

Real Estate Act, Bylaws

Effective November 25, 2021

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Interpretation

1 In these bylaws,

- (a) "Act" means the *Real Estate Act*, RSA 2000, c.R-5
- (b) "Board" means the Board of Directors of the Real Estate Council of Alberta, as composed pursuant to section 6 of the Act;
- (c) "Board Chair" means the chair of the Board appointed pursuant to section 6(5) of the Act;
- (d) "committee" means a Board or Industry Council committee;
- (e) "RECA" means the Real Estate Council of Alberta established under section 3 of the Act and defined in the Act as Council;
- (f) "executive director" means the executive director of RECA appointed under section 8 of the Act and referred to as the chief executive officer ("CEO") of RECA as approved by the Board;
- (g) "Fund" means the Real Estate Assurance Fund under section 57 of the Act;
- (h) "Industry Council" means an Industry Council established under section 7.1 of the Act;
- (i) "Industry Council Chair" means the chair of an Industry Council elected pursuant to section 7.1(6) of the Act;
- (j) "Minister" means the minister responsible pursuant to the Act;
- (k) "registrar" means the registrar of RECA appointed under section 8.1 of the Act;
- (l) "Regulations" means any regulations enacted by the Minister or the Lieutenant Governor in Council under the Act;
- (m) "Industry Council Vice-Chair" means the vice-chair of an Industry Council.

Part 1 - Bylaws in Force

1.1 All prior bylaws are repealed.

Part 2 - Board Members

Appointment of Board Members

2.1 The Board shall consist of 7 members appointed as follows:

- (a) the Minister shall appoint 3 public members, who must not be licensees;

- (b) each Industry Council established pursuant to Section 7.1 of the Act shall appoint a member to the Board who must be a member of the Industry Council elected to the Industry Council pursuant to Section 7.1(2)(b) of the Act.
- 2.2 Subject to public appointment timing, resignations and vacancies, the term of office of a public member appointed to the Board may be initially up to 3 years from the date of appointment, and a public member may be subsequently reappointed for up to 3 years to the Board, but no public person may serve as a Board member for more than 6 years of consecutive service and 12 years of total service.

Vacancy on Board

- 2.3 Subject to election timing, resignations and vacancies, the term of office of an elected member appointed to the Board may be initially up to 3 years from the date of appointment, and an elected member may be subsequently reappointed for up to 3 years to the Board, but no elected member may serve as a Board Member for more than 6 years of consecutive service and 12 years of total service.
- 2.4 If the licence of a Board member who was appointed by an Industry Council is withdrawn, expires or otherwise becomes invalid for any reason, the member shall be deemed to have immediately resigned from the Board and Industry Council as the case may be. Each appointing Industry Council shall, within 30 days of receiving notice of a vacancy on the Board, appoint a member to the Board by majority vote, to sit for the remainder of the vacated term. That member must be a member of the Industry Council elected to the Industry Council pursuant to the Act. If an Industry Council fails to appoint a member within 60 days of receiving notice of a vacancy the Board may appoint a member from the Industry Council to the Board by majority Board vote.
- 2.5 Any Board member may resign from the Board by sending written notice to the Board Chair, and in the case of a public member of the Board to the Minister also.
- 2.6 Where a vacancy on the Board occurs or is scheduled to occur, or the Board Chair is given notice by the member that the member is resigning from the Board, or an appointment is about to expire, the Board Chair shall:
- (a) in the event of a resignation, provide written notice to the Industry Council responsible for appointing the member as soon as possible following receipt of the notice from the member;
 - (b) in the event of a vacancy, provide written notice to the Industry Council or the Minister responsible for appointing the member as soon as possible on becoming aware of the vacancy occurring; or
 - (c) in the event of an appointment expiring, provide the Industry Council or the Minister responsible for appointing the member with at least 90 days' prior written notice of the date of expiry of the appointment;

and the established process for appointing a new member to the Board will be undertaken.

Board Members' Duties

- 2.7 Each member shall:
- (a) fulfill the purposes of the Board under the Act;
 - (b) participate in developing and evaluating the policies and programs of RECA;
 - (c) maintain oversight of the operation and administration of RECA;
 - (d) keep in confidence matters discussed by the Board or a committee of the Board, until published under section 55 of the Act, or released as public information by the Board, an Industry Council, or the registrar;
 - (e) attend the meetings of the Board;
 - (f) exercise the powers, functions and duties delegated to that member by the Board in accordance with the bylaws and the rules;
 - (g) comply fully with the Code of Conduct for the Board and Industry Council; and
 - (h) comply with section 9(1) of the Act.
- 2.8 Subject to section 2.10, no public member of the Board shall be absent from 3 consecutive regular Board or committee meetings or absent from a total of 4 Board or committee meetings over a 12-month period. If the Board becomes aware of a possible violation of this section, the Dispute Resolution Process set out in Schedule 2 of these bylaws shall be used.
- 2.9 Subject to section 2.10, no Board member, who was appointed to the Board by an Industry Council, shall be absent from 3 consecutive regular Board or committee meetings or absent from a total of 4 Board or committee meetings over a 12-month period. If the Board becomes aware of a possible violation of this section, the Dispute Resolution Process set out in Schedule 2 of these bylaws shall be used.
- 2.10 A member of the Board will not be deemed to have been absent from a Board or committee meeting for the purposes of section 2.8 or 2.9, if the Board Chair or committee chair, before or after a meeting, excuses the member from attending the meeting if the Board Chair or committee Chair considers that the member has a valid reason for not attending or if the Board member is absent from a Board meeting or committee meeting on Board business at the direction of the Board.

Remuneration

- 2.11 Each member of the Board is entitled to remuneration and expenses at rates set by the Board for carrying out duties as a member of the Board or as a member of a committee established by the Board.
- 2.12 The Board shall review the rates of remuneration and expenses annually when it sets its operating budget for the succeeding fiscal year.

- 2.13 If a member of the Board or a person appointed to a committee receives reimbursement for the same expenses from another source or entity other than RECA, that member or person shall repay to RECA any money received as reimbursement for those same expenses under these bylaws.

Officers of the Board

- 2.14 The officer of the Board is the Board Chair.

Duties of Board Chair

- 2.15 The Board Chair shall:

- (a) perform the duties specified in the Act and these bylaws;
- (b) fulfill the duties of office as described in the Board Chair's position description approved by the Board; and
- (c) perform any other duties assigned by the Board from time to time consistent with the requirements of the Act.

- 2.16 If the Board Chair is absent or unable to act, or discharge all the duties of the Board Chair, the Chair of the Finance & Audit Committee shall:

- (a) fulfill the duties of office as described in the Board Chair's position description approved by the Board; and
- (b) perform any other duties assigned by the Board from time to time consistent with the requirements of the Act

until such time as the Board Chair is able to continue to act and discharge all of the Board Chair duties or until a new Board Chair is appointed by the Minister.

Part 3 - Industry Council Members

Establishment of Industry Councils

- 3.1 Industry Councils are established pursuant to section 7.1(1)(a) – (d) of the Act. Each Industry Council shall be composed of 2 public members appointed by the Minister who must not be licensees, and 3 licensees from the industry to which the Industry Council relates elected by licensees of that industry. Subject to disqualification pursuant to the Act and the bylaws, the term of office of an Industry Council member may be initially up to 3 years, and an Industry Council member may be subsequently reappointed to an Industry Council for up to 3 years, but no person may serve as an Industry Council member for more than 6 years of consecutive service and 12 years of total service as an Industry Council member.

