

COMPANIES ACT
ARTICLES OF ASSOCIATION
THE INSTITUTE OF HEALTH ECONOMICS

1. The regulations contained in Table "A" in the First Schedule to the Companies Act are hereby excluded and do not apply to the Institute.

INTERPRETATION

2. The headings used throughout the Articles do not affect the construction hereof. In these Articles:

"Articles" means these Articles of Association and any amendment from time to time in force;

"Board" means the Board of Directors of the Institute for the time being;

"Chair" or "Chair of the Board" means the person appointed as the Chair of the Board pursuant to Article 47 who also serves as the Chair of Institute;

"Companies Act" means the *Companies Act* of the Province of Alberta having application to Companies with objects or purposes other than the acquisition of gain, for the time being in force;

"Director" means a director of the Institute from time to time;

"Government Participant" means a provincial or federal government participating with the Institute pursuant to arrangements in place between that government and the board;

"Member" means "Shareholder" and vice versa;

"Month" means a calendar month;

"Office" or "Registered Office" means the registered office of the Company for the time being;

"Person" means a natural person, a corporation (however incorporated), a society, an institution created or administered by any Act of the Legislature of any province or, of the Parliament of Canada, and includes Her Majesty in right of any province, or of Canada;

References to any Government department, authority, university, university

department or faculty or other entity, include the legal successor to such entity;

"Register" means the register of members to be kept by the Institute as required by the Companies Act;

"Seal" means the common seal of the Institute;

"Secretary" means any persons appointed to perform the duties of Secretary;

"Subscriber" means a person who has executed the Memorandum of Association of the Institute setting forth such person's desire to be formed with others in the Institute in pursuance of such Memorandum of Association;

"University Participant" means each of the Governors of the University of Calgary, The Governors of the University of Alberta and each other university with an affiliation or similar agreement with the Institute;

"written" and "in writing" includes printing, typewritten, e-mail, pdf and other modes of representing or reproducing words in visible form;

Words importing the singular number include the plural number and vice versa and words importing any specific gender shall include all genders and vice versa.

MEMBERS

3. The following who have each agreed to the same, shall be the Members of the Institute:
 - (a) The Chair of the Board of Governors of the University of Alberta, or the person acting in such a capacity from time to time;
 - (b) The Chair of the Board of Governors of the University of Calgary, or the person acting in such a capacity from time to time;
 - (c) Her Majesty the Queen in the Right of Alberta, as represented by the Minister of Health.

The membership of the Corporation may be increased by the addition of such other Person or Persons so applying and designated by the Board and unanimously approved by the other existing Members of the Corporation. At no time shall the number of members of the Corporation exceed fifteen.

REGISTER OF MEMBERS

4. The Institute shall maintain a Register of its Members at its Registered Office.

TRANSFER OF MEMBERSHIP

5. Membership shall not be transferable except that the membership of any person holding membership by virtue of the office held by the Member shall be deemed to have transferred such membership to that person's legal successor upon that successor taking the office.

WITHDRAWAL FROM MEMBERSHIP

6. A Member ceases to be a Member of the Institute in the following cases:
 - (a) the dissolution or winding-up of the Member, in the case of a corporate Member;
 - (b) upon that Member ceasing to be:
 - (i) a Government Participant in the case of any Member which is a Government Participant; or
 - (ii) a University Participant in the case of any Member which is a University Participant;
 - (c) the Member's death;
 - (d) the Member ceasing to hold the office by virtue of which the Member holds membership; or
 - (e) the Member serving notice to the Corporation to that effect.

CONTRIBUTIONS OF MEMBERS

7. Any Member of the Institute or any Person related to a Member of the Institute may contribute funds to the Institute for its purposes from time to time, but no Member shall be required to make any contribution other than in the amounts set forth in the Memorandum of Association.

PAYMENT TO MEMBERS

8. Notwithstanding any provision of these Articles or of the Memorandum of Association, any Member of the Institute, or any Person related to a Member of the Institute, may contract with the Institute and be paid reasonable compensation by the Institute for services rendered or property transferred to the Institute.

INVITATION TO THE PUBLIC

9. The Institute shall make no invitation to the public to become Members or to subscribe for debentures of the Institute.

