Directors

- 4.3 Eligibility of Board.** Any individual who is eighteen (18) years of age or older, who has the power under law to contract, and whose appointment is deemed to be of benefit to KNS may be nominated for election or appointment as a member of the Board.
- 4.4 Nomination.** Any Voting Member of KNS may nominate another member to be one of the members of the Board. Nomination must take place in advance of the Annual General Meeting, with the exception of the Athlete Director. The Athlete Director is nominated by the High Performance Committee and ratified at the Annual General Meeting. Any nomination of an individual for election as a member of the Board will:
- a. Submit a cover letter and resume of the nominee to the designated KNS contact fourteen (14) days prior to the Annual General Meeting.
 - b. Nominations will not be accepted from the floor.
- 4.5 Incumbents.** Individuals currently on the Board wishing to be re-elected are not subject to nomination but must notify the Board twenty-eight (28) days before the election of their interest for re-election.
- 4.6 Circulation of Nominations.** Valid nominations will be circulated to Voting Members at the Annual General Meeting prior to the elections.

Election of Directors

4.7 Election. The election of the Directors will take place by majority vote at the Annual General Meeting in accordance with the following schedule:

- a. In even-numbered years:
 1. Secretary
 2. Director at Large
 3. Director at Large
 4. Athlete Director
- b. In odd-numbers years:
 1. Vice-President
 2. Treasurer
 3. Director at Large
 4. Director at Large
- c. Three-year term:
 1. President

4.8 Decision. Elections will be decided by the Voting Members in accordance with the following:

- a. One Valid Nomination – Winner declared by acclamation.
- b. Two or More Valid Nominations – Winner is the nominee receiving the greatest number of votes. In the case of a tie for the greatest number of votes, the tied nominees will take part in a second vote.

Terms

4.9 Elected Board Terms. Elected Board members will serve terms of two (2) years, with the exception of the President, who will serve three (3) years. They will hold office until their successors have been duly elected in accordance with these Bylaws, unless they resign, are removed from or vacate their office. A member of the Board may only serve six (6) consecutive years in a position of the Board.

Resignation and Removal of Board Members

4.10 Resignation. A member of the Board may resign from the Board at any time by presenting their notice of resignation to the Board. This resignation will become effective the date on which the request is approved by the Board. Where a Director who is subject to a disciplinary investigation or action of KNS resigns, that Director will nonetheless be subject to any sanctions or consequences resulting from the disciplinary investigation or action.

4.11 Vacate Office. The office of any Board member may be vacated automatically if:

- a. The Board member misses three (3) consecutive meetings without notification to the Board;
- b. The Board member is found by a court to be of unsound mind;
- c. The Board member becomes bankrupt;

4.12 Removal. Any Board member may be removed by Ordinary Resolution of the Voting Members in a Meeting of the Members, provided the Director has been given fourteen (14) days notice and

the opportunity to be present and to be heard at the meeting where such a Ordinary Resolution is put to a vote.

Filling a Vacancy on the Board

4.13 Vacancy. If a Board member resigns their office, or ceases to be a member in KNS, their office shall be vacated and the Board may fill the vacancy for the unexpired portion of the term.

Meetings of the Board

4.14 Call of Meeting. The meetings of the Board will be held at any time and place as determined by the President or a majority of the Board.

4.15 Notice. Written notice, served other than by mail, of Board Meetings will be given to all Directors at least three (3) days prior to the scheduled meeting. No Notice of a meeting of the Board is required if all Directors waive notice, or if those absent consent to the meeting being held in their absence.

4.16 Number of Meetings. The Board will hold a minimum of four (4) meetings per year.

4.17 Quorum. At any meeting of the Board, quorum will consist of at least fifty (50) percent of voting Board members holding office and at least two (2) Officers.

4.18 Voting. Each board member is entitled to one vote. Voting will be by a show of hands, or orally unless a majority of board members present request a secret ballot. The President is only entitled to a vote in the event of a tie. Resolutions will be passed by Ordinary Resolution.

4.19 No Proxies. Board members may not vote via proxy at meetings of the Board.

4.20 Meetings. Meetings of the Board are open to Members but not the public except by invitation of the Board.

4.21 Meetings by Telecommunications and Technology. A meeting of the Board may be held by telephone conference call or by means of technology. Any Board member who is unable to attend a meeting may participate in the meeting by telephone or other technology. Directors who participate in a meeting by telephone or other technology are considered to have attended the meeting.