Eligibility Requirements for Election of Industry Council Members

- 3.2 In addition to any requirements in the Act and the bylaws, the eligibility requirements that a licensee must meet to qualify as an election candidate, for the purposes of elections under section 7.1(2)(b) of the Act, shall be outlined in policies established and approved

by the Board, after consultation with the relevant Industry Councils, which may be amended from time to time.

3.3 A licensee is disqualified as an election candidate for purposes of section 7.1(2)(b) of the Act, if the licensee:

- (a) is not a licensee, as the term is defined in the Act;
- (b) is not registered with a licenced Alberta brokerage in the industry for which they are seeking election;
- (c) has not actively engaged on a day-to-day basis, within the past 5 years, in the industry for which they are seeking election;
- (d) at the time of nomination, is subject of proceedings under the Act;
- (e) has, within the past 5 years, been subject of proceedings under the Act or similar legislation in another jurisdiction and received a sanction other than Letter of Reprimand;
- (f) is not a resident of Alberta;
- (g) is less than 18 years of age;
- (h) has been convicted of an offence, or is subject to a proceeding, under the *Canada Criminal Code* or the *Controlled Drugs and Substances Act* within past 5 years, or at the time of nomination;
- (i) has been convicted within the past 5 years of an indictable offence in Canada or in another jurisdiction;
- (j) is a subject of a certificate of incapacity or is a represented adult as defined in the *Adult Guardianship and Trusteeship Act*;
- (k) is a formal patient as defined in the *Mental Health Act*;
- (l) has been found to be a person of unsound mind by a court elsewhere than in Alberta; and
- (m) has the status of undischarged bankrupt.

Election Forms & Process

3.4 The Board, in consultation with the Industry Councils, may establish and approve the forms and process for the conduct of elections under section 7.1 (2)(b) of the Act, which may be amended from time to time.

Election Officer

3.5 The Board shall appoint an Election Officer, a qualified person or firm, to supervise, validate and certify results of the Industry Council member nominations and elections.

- 3.6 The Election Officer must be independent of the residential real estate broker industry, commercial real estate broker and commercial property manager industry, residential property manager industry and the mortgage broker industry.

Voter Eligibility

- 3.7 A licensee is eligible to vote in an election for an Industry Council member if, at the time of the vote, the licensee is registered with a licensed Alberta brokerage in the relevant industry.

Vacancy on Industry Council

- 3.8 Any Industry Council member may resign from an Industry Council by sending written notice to the relevant Industry Council Chair and, in the case of a public member, to the Minister.
- 3.9 Where a vacancy on an Industry Council occurs or is scheduled to occur, or the Industry Council Chair is given notice by the member that the member is resigning from the Industry Council, or a member's appointment is about to expire, the Industry Council Chair shall:
- (a) in the event of a resignation, provide written notice to the Board Chair and Industry Council as soon as possible following receipt of the notice from the member;
 - (b) in the event of a vacancy, provide written notice to the Board Chair, Industry Council or the Minister responsible for appointing the member as soon as possible on becoming aware of the vacancy occurring; or
 - (c) in the event of an appointment expiring, provide the Board Chair, Industry Council or the Minister responsible for appointing the member with at least 90 days' prior written notice of the date of expiry of the appointment

and the established process for appointing or electing a new member to the Industry Council will be undertaken.

Industry Council Members' Duties

- 3.10 Each member shall:
- (a) fulfill the purposes of the Industry Council under the Act;
 - (b) bring to the Industry Council's attention anything that would affect the integrity of the industry;
 - (c) participate in developing and evaluating the policies and programs of the Industry Council and, more generally, in developing and evaluating the policies and programs affecting the industry to which that Industry Council relates;
 - (d) keep in confidence matters discussed in private by an Industry Council or committee of an Industry Council, until published under section 55 of the Act, or released as public information by the Industry Council;
 - (e) attend the meetings of the Industry Council;

- (f) exercise the powers, functions and duties delegated to that member by the Industry Council in accordance with the bylaws and the rules;
 - (g) comply fully with the Code of Conduct for the Board and Industry Council; and
 - (h) comply with section 9(1) of the Act.
- 3.11 Subject to 3.13, no public member of an Industry Council shall be absent from 3 consecutive Industry Council or committee meetings or absent from a total of 4 Industry Council or committee meetings over a 12-month period. If the Industry Council becomes aware of a possible violation of this section, the Dispute Resolution Process set out in Schedule 2 of these bylaws shall be used.
- 3.12 Subject to 3.13, no elected member of an Industry Council shall be absent from 3 consecutive Industry Council or committee meetings or absent from a total of 4 Industry Council or committee meetings over a 12-month period. If the Industry Council becomes aware of a possible violation of this section, the Dispute Resolution Process set out in Schedule 2 of these bylaws shall be used.
- 3.13 A member of an Industry Council will not be deemed to have been absent from an Industry Council or committee meetings for the purposes of section 3.11 or 3.12, if the Industry Council Chair or committee chair, before or after a meeting, excuses the member from attending the meeting if the Industry Council Chair or committee chair considers that the member has a valid reason for not attending or if the Industry Council member is absent from an Industry Council meeting or committee meeting on Industry Council business at the direction of the Industry Council.

Remuneration

- 3.14 Each member of an Industry Council is entitled to remuneration and expenses at rates set by the Board for carrying out duties as a member of an Industry Council or as a member of a committee established by the Board.
- 3.15 If a member of an Industry Council or a person appointed to a committee receives reimbursement for the same expenses from another source or entity other than RECA, that member or person shall repay to RECA any money received as reimbursement for those same expenses under these bylaws.

Officers of Industry Councils

- 3.16 The officers of each Industry Council are the Industry Council Chair and Vice-Chair.
- 3.17 At the last meeting of an Industry Council prior to December 1st, in the applicable year, at which all members of the Industry Council are present, the members shall elect an Industry Council Chair and a Vice-Chair from among the members by majority vote.
- 3.18 An Industry Council member elected as the Industry Council Chair or Vice Chair holds their office for a 2-year term.

- 3.19 The effective and expiry dates of terms of an Industry Council member elected as an Industry Council Chair or Vice Chair shall occur as follows:
- (a) all terms shall expire on November 30 of each applicable year and new terms shall be effective on December 1 of each applicable year; and
 - (b) where a vacancy of the Industry Council Chair or Vice-Chair occurs, the vacancy shall be filled by an election for the unexpired portion of the term, to be held in the same manner that the election of the Chair or Vice-Chair who is being replaced was made.

Duties of an Industry Council Chair and Vice-Chair

- 3.20 The Industry Council Chair shall:
- (a) perform the duties specified in the Act, rules and these bylaws;
 - (b) fulfill the duties of office as described in the Industry Council Chair's position description approved by the Board; and
 - (c) perform any other duties assigned by the Industry Council from time to time consistent with the requirements of the Act.
- 3.21 If the Industry Council Chair is absent or unable to act, or discharge all the duties of the Industry Council Chair, the Industry Council Vice-Chair shall:
- (a) fulfill the duties of office as described in the Industry Council Chair's position description approved by the Board; and
 - (b) perform any other duties assigned by the Industry Council from time to time consistent with the requirements of the Act

until such time as the Industry Council Chair is able to continue to act and discharge all the Industry Council Chair duties or until a new Industry Council Chair is elected by the Industry Council.

Part 4 - Board and Industry Council Training and Performance Evaluation

- 4.1 Pursuant to Section 11.2 of the Act, each member of the Board and of an Industry Council must complete a governance training program to be established by the Board to review and ensure understanding of the following:
- (a) the mandate and legislated duties of the Board pursuant to the Act;
 - (b) the mandate and legislated duties of each Industry Council pursuant to the Act;
 - (c) the duties and responsibilities imposed by this bylaw;
 - (d) the mechanics of the dispute resolution process imposed by this bylaw; and
 - (e) an overview of the current risks and major issues being addressed by the Board, Industry Councils and RECA.

- 4.2 The Board Chair will establish and fix dates when the governance training program will be offered, and members are obligated to attend one or more sessions as directed. The Board Chair will select the lecturer(s)/presenter(s) for the program.
- 4.3 Individual members who feel that they may need more specific or additional training may apply to the Board Chair to receive further individualized instruction as permitted by the Board Chair in accordance with applicable policy.
- 4.4 Board and Industry Councils shall undertake an annual review process involving a self-assessment of their personal performance as Board or Industry Council members, as well as their view of the collective performance of their Board or Industry Council and committees in which the member has participated, suggesting any improvements in process to be reviewed by the Board Chair and applicable Industry Council Chair upon conclusion.

Part 5 - Board and Industry Council Proceedings

Quorum

- 5.1 Except where these bylaws provide for a greater number, the quorum at a meeting of the Board is a simple majority of current members on the Board, one of whom must be a public member on the Board.
- 5.2 Except where these bylaws provide for a greater number, the quorum at a meeting of an Industry Council is a simple majority of current members on the Industry Council, one of whom must be a public member on the Industry Council.
- 5.3 A bylaw may only be made, amended or repealed at a Board meeting at which all current Board members in office are present at the meeting.
- 5.4 A rule may only be made, amended or repealed at an Industry Council meeting at which all current Industry Council members in office are present at the meeting.

Industry Council Delegation

- 5.5 Where an Industry Council delegates any power, duty, or responsibility under section 15 of the Act, it shall do so, by resolution, if all or a majority plus one member of the Industry Council agree to the delegation.

Board & Industry Council Resolution Instead of Meeting

- 5.6 Where a Board meeting is not held, a resolution in writing shall be valid and effectual as if it had been passed at a meeting of the Board duly called and constituted when:
 - (a) receipt of the proposed resolution is confirmed in writing and returned to the executive director by all current Board members in office; and
 - (b) the resolution is unanimously agreed to, in writing, by all the current Board members in office.

- 5.7 Where an Industry Council meeting is not held, a resolution in writing shall be valid and effectual as if it had been passed at a meeting of the Industry Council duly called and constituted when:
- (a) receipt of the proposed resolution is confirmed in writing and returned to the executive director by all current Industry Council members in office; and
 - (b) the resolution is unanimously agreed to, in writing, by all the current Industry Council members in office.

Board & Industry Council Meetings

- 5.8 Any member may participate in a meeting of the Board, an Industry Council, or a committee by means of conference telephone, video conference, or other communications equipment by means of which all persons participating in a meeting can hear, or see and hear each other, and a member participating in a meeting in such a manner shall be deemed to be present in person at the meeting.
- 5.9 The Board and Industry Councils shall hold regular meetings at least 4 times per year on a quarterly basis.
- 5.10 The Board Chair shall, prior to December 31 of each applicable year and in consultation with the Industry Council Chairs, issue a schedule of regular meetings for the succeeding year for the Board and Industry Councils.
- 5.11 Unless specified otherwise by the Board Chair, all in-person Board and Industry Council meetings will be held at the head office of RECA.
- 5.12 Whenever possible, the executive director shall use reasonable efforts to forward a meeting package seven (7) days prior to each regular Board or Industry Council meeting, confirming the time, date and location of the meeting, together with an agenda and sufficient detail of all business to be transacted at the meeting to allow each member to be adequately informed of the issues.
- 5.13 Notwithstanding anything in this section, the Board Chair or an Industry Council Chair may call a special meeting of the Board or Industry Council, as the case may be, by providing at least 24 hours' written notice to each member, stating the purpose of the meeting and the date, time and manner in which the meeting is to be held.
- 5.14 Notwithstanding anything in this section, the Board or an Industry Council, as the case may be, may call a special meeting of the Board or Industry Council if a majority of its members agree and on providing at least 7 days written notice to each member, stating the purpose of the meeting and the date, time and manner in which the meeting is to be held.
- 5.15 Notice of a meeting under this section is deemed to have been given to a Board member or Industry Council member if the notice is delivered to an adult person at the member's home or place of business, or electronically to an e-mail address provided by the member to the executive director.

Rules of Procedure

- 5.16 Except as otherwise provided in the Act, the regulations, the bylaws or the rules, all meetings of the Board, Industry Councils and any committee shall be governed by Robert's Rules of Order, as may be amended from time to time.

Establishing Committees

- 5.17 The Board may establish standing, advisory or ad hoc committees for the Board and Industry Councils from time to time.
- 5.18 The Board Chair and executive director are ex-officio members of all committees.
- 5.19 The Board Chair may be a voting member of any committee if specified in the committee terms of reference or otherwise by resolution approved by the Board.
- 5.20 The executive director shall be a non-voting member of all committees..
- 5.21 The composition of a committee may include members that are not otherwise on the Board or an Industry Council but must include at least one member from the Board or Industry Council.
- 5.22 The appointment of all Board committee chairs and members, whether they be standing, advisory or ad hoc committees, shall be approved by the Board by a majority vote.
- 5.23 The appointment of all Industry Council committee chairs and members, whether they be standing, advisory or ad hoc committees, shall be approved by the Industry Council to which the committee relates, by a majority vote.
- 5.24 On establishing a committee, the Board shall approve terms of reference for all Board and Industry Council committees that includes:
- (a) the mandate of the committee;
 - (b) the composition of the committee;
 - (c) the quorum of the committee;
 - (d) the staff resources of the committee;
 - (e) the reporting requirements of the committee to the Board or Industry Council; and
 - (f) if an ad hoc committee, the term of the committee.
- 5.25 The standing committees of the Board are:
- (a) Finance & Audit Committee;
 - (b) Governance & Human Resources Committee; and
 - (c) Hearings Committee.

- 5.26 The chairs of the Finance & Audit Committee and the Governance & Human Resources Committee must be public members from the Board.
- 5.27 Any recommendation or decision of a committee established under this section must be ratified by the Board or Industry Council, as the case may be, prior to being acted on.

Records of Proceedings

- 5.28 The Board and Industry Councils shall keep minutes of their meetings and each committee shall provide a record of their proceedings to the executive director and all committee members.
- 5.29 Minutes of Board meetings must be signed by the Board Chair after approval of the Board.
- 5.30 Minutes of Industry Council meetings must be signed by the Industry Council Chair after approval of the Industry Council.
- 5.31 The record of any committee proceedings must be signed by the chair presiding at the meeting.

Irregular Appointments

- 5.32 Subject to the quorum requirements, all actions taken by the Board, an Industry Council or by any person acting as a Board or Industry Council member are valid notwithstanding that a person is not qualified to be a member or that there was a defect in the appointment of that person as a member of the Board or an Industry Council.