Powers of the Board

4.22 Powers. Except as otherwise provided in the Act or these Bylaws, the Board has the powers of KNS. Without limit the generality of the foregoing, the Board may:

- a. Implement policies, procedures and rules for managing the affairs of KNS;
- b. Implement policies, procedures and rules relating to the registration of members and shall have the authority to register members accordingly;
- c. Implement policies, procedures and rules relating to the discipline of members, and shall have the authority to discipline members accordingly;

- d. Implement policies, procedures and rules relating to the management of disputes within KNS and shall have the authority to deal with all disputes accordingly;
 - e. Implement policies, procedures and rules relating to the direction and control of monies, funds, investments and securities of KNS and shall have the authority to manage these accordingly;
 - f. Establish committees, appoint members of committees, and determine the duties and functions to any committee; and
 - g. Appoint or employ such persons as it deems necessary to carry out the work of KNS. Including staff and determine their duties, responsibilities, and remuneration.
- 4.23 Managing the Affairs of KNS.** The Board may make and approve policies, procedures, and manage the affairs of KNS in accordance with the Act and these Bylaws.
- 4.24 Discipline.** The Board may make policies and procedures relating to discipline of Members, and will have the authority to discipline Members in accordance with such policies and procedures.
- 4.25 Dispute Resolution.** The Board may make policies and procedures relating to management of disputes within KNS and all disputes will be dealt with in accordance with such policies and procedures.
- 4.26 Employment of Persons.** The Board may employ or engage under contract such persons as it deems necessary to carry out the work of KNS.
- 4.27 Borrowing Powers.** The Board may borrow up to \$25,000 as approved by resolution of the Board.

ARTICLE V

OFFICERS, EXECUTIVE COMMITTEE, AND OTHER COMMITTEES

- 5.1 Composition.** The Officers will be comprised of the following:
- 1. President;
 - 2. Vice President;
 - 3. Secretary; and
 - 4. Treasurer.
- 5.2 Duties.** The duties of Officers are as follows:
- a. The President shall preside as chairman over all Members' Meeting, Special Members' Meeting of KNS, Board Meetings, Special Board Meetings of KNS and meetings of the Executive Committee. The President will also attend to those matters requiring the attention of the Executive members of KNS and, subject to the powers and duties of the Board; will oversee the general management of KNS and will have such other powers and duties as may from time to time be delegated to the President by the Board.

- b. The Vice President, in the absence of the President, shall exercise the powers and duties of the President and shall also perform all duties assigned by the President or the Board.
- c. The Treasurer will:
 - i. Administer the financial affairs of KNS including the supervision and preparation of accounts, the receipt and disbursement of monies, the preparation of financial statements for KNS; and
 - ii. Perform such other duties as may from time to time be delegated to the Treasurer by the Board.
- d. The Secretary will:
 - i. Cause to be drafted minutes of all Board Meetings, Special Board Meetings of KNS and Members' Meetings;
 - ii. Provide notices to Directors and members when so instructed;
 - iii. Be the custodian of the corporate records and corporate seal of KNS; and
 - iv. Perform such other duties as may from time to time be delegated to the Secretary by the Board.

5.3 Removal. An Officer may be removed by Ordinary Resolution of the Voting Members in a Meeting of the Members, provided the Officer has been given fourteen (14) days' notice and the opportunity to be present and to be heard at the meeting where the Ordinary Resolution is put to a vote.

Executive Committee

5.4 Executive Committee. The Executive Committee will be comprised of the Officers.

5.5 Authority. The Executive Committee will have the authority to oversee the implementation of Board policies during intervals between meetings of the Board, and will perform such other duties as are prescribed by these Bylaws or may be prescribed from time to time by the Board.

5.6 Staff. The staff of KNS may attend meetings of the Executive Committee and participate therein to the extent permitted by the Executive Committee at such meetings but is not authorized to vote thereat on any matters in their capacity as staff members of KNS.

5.7 Call of Meeting. Meetings of the Executive Committee will be held at any time and place as determined by the President or upon the request of any two (2) Executive Committee Members.

5.8 Notice. Written notice, served other than by mail, of Executive Committee Meetings will be given to all Executive Committee Members at least three (3) days prior to the scheduled meeting. Notice served by mail will be sent at least fourteen (14) days prior to the meeting. No Notice of a meeting of the Executive Committee is required if all Officers waive notice, or if those absent consent to the meeting being held in their absence.

Other Committees

5.9 Appointment of Committees. The Board may appoint such committees as it deems necessary for managing the affairs of KNS and may appoint members of committees or provide for the election

of members of committees, may prescribe the duties of committees, and may delegate to any committee any of its powers, duties, and functions except where prohibited by these Bylaws.