Indemnification of Board and Industry Council Members

- 5.33 Subject to any exceptions, restrictions or conditions in these bylaws or imposed on RECA under applicable legislation, RECA will indemnify a Board or Industry Council member from and against all costs, charges, expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by such Board or Industry Council member in respect of any civil, criminal or administrative action or proceeding in which the Board or Industry Council member is involved in by reason of anything done or permitted by the member in the execution of the duties of office as Board or Industry Council member, if:
- (a) they acted honestly and in good faith with a view to the best interests of RECA; and
 - (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, they had reasonable grounds for believing that their conduct was lawful.

Notwithstanding the above, RECA's obligation to indemnify will not apply with respect to any costs, charges or expenses, including any amount paid to settle an action or satisfy a judgment relating to an action by or on behalf of RECA against a Board or Industry Council member.

- 5.34 As part of the above indemnity in section 5.33 of these bylaws, Board and Industry Council members will:
- (a) provide written notice to RECA as soon as reasonably possible upon becoming aware of any claim, demand, action or proceeding;
 - (b) cooperate continuously and fully with RECA and legal counsel approved or appointed by RECA, including attending hearings and trials, assisting in securing and giving evidence, and assisting in obtaining the attendance of witnesses;
 - (c) upon RECA's request, assist in settling legal proceedings and in enforcing any right of contribution or indemnity against any person or organization who may be liable to Board and Industry Council members; and
 - (d) not, without RECA's prior written approval, make any admission of liability nor voluntarily make any payment, assume any obligation, or incur any expenses.

Part 6 - Administration

Appointment of Executive Director

- 6.1 The appointment of a person to the position of executive director will be made in accordance with section 8 of the Act and only suspended or revoked if the majority of all of the members of the Board then in office vote to do so. When approved by the Board the executive director may be referred to as the Chief Executive Officer ("CEO") of RECA in all public and internal dealings.

Duties of Executive Director

- 6.2 As chief administrative/executive officer of RECA, the executive director shall:
- (a) assist the Board and Industry Councils in the establishment of policies and procedures under section 6.8;
 - (b) ensure that the policies and procedures of RECA are recorded and implemented;
 - (c) advise and inform the Board on the operation and affairs of RECA's administration;
 - (d) advise and inform the Board and Industry Councils on any operational and capital budgets and expenditures, as the case may be;
 - (e) perform the duties and exercise the powers and functions assigned to the executive director by the Act, the regulations, the bylaws and the rules, or as otherwise assigned by the Board;
 - (f) report to the Board Chair on the ongoing activities of RECA, its policies and programs, and on other matters as directed by the Board; and
 - (g) support the operations and administration of the Board and Industry Councils by advising and informing Board and Industry Council members and interfacing between the Board, Industry Councils and RECA staff.

Appointment of Registrar

- 6.3 The appointment of a person to the position of registrar will be made in accordance with section 8.1 of the Act and may be suspended or revoked only if the majority of all of the members of the Board then in office vote to do so.

Duties of Registrar

- 6.4 As registrar of RECA, the registrar shall:
- (a) perform the duties and exercise the powers and functions assigned to the registrar by the Act, regulations, bylaws, rules, or as otherwise assigned by the Board, or as assigned by the Industry Councils and approved by the Board;
 - (b) report to the Board Chair or the executive director as required from time to time; and
 - (c) support the operations and administration of the Board and Industry Councils by informing the executive director and/or Board and Industry Council members and interfacing between the Board, Industry Councils, executive director, and RECA staff.

Delegation

- 6.5 The executive director and registrar may delegate to a member of staff their duties and the exercise of the powers and functions assigned to the position of executive director or registrar by the Act, the regulations, the bylaws and the rules, or as otherwise assigned by the Board or Industry Councils.
- 6.6 The executive director shall not delegate to the registrar their duties and the exercise of the powers and functions assigned to the position of executive director by the Act, the regulations, the bylaws and the rules, or as otherwise assigned by the Board or Industry Councils.
- 6.7 The registrar shall not delegate to the executive director their duties and the exercise of the powers and functions assigned to the position of registrar by the Act, the regulations, the bylaws and the rules, or as otherwise assigned by the Board or Industry Councils.

Policies, Procedures and Rules

- 6.8 The Board and Industry Councils may establish policies and procedures and rules to be followed as provided for in the Act.
- 6.9 Where the Board proposes policies, or where an Industry Council proposes policies or rules which may impact on the jurisdiction, costs, or operation of the Board or another Industry Council, the involved parties shall have their Chairs or designated committee consult with the other affected party in an effort to achieve harmonious and agreed operations.
- 6.10 In the event of a jurisdictional dispute the involved parties shall address the matter by way of the Dispute Resolution Process set out in Schedule 2.

Signing Authority

- 6.11 Cheques, negotiable instruments, or electronic payments must be signed or authorized by at least 2 persons so authorized by the Board.

Annual Report or Plan for the Minister

- 6.12 The Board shall ensure that all required annual reports, plans or information about RECA, the Board, Industry Councils or the Fund are prepared and delivered to the Minister as prescribed by the Act or requested by the Minister.

Fiscal Year

- 6.13 The fiscal year of RECA will be from October 1 to September 30.

Accounts

- 6.14 Only a person authorized by the Board may open or close accounts that hold the money of RECA.

Operating Budget

- 6.15 The Board must, at least 60 days prior to the end of the current fiscal year, approve an operating budget for the succeeding fiscal year.

- 6.16 An operating budget must include the estimated expenditures and revenues.

Capital Budget

- 6.17 The Board must, at least 60 days prior to the end of the current fiscal year, approve a capital budget.

Expenditures

- 6.18 RECA may only make an expenditure that
- (a) is included in its operating budget or capital budget or otherwise authorized by the Board;
 - (b) is for an emergency; or
 - (c) is legally required to be paid.
- 6.19 The Board shall establish procedures to authorize and verify expenditures including those that are not included in a budget.

Investments

- 6.20 RECA may invest its money only in accordance with the investment policies approved by the Board.

Borrowing for Operating Purposes

- 6.21 Subject to section 6.19, in each fiscal year with Board approval, RECA may for operating purposes borrow by way of loan, bank overdraft or line of credit from any financial institution any sum, to a maximum total of 15% of the operating budget of RECA for that fiscal year.
- 6.22 Any sum borrowed must be borrowed on the condition that the sum is to be repaid within 2 years of when the loan is made.

Borrowing for Capital Purposes

- 6.23 Subject to section 6.21, in each fiscal year with Board approval, RECA may for capital purposes, borrow by way of loan, overdraft or line of credit from any financial institution to a maximum of 15% of RECA's total budget for that fiscal year provided that the sum borrowed must be repaid within 3 years from when the loan is made.
- 6.24 After the Board has approved the purchase of real estate to be owned and occupied by RECA, subject to Board approval, RECA may borrow a maximum sum of 80% of the purchase price of the real estate, secured by a loan, debenture, mortgage agreement or other form of security, provided that the total amount of time from the date a sum is initially borrowed to the date that the sum is repaid must not exceed twenty-five years.

Part 7 - Administrative Penalties

Designation of Administrative Penalties

- 7.1 The contraventions of the provisions listed in column 1 of Schedule 3 to these bylaws are hereby designated as the contraventions which may be dealt with and in accordance with the procedure set out in section 83 of the Act.

Notice of Administrative Penalty

- 7.2 A notice issued to a person by the registrar pursuant to section 83 of the Act shall be in writing and specify
- (a) the contravention of the provision that the registrar believes has occurred;
 - (b) the particulars of the alleged contravention;
 - (c) that payment of the amount set out in the notice will be accepted by the registrar as complete satisfaction of the amount of penalty for the alleged contravention and that no further proceedings under Part 6 of the Act will be taken against the person in respect of that contravention and that a person who pays an administrative penalty may not be charged under this Act with an offence in respect of that contravention;
 - (d) that if the person fails to pay the amount set out in the notice in accordance with the requirements set out therein, the registrar may commence legal proceedings against the person to recover the amount owing in respect of the administrative

penalty as a debt due to RECA and may charge that person under the Act with an offence in respect of that contravention; and

- (e) that the person has the right to appeal the administrative penalty to a Hearing Panel in accordance with section 83.1 of the Real Estate Act, and that person will be given a full opportunity consistent with procedural fairness and natural justice to present evidence before the Hearing Panel and make representations in relation to the alleged contravention.

7.3 A notice under section 7.2 shall be served personally or by single registered mail sent to the latest known address of the licensee to whom the notice relates.

Time to Pay

7.4 Subject to section 7.5, a person must pay any penalty imposed in accordance with section 83 of the Act within 30 days of the date on which the registrar issued a notice of administrative penalty.

7.5 Where the registrar is of the opinion that a penalty may cause undue hardship for the person who has received a notice of administrative penalty, the registrar may extend the time to pay.

Part 8 - Hearing and Appeal Panels

Hearing and Appeal Practice and Procedure Guidelines

8.1 The practice and procedure of a hearing panel and an appeal panel shall include the Hearing and Appeal Practice and Procedure Guidelines prescribed, adopted and approved by the Board from time to time.

Appointment of Hearing Panels and Appeal Panels

8.2 The Board shall establish a hearing and appeal panel roster consisting of licensees and members of the public.

8.3 The Hearings Committee Chair will appoint hearing and appeal panel members from the hearing and appeal panel roster established by the Board to any hearing or appeal as set out in the Act.

8.4 In the absence of the Hearings Committee Chair, the Hearings Committee Vice-Chair will make the appointments to hearing and appeal panels.

8.5 In the absence of the Hearings Committee Chair and Vice-Chair, the Board Chair will make the appointments to hearing and appeal panels.

Part 9 - Real Estate Assurance Fund

Administration of Fund

9.1 The Fund shall be administered by the executive director subject to the direction of the Board.

Practices & Procedures

- 9.2 The Board may establish practices and procedures in relation to the administration of the monies held in the Fund.

Trust Account

- 9.3 All monies credited to the Fund shall be maintained in a trust account in a bank, loan corporation, trust corporation, credit union or treasury branch in Alberta, separate and apart from any other money of RECA.

Levies

- 9.4 Any monies collected by the levy of assessments on applicants to become licensees and/or on the classes of licensees provided for in the Regulations, pursuant to section 57(5) of the Act, as well as any income from such monies, shall be credited to the Fund.

Recoveries

- 9.5 Any recovery of monies by the Board pursuant to subsection 60(5) and section 61 of the Act shall be credited to the Fund.

Payments from Fund

- 9.6 Payments may be made from the Fund for the following purposes:
- (a) payment of compensation pursuant to section 60(4);
 - (b) payment of any or all of the monies in the Fund in excess of the amount prescribed in the Regulations for any purpose authorized in the Regulations, with the prior written consent of the Minister, pursuant to section 57(4) of the Act; and
 - (c) payment of the administrative costs associated with the Fund, from the income from the investment of the money in the Fund, assessments levied pursuant to section 57(5) of the Act or monies approved by the Minister pursuant to section 57(4) of the Act, or from a combination of 2 or more of the foregoing sources.

Payments Authorized by Minister

- 9.7 In the event that the payment of monies from the Fund is authorized by the Minister pursuant to subsection 57(4) of the Act, any such monies shall be held in a trust account separate from the remainder of the Fund.

Executive Director's Fund Duties

- 9.8 The executive director shall:
- (a) ensure that all monies credited to the Fund are held as trust funds and invested only as permitted by the Act, the regulations, the bylaws and as directed by the Board;

- (b) ensure that accurate records and accounts are kept in relation to the Fund and report to the Board in relation to the Fund as directed by the Board;
- (c) advise the Board as to the balance and prospective balance of the Fund; and
- (d) assist the Board in making appropriate reserves for the contingent liabilities of the fund and determining the need for the levy of assessments pursuant to subsection 57(5) of the Act.

Notification to Minister

9.9 If at any time the balance of the Fund falls below the amount prescribed in the Regulations, the Board shall immediately inform the Minister.

Part 10 - Recovery of Costs in Conduct Proceedings

10.1 Where a complainant is ordered to pay costs under section 40(4) of the Act, a licensee is ordered to pay costs under section 43(2) of the Act, or a licensee or RECA is ordered to pay costs under section 43(2.1) or costs are awarded pursuant to section 50(5) of the Act, the costs payable shall be determined in accordance with the following:

- (a) Investigation costs
 - (i) investigators' costs at a minimum of \$40 per hour to maximum of \$80 per hour;
 - (ii) general investigation costs including but not limited to disbursements, expert reports and travel costs in accordance with RECA policy guidelines;
 - (iii) transcript production including but not limited to interview transcripts;
 - (iv) legal costs not to exceed \$250 per hour; and
 - (v) other miscellaneous costs.
- (b) Hearing and appeal costs
 - (i) investigators' costs at a minimum of \$40 per hour to a maximum of \$80 per hour;
 - (ii) general hearing and appeal costs including but not limited to disbursements, process service charges, conduct money, expert reports, travel expenses including but not limited to witnesses and RECA representatives in accordance with RECA policy guidelines, expert witness fees to a maximum of \$1,000 per diem;
 - (iii) transcript production;
 - (iv) hearing or appeal administration costs including but not limited to location rental, hearing secretary salary to a maximum of \$15 per hour, honoraria of hearing panel members;

- (v) legal costs not to exceed \$250 per hour;
- (vi) adjournment costs; and
- (vii) other miscellaneous costs.

10.2 Upon the complainant providing notice in writing of an appeal under section 40(4) of the Act, the complainant shall post security for costs with RECA in the amount of \$500.

10.3 Subject to a panel's discretion, the following Guide to Costs may apply:

ITEM	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5
Total fine or penalty	\$0 - \$4,999	\$5,000 - \$9,999	\$10,000 - \$29,999	\$30,000 - \$69,999	Over \$70,000
Costs for fully Contested Hearing, including Administrative Penalty Appeal	\$0 - \$2,000	\$0 - \$2,500	\$0 - \$5,000	\$0 - \$7,500	\$0 - \$10,000
Costs for Hearing and Administrative Penalty Appeal with Agreed Statement of Facts	\$0 - \$1,500	\$0 - \$2,000	\$0 - \$4,500	\$0 - \$7,000	\$0 - \$9,500
Costs for Hearing and Administrative Penalty Appeal with Agreed Statement of Facts and Admission of Conduct Deserving of Sanction	\$0 - \$1,000	\$0 - \$1,500	\$0 - \$4,000	\$0 - \$6,500	\$0 - \$9,000
Costs for Hearing and Administrative Penalty Appeal with Agreed Statement of Facts, Admission of Conduct Deserving of Sanction and Agreement on Sanctions	\$0 - \$750	\$0 - \$1,250	\$0 - \$1,750	\$0 - \$2,250	\$0 - \$2,750
Costs for Consent Agreement	\$0 - \$500	\$0 - \$1,000	\$0 - \$1,500	\$0 - \$2,000	\$0 - \$2,500

10.4 The following factors may be considered by a panel in determining any cost order:

- (a) the degree of cooperation by the licensee;
- (b) the result of the matter and degree of success;

- (c) the importance of the issues;
- (d) the complexity of the issues;
- (e) the necessity of incurring the expenses;
- (f) the reasonable anticipation of the case outcome;
- (g) the reasonable anticipation for the need to incur the expenses;
- (h) the financial circumstances of the licensee and any financial impacts experienced to date by the licensee; and
- (i) any other matter related to an order reasonable and proper costs as determined appropriate by the panel.