- 5.10 Quorum.** A quorum for any committee will be the majority of its voting members.
- 5.11 Terms of Reference.** The Board may establish the terms of reference and operating procedures for all Committees, and may delegate any of its powers, duties or functions to any Committee.
- 5.12 Vacancy.** When a vacancy occurs on any Committee, the Board may appoint a qualified individual to fill the vacancy for the remainder of the Committee's term.
- 5.13 President Ex-officio.** The President, or a designate as appointed by the President, will be an ex-officio (non-voting) member of all Committees of KNS.
- 5.14 Removal.** The Board may remove any member of any Committee.

Remuneration

- 5.15 No Remuneration.** All Directors, Officers and members of Committees will serve their term of office without remuneration except for reimbursement of expenses as approved by the Board.

Conflict of Interest

- 5.16 Conflict of Interest.** A Director, Officer, Executive Committee member or member of a committee who has an interest, or who may be perceived as having an interest, in a proposed contract or transaction with KNS will disclose fully and promptly the nature and extent of such interest to the Board or Committee, as the case may be, will refrain from voting or speaking in debate on such contract or transaction; will refrain from influencing the decision on such contract or transaction; and will otherwise comply with the requirements of the Act regarding conflict of interest.

ARTICLE VI FINANCE AND MANAGEMENT

- 6.1 Fiscal Year.** The fiscal year of KNS will be January 1 to December 31.
- 6.2 Bank.** The banking business of KNS will be conducted at such financial institution as the Board may designate.
- 6.3 Auditors.** The Board may appoint an auditor or auditors to perform a review or audit of KNS finances as often as deemed necessary.
- 6.4 Books and Records.** The necessary books and records of KNS required by these Bylaws or by applicable law will be necessarily and properly kept in the office of KNS at 5516 Spring Garden Road, Halifax, Nova Scotia, B3J 1G6 and may be inspected by the members during regular business hours with reasonable notice.

- 6.5 Signing Authority.** All written agreements and financial transactions entered into in the name of KNS will be signed by two of the following: President, Treasurer or Staff. The Board may authorize other persons to sign on behalf of KNS.
- 6.6 Contracts.** Contracts, deeds, bills of exchange and other instruments and documents may be executed on behalf of KNS by any two of the following: President, Treasurer, Staff, or otherwise as prescribed by resolution of the Board.
- 6.7 Property.** KNS may acquire, lease, sell, or otherwise dispose of securities, lands, buildings, or other real or personal property, or any right or interest therein, for such consideration and upon such terms and conditions as the Board may determine.
- 6.8 Borrowing.** KNS may borrow over \$25,000 as approved by Special Resolution of the voting members at an Annual General Meeting or Special Meeting.
- 6.9 Disbursement of Funds.** No member or employee of KNS will disburse any funds in their keeping belonging to KNS unless authorized policies and procedures are adhered to.
- 6.10 Intellectual Property.** No person, entity or organization may use the name of any intellectual property of KNS without the prior written authorization of the Board.

ARTICLE VII AMENDMENT OF BYLAWS

- 7.1 Voting.** These Bylaws may only be amended, revised, repealed or added to by Special Resolution at an Annual General Meeting or Special Meeting. Upon affirmative vote, any amendments, revisions, addition or deletions will be effective upon approval of the Registrar.
- 7.2 Notice in Writing.** Notice in writing is to be delivered to the Board forty-five (45) days prior to the date of the meeting at which it is to be considered, and is to be delivered to Voting Members thirty (30) days prior to the meeting at which such amendment is to be considered.

ARTICLE XIII NOTICE

- 8.1 Written Notice.** In these Bylaws, written notice will mean notice which is hand-delivered or provided by mail, fax, electronic mail or courier to the address of record of KNS, Director or Member, as the case may be.
- 8.2 Date of Notice.** Date of notice will be the date on which receipt of the notice is confirmed verbally where the notice is hand-delivered, electronically where the notice is faxed or emailed, or in

writing where the notice is couriered, or in the case of notice that is provided by mail, five days after the date the mail is postmarked.

ARTICLE IX INDEMNIFICATION

- 9.1 Will Indemnify.** KNS will indemnify and hold harmless out of the funds of KNS each Director and Officer, their heirs, executors and administrators from and against any and all claims, demands, actions or costs which may arise or be incurred as a result of occupying the position or performing the duties of a Director or Officer.

- 9.2 Will Not Indemnify.** KNS will not indemnify a Director or Officer or any other person for acts of fraud, dishonesty, or bad faith.

- 9.3 Insurance.** KNS will, at all times, maintain in force such directors and officers liability insurance as may be approved by the Board.