Part 11 - Licensing Services

Education Philosophy, Examination Blueprint & Course & Course Providers Requirements

- 11.1 The Board shall, after consulting with the relevant Industry Councils, prescribe, adopt, and approve by resolution the pre-licensing education philosophy, examination blueprint and educational course and course provider requirements that a person or organization must meet before being approved to deliver education materials to licensees or prospective licensees for the purpose of acquiring, maintaining, reinstating, or renewing a licence.
- 11.2 Not later than 10 days after Board approval, the Board shall cause a copy of approved educational course and course provider requirements, and any subsequent amendments, to be delivered to the Minister, course providers delivering licensing education, and be made available to the public.

Part 12 - Review and Changes to Bylaws

- 12.1 Unless otherwise provided for in the Act, these bylaws will be reviewed by the Governance & Human Resources Committee, in consultation with the Industry Councils, at least once every 3 years and the committee will recommend revisions to the Board for approval as necessary.

Part 13 - Schedules

Schedule 1 - Governance Culture, Code of Conduct, Dispute Resolution and Discipline Regime for Board and Industry Council members of RECA

1. General

This Policy is passed as a bylaw pursuant to Section 9(2) and Section 11.1(1) of the Act. It binds all elected and appointed members of the Board and Industry Councils as members of RECA. It is passed effective the 25th day of November, 2021. It must be reviewed by 4 or more Board members and repassed in its present or amended form every 3 years pursuant to s. 11.1(2) of the Act. This bylaw prevails over any other bylaw made under the Act to the extent of any inconsistency between them.

Members hold office pursuant to the Act and have a statutory function as follows:

Section 5 of the Act states:

The purposes of the Board are:

- (a) to set the strategic direction and ensure the effective operation of the Council;
- (b) to protect against, investigate, detect and suppress fraud as it relates to the business of licensees and to protect consumers;
- (c) to provide, or support the provision of, services and other things that facilitate the business of licensees, as provided for in the regulations;
- (d) to administer this Act as provided in this Act, the regulations, the bylaws, and the rules.

Section 7.2(1) of the Act states:

The purposes of an Industry Council are

- (a) to set and enforce standards of conduct for licensees and the business of licensees in order to protect consumers and promote the integrity of the industry, and
 - (b) to administer this Act as provided in this Act, the regulations, the bylaws, and the rules.
- Elected and appointed Board and Industry Council members owe a fiduciary duty to RECA to fulfill these obligations. Members must respect the trust and confidence which has been reposed in them to manage the functions delegated to them by the Act in the pursuit and realization of the objects of the Act.
 - Board and Industry Council members must avoid conflicts of interests with RECA, avoid abusing their position to gain personal benefit and they must maintain the confidentiality of information acquired by virtue of their position. Board and Industry Council members must serve RECA selflessly, honestly and loyally using their best judgment to act in the utmost good faith to protect the interests of RECA, the public and the industry.
 - The Board and Industry Councils must govern lawfully and direct and regulate the industry through policy and rules. Opinions and personal strengths of individual members must endeavor to be used to the public's and the industry's best advantage, and the Board and Industry Councils must each faithfully make decisions as a group by formal majority vote.
 - The Board and Industry Councils are responsible for their own performance, and each of the Board and Industry Councils commit to continuous improvement.
 - Breach of this policy may result in discipline up to and including loss of office.

In an effort to best achieve these ends, the following policy governs Board and Industry Council conduct:

2. Code of Conduct

In an effort to best achieve the function of the Board and Industry Councils in addition to the education and training component noted above, the following policy governs the individuals who are members of the Board and Industry Councils regarding their conduct.

Harassment/Discrimination

- Board and Industry Council members will strive to create and maintain a work environment in which people are treated with dignity, decency, and respect. Members are expected to abide by this policy both in their official work, and in their personal lives. Board and Industry Council members shall govern their personal affairs so that their personal activities do not cause embarrassment to RECA or undermine the confidence of their peers.
- RECA will not tolerate unlawful discrimination, harassment, or bullying of any kind. It is a violation of this policy to discriminate in the provision of opportunities, benefits, or privileges, to create discriminatory work conditions, to use discriminatory evaluative standards in whole or in part based on the protected grounds in the *Alberta Human Right Act* including race, colour, ancestry, place of origin, religious beliefs, gender, gender identity, gender expression, age, physical disability, mental disability, marital status, family status, source of income and sexual orientation.
- Harassment includes sexual harassment, unwelcome advances, verbal harassment regarding a person's background, marital status or any other protected status including epithets, slurs, and negative stereotyping. Non-verbal harassment includes distribution display or discussion of any written graphic material that ridicules, denigrates, insults, belittles, or shows hostility, aversion, or disrespect to towards an individual or group.
- Bullying includes coercive, aggressive, or violent behaviour.
- This is a zero-tolerance policy, a breach of which may result in discipline up to and including termination of the offender's position within the Board and/or Industry Council.
- Reports or complaints of harassment or discrimination shall be received, administered, and addressed in accordance with RECA's internal harassment policy as amended from time to time, and posted on its internal website.

Participation

- Board and Industry Council members will each seek to perform their statutory functions and govern themselves in accordance with this overall policy.
- Board and Industry Council members shall demonstrate their commitment to RECA by giving high priority to their participation in Board, Industry Council and committee meetings through high levels of attendance.
- Board and Industry Council members shall prepare themselves for all Board, Industry Council and committee meetings by reasonably familiarizing themselves with the meeting's agenda and background materials, with the goal of discussing issues and business addressed at the meetings efficiently and effectively.

- Board and Industry Council members shall focus on the discussions at hand during meetings.

Governance

- All members shall seek to ensure that the Board and the Industry Councils perform their duties of governance and shall bring governance issues to the Board Chair or Industry Council Chair as the case may be.
- Board and Industry Council members shall ensure that they understand their legal, fiduciary, and other obligations to RECA and that they ensure those obligations are upheld and performed.
- Board and Industry Council members shall place RECA and its Board and/or Industry Council interests before their own personal interests and will immediately declare any conflicts which arise.

Policies

- Board and Industry Council members shall use their best judgment to balance the relative importance of issues to be determined by Board and Industry Councils in setting policies with a view to avoiding operational issues in the process of fulfilling their legislated mandate.
- Board and Industry Council members shall reasonably share matters and information within their own area of knowledge and expertise with the goal of making the best possible policy decisions.
- Board and Industry Council members shall uphold policies as approved by the Board as those policies may be amended from time to time.

Confidentiality

- This duty of confidentiality applies to any and all information learned in Board or Industry Council member's function unless that information has previously been disclosed to the public by the Board or Industry Council.
- Board and Industry Council members shall at all times, maintain confidentiality of all information and records of RECA and must not make use of or reveal such information or records except in the course of the performance of their duty, unless the documents or information become a matter of general public knowledge or are required to be disclosed as a matter of law.
- Board and Industry Council members shall not use confidential information obtained through their association with RECA to further their private interests or the private interests of their friends or relatives.
- Board and Industry Council members shall comply with any policies and procedures which guide the storage, use and transmission of information received from RECA, including the use of computer databases or email systems and the return or destruction of RECA information at the conclusion of their term.

- Board and Industry Council members shall treat Board and Industry Council discussions as a "safe haven" for the benefit of members and RECA staff and shall not repeat discussions or debates concerning RECA's business or practices nor disclose any discussions of a personal nature between their peers or RECA's staff in any public forum.
- Examples of confidential information include all information which a member receives while acting as a Board or Industry Council member from any source whatsoever relating to RECA's business or affairs, the affairs of all persons with whom RECA may have dealings; information received in disciplinary proceedings unless that information is publicly disclosed.
- The obligation of confidentiality is continuous and remains binding upon a Board or Industry Council member even after the Board or Industry Council member leaves service with RECA.

Respect

- Board and Industry Council members shall express their opinions unencumbered, while maintaining the goals of flexibility and compromise by remaining open to different viewpoints.
- Board and Industry Council members shall work with and respect the opinions of their peers and RECA staff and must leave personal prejudices out of all Board, Industry Council and committee discussions.
- Board and Industry Council members shall generally observe parliamentary procedures and display courteous conduct in all Board, Industry Council and committee meetings towards each other and towards RECA staff.
- Board and Industry Council members will respect the ability of the Chair or the Vice Chair to manage and curtail discussion or debate.

Support

- Board and Industry Council members shall support, in an affirmative manner all actions taken by the Board or Industry Council, even when a Board or Industry Council member may be in a minority and dissenting position with respect to any such action.
- Board and Industry Council members shall represent RECA and the Board and Industry Councils in a positive and supportive manner at all times and in all places.
- Board and Industry Council members shall exercise their duties and responsibilities with integrity, collegiality and care.

Relations with Administration

- Board and Industry Council members shall actively support RECA staff by providing direction through the Board Chair, requesting resources and stipulating reasonable time frames to achieve the identified vision and ends of Board and Industry Councils.
- Board and Industry Council members shall not create excess additional work for RECA staff without the approval of the Board Chair.

- Board and Industry Council members shall publicly support all actions taken by RECA's executives to implement programs and achieve the objectives approved by the Board and Industry Councils.
- Board and Industry Council members shall recognize the difference between the role of the Board and Industry Councils to set policies and strategic directives and the role of RECA staff with respect to the implementation of same.

Media

- Board and Industry Council members, with the exception of the Board Chair, shall not in the context of RECA's business and practices, make comments or statements to the media or make themselves available for interviews by the media on behalf of RECA without prior approval and briefing by the Board Chair or majority vote of the Board.
- Board and Industry Council members shall ensure that any comments made by them to media outside the context of RECA's business and practices is attributed to them in their personal capacity only and not in their capacity as Board or Industry Council members.

Stakeholder Relations

- When Board or Industry Council members are called upon to attend industry functions either as representatives of the Board or Industry Council or as individuals, members must act in a professional or courteous manner, exercise restraint in alcohol consumption, show respect to the professional opinions of others, avoid speaking ill of competitors and take steps to maintain or enhance RECA's reputation.

Political Participation

- Board and Industry Council members are encouraged to participate fully as private citizens in the democratic process including campaigning in elections; and/or running for public office, however, Board and Industry Council members engaging in such political activity shall take care to separate their personal activities and public statements from any association with RECA.
- Board and Industry Council members shall ensure that any views which they express in the context of their political participation are clearly and unequivocally stated to be a personal view and not the view of RECA.

Government Relations

- In their role as a Board and/or Industry Council member for RECA, members should avoid undertaking actions which could be viewed as government lobbying, absent direct instructions and involvement of the Board Chair or as expressly permitted by this bylaw.

3. Statutory Prohibitions

Section 9(1) and (2) of the Act provide:

- 9(1) No person while a member of the Board or an Industry Council shall do any of the following:
- (a) if the person is a licensee, act in an official capacity for an association, be on the governing body of an association, be an employee of an association or otherwise act on behalf of an association in any manner other than as an ordinary member of the association;
 - (b) engage directly or indirectly in any business transaction or private arrangement for a pecuniary benefit, knowledge of which is gained from or based on the person being a member of the Board or an Industry Council, or from confidential or non-public information gained by reason of the member's position or authority with the Board or an Industry Council;
 - (c) act in a manner, whether or not prohibited by this Act, the regulations, the bylaws or the rules, that may result in, or create the appearance of
 - (i) using the member's position for private gain,
 - (ii) giving preferential treatment to any person,
 - (iii) impeding the Board or an Industry Council from carrying out its purposes,
 - (iv) foregoing independence or impartiality, or
 - (v) adversely affecting the integrity of the Board or an Industry Council;
 - (d) represent the Board or an Industry Council, explicitly or impliedly, or act in an official capacity on any matter in which the member has a real or potential personal interest, direct or indirect, in a manner that is incompatible with the member's duties under this Act, the regulations, the bylaws or the rules;
 - (e) contract with or otherwise accept the services of a licensee or applicant to become a licensee on terms that are more favourable than those generally available to the general public;
 - (f) unless approved by the Board or an Industry Council, as the case may be, accept a fee or benefit from another person on account of an occasion at which the member appears or provides a speech, lecture or publication, if the occasion is part of the official duties of the member for which compensation is being paid by the Council;
 - (g) contravene this Act, the regulations, the bylaws or the rules.

- 9(2) The Board may, by bylaw, establish prohibitions that apply to a member of the Board or an Industry Council in addition to those in subsection (1).

These statutory provisions are binding on all Board and Industry Council members.

Known or suspected breaches of Section 9(1)(a-g) by any Board or Industry Council member must be reported to the Board Chair for consideration or investigation.

Breaches of these provisions may result in sanctions including loss of office as noted in this bylaw.

Schedule 2 – Dispute Resolution Process and Disciplinary Regime

Dispute identification and resolution constitute an important function of any organization. The process for addressing disputes must both be and be seen as transparent and fair.

1. Code of Conduct Issues

Known or Suspected Breaches of Section 9 of the Act

- Any Board Member or Industry Council member who knows or suspects a breach of Section 9(1)(a)-(f) or any other specific contravention of the legal provisions of the Act by another member **shall** report the alleged breach to the attention of the Board Chair.
- In the event of any known or suspected breach of Section 9(1)(a)-(f) or any other specific contravention of the legal provisions of the Act by the Board Chair, any Board or Industry Council member shall report the alleged breach to the Chair of the Governance & Human Resources Committee, who will perform all the duties normally performed by the Board Chair as outlined below. If the Board Chair is the Chair of the Governance & Human Resources Committee, the matter shall be reported to the Chair of the Finance & Audit Committee who will perform all the duties normally performed by the Board Chair as outlined below.
- Any other known or suspected breach of this bylaw **may** be reported to the Board Chair or Industry Council Chair by a member.
- Any report made to a Chair pursuant to this part must be made in writing, must provide details of the alleged contravention, be dated and signed by the party making the report.

Managing and Escalating Dispute Resolution Processes

- Conflicting ideas and opinions often result in disputes. All disputes as to policies made pursuant to the Act and with jurisdiction are to be addressed by majority vote of the Board or Industry Council, as the case may be, and are binding on all members of the Board or Industry Council as the case may be.
- Conduct disputes and concerns may also occur which may involve perceived or minor breaches of the Board and Industry Council members' Code of Conduct short of a breach of Section 9 of the Act. Members are encouraged to initially address perceived concerns between themselves and in private to achieve resolution.
- In the event that process fails, members may approach the Board Chair or Industry Council Chair to express their concerns. In the event of conduct disputes or concerns between an

Industry Council member and the Industry Council Chair, the member may approach the Board Chair to express concerns. In event of conduct disputes or concerns between a Board member and the Board Chair, the member may approach the Chair of the Governance & Human Resources Committee to express concerns. If the Board Chair is the Chair of the Governance & Human Resources Committee, the member may approach the Chair of the Finance & Audit Committee to express concerns.

- The Chair reviewing a dispute or concern is then authorized to take necessary steps to seek investigation and/or resolution of the dispute, including but not limited to:
 - (a) convening a joint meeting of the complainant and respondent in an effort to seek resolution;
 - (b) undertaking individual reviews with the complainant and respondent;
 - (c) directing counselling or training for the complainant and/or respondent;
 - (d) in the case of Industry Council, requesting the Board Chair to consider conducting an investigation utilizing internal or external resources;
 - (e) before, during or after any investigation or hearing process, direct the matter to the full Board or full Industry Council for interim or final disposition;
 - (f) in the case of suspected criminal activity, refer the matter to RECA's General Counsel to determine if the matter should be referred to police authorities for investigation.

Disposition/Remedies

- Following the review of a complaint or the result of an investigation or hearing, the reviewing Chair may:
 - (a) dismiss the complaint;
 - (b) provide written direction to direct counselling or training;
 - (c) issue an official warning confirming that repetition of like conduct or continued breaches may result in more formal discipline;
 - (d) with the approval of the Board Chair, refer the matter to hearing with a 3-member panel, 2 of whom shall be elected or appointed members. The Board Chair may sit as a member of the panel or may designate qualified external legal counsel or an experienced consultant to sit as the third member of the panel. The panel shall make a majority recommendation to the Board or Industry Council, as the case may be;
 - (e) refer the matter to the full Board or Industry Council as the case may be for a vote to suspend the member from all Board or Industry Council activities for the duration of the dispute resolution process. Suspension of the involved member during that process will require a majority of other members to pass plus one additional member. The Chair who reviewed the matter may vote in such a circumstance;

- (f) if after the dispute resolution process has been used involving a suspended member (with or without hearing) the Board or Industry Council as the case may be, may by majority vote (in which the involved member may not participate) determine that it does not believe the member has committed a violation. In such a case the member who has been suspended shall automatically be reinstated to the Board or Industry Council.
 - (g) If after the dispute resolution process has been used, the Board or Industry Council, as the case may be, believes that this bylaw has been violated the Board or Industry Council may:
 - (i) by majority vote suspend the member from any or all Board or Industry Council activities, as the case may be, for any period of time, and subject to any terms and conditions that the Board or Industry Council considers appropriate;
 - (ii) in the case of a Board member who was appointed to the Board by an Industry Council, dismiss that member from the Board if a majority plus one other Board member votes to dismiss the member;
 - (iii) in the case of an Industry Council member who is a licensee of that Industry Council, dismiss the member from the Industry Council if all or a majority plus one other member of the Industry Council votes to dismiss the member or;
 - (iv) in the case of a public member, make a recommendation that the Minister dismiss the member from the Board or Industry Council if a majority of the Board or Industry Council votes to do so.
- A member who is the subject of a suspension or dismissal vote taken pursuant to this bylaw shall not cast a vote regarding sanction.
 - If a majority of the votes pursuant to this bylaw are to dismiss a member, but the required number of votes to dismiss the member has not been reached, the Board or Industry Council shall notify the Minister of the result and shall recommend that the Minister dismiss the member from the Board or Industry Council. Nothing in this process prevents a member subject to the dispute resolution process from resigning at any time.
 - A decision of the Board or the Industry Council shall be final and binding on the involved member and shall not be subject to judicial review.
 - An Industry Council shall notify the Board immediately of the results of any vote taken to suspend or dismiss or a resignation of an Industry Council member.

Costs of Disciplinary Process and/or Review

- Notwithstanding the provisions of any indemnity agreement made available to the Board or Industry Council members for their work or service, legal or other costs associated with this dispute resolution process and/or disciplinary process shall not be covered by such indemnity.

- Nothing in this part shall prohibit a member involved in the dispute resolution or discipline process from petitioning the Board for recovery of some or all costs associated with the dispute resolution or disciplinary process involving the member.
- The Board by majority vote may determine whether none, some or all associated costs should be paid by RECA. That decision will be final and binding and will not be subject to judicial review.

2. Jurisdictional Disputes

- Pursuant to Section 11.3(b) of the Act the Board is obligated to enact a process which will be used in the case of a dispute over roles and responsibilities between the Board and Industry Council(s) or between Industry Councils themselves having regard to jurisdictional boundaries for regulation or rule making pursuant to the Act.

Industry Council Jurisdiction

- In the event of a dispute over jurisdiction between Industry Councils, the Chairs of each Industry Council must first meet to review the nature of the jurisdictional dispute and exchange submissions on the subject and any agreement as to jurisdictional boundaries made between the involved Chairs shall be put to each Industry Council for majority vote to confirm the consensus of those Chairs.
- In the event of disagreement between the Chairs, or in the event of failure to ratify the Chairs' decision by either involved Industry Council, each Industry Council shall make written submissions to the Board with respect to the jurisdictional issue(s). Upon receipt of submissions the Board may:
 - (a) determine the issue either finally or on a trial basis;
 - (b) seek further oral representations from the involved Industry Councils; and/or
 - (c) seek independent legal or other advice and/or seek the advice of the Minister to determine the issue.

The determination of the Board regarding exclusive, joint or partial joint jurisdiction shall be final and binding on the involved Industry Council(s) subject only to a written (only) appeal to the Minister.

Board Jurisdiction

- In the event of a dispute between the jurisdiction of the Board and Industry Council(s) the Board and involved Industry Council(s) shall meet and exchange a jurisdictional analysis with reasons, including any relevant legal and operational expert opinions.
- In the event continued consultation does not result in consensus as to jurisdiction, the Board and Industry Council shall select an arbitrator pursuant to the *Alberta Arbitration Act* to determine the issue either on a permanent or a trial basis with reasons.
- The decision of the arbitrator shall be final and binding on the parties subject to a written (only) appeal to the Minister.

Schedule 3 – Administrative Penalties

REAL ESTATE ACT CONTRAVENTIONS		Penalty for Contravention
SECTION		
1.	19, 20, 24	\$1,500
2.	17, 17.1, 18, 25, 38, 73, 74, 83.2	Maximum of \$25,000
REAL ESTATE ACT RULES CONTRAVENTIONS		
SECTION		
3.	61, 74	\$500
4.	40, 43, 45, 60, 60.1, 79, 80, 86, 98	\$1,000
5.	21, 32, 49, 51, 52, 53, 56, 65, 67, 68, 69, 71, 72, 77, 82, 83, 84, 85, 90, 91, 92, 94, 101, 102, 103, 105, 108, 109, 110	\$1,500
6.	41, 42, 44, 46, 50, 54, 55, 57, 58, 58.1, 59, 59.1, 62, 63, 66, 70, 73, 75, 78, 87, 88, 89, 95, 96, 97, 99, 100, 106, 107	Minimum of \$1,500 to Maximum of \$5,000 Amended February 4, 2009
7.	16.1	Maximum of \$25,000 Amended April 4, 2012