MEMBERS' MEETINGS

10. Annual General Meetings shall be held at least once in every calendar year and not more than sixteen (16) months after the holding of the last preceding general meeting at such time and place as the Board determines.
11. All meetings of the Members of the Institute other than those referred to in Article 10 shall be called special general meetings. Subject to Article 25 meetings of the Members shall be held within the Province of Alberta.
12. The Board may, whenever the Board thinks fit, and shall, when requisitioned under the Companies Act, proceed to convene a special general meeting of the Institute.
13. Where it is proposed to pass a special resolution, such notice as is required to be given by the Companies Act, and in all other cases at least seven (7) days' notice, exclusive of the day on which the notice is served or deemed to be served but inclusive of the day for which notice is given, specifying the day, hour and place of every Members' meeting, and in case of special business, the general nature of the business, shall be served in one of the manners hereinafter provided, upon Members registered in the Register at the time such notice is served or, if a record date has been fixed by the Board, on the Members registered in the Register at the record date as so fixed. Notwithstanding the foregoing a meeting of Members may be held for any purpose, at any time, and at any place without notice, if all the Members entitled to notice of such meeting are present in person or, where entitled to be represented by proxy, by proxy, or if the absent Members have signified their assent in writing to such meeting being held. Notice of any meeting or any irregularity in any meeting or in the notice thereof, may be waived by any Member or the duly appointed proxy of any Member. It is not necessary to give notice of any adjourned meeting.
14. Irregularities in the notice of any meeting or in the giving thereof or the accidental omission to give notice of any meeting or the non-receipt of any notice by any Member does not invalidate any resolution passed or any proceedings taken at any meeting and does not prevent the holding of such meeting.

PROCEEDINGS AT MEMBERS' MEETINGS

15. Each of the following items of business shall be considered at each annual general meeting:
 - (a) consideration of the financial statements and the ordinary report of the Board, auditors, and other officers;
 - (b) the election of Directors;

- (c) the appointment of auditors;
- (d) the fixing of remuneration of the auditors; and
- (e) the transaction of any business which under these articles ought to be transacted at an annual general meeting.

All other business transacted at any annual general meeting or special general meeting shall be deemed special. Special business may be transacted or a special or extraordinary resolution may be passed at an annual general meeting provided the requisite notice has been given.

16. No business shall be transacted at a meeting of members unless a quorum is present at the time the meeting proceeds to business. Except as herein or by statute otherwise provided, not less than fifty (50%) percent of the voting membership of the Institute shall be a quorum.
17. The Chair of the Board or, in the absence of the Chair, the Vice-chair of the Board shall act as the chair of a meeting of the Members and in the absence of both of the foregoing, the Members present at a meeting shall choose one of their number to be a chair of that meeting. The chair of any meeting may appoint one or more persons (who need not be Members) to act as scrutineers.
18. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place. If at such adjourned meeting, the quorum is not present, the meeting shall be dissolved.
19. Every question submitted to a meeting shall be decided in the first instance by a show of hands of Members present and the chair of the meeting, if a Member, shall have a vote. In the case of an equality of votes, the question shall be deemed to have been lost.
20. At any meeting, unless a poll is demanded by the chair of that meeting or a Member, a declaration of the chair of that meeting that a resolution has been carried, or carried by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the minutes is conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of, or against, such resolution.
21. If a poll is demanded as aforesaid, it shall be taken in such manner and at such time and place as the chair of the meeting directs and the result of the poll is the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn. In case of any dispute as to the admission or rejection of a vote the chair of the meeting shall determine the same and such determination made in good faith is final and conclusive.

22. The chair of a meeting may, with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
23. Any poll duly demanded on any election of a chair of the meeting, or on a question of adjournment, shall be taken at the meeting and without adjournment. A poll demanded on any other question shall be taken at such time as the chair of the meeting directs.
24. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
25. Notwithstanding anything else contained in these Articles:
 - (a) a person entitled to attend a meeting of the Members may attend the meeting by electronic means;
 - (b) a meeting of the Members may be held entirely by electronic means;
 - (c) a person attending a meeting of the Members by electronic means under (a) or (b) preceding who is entitled to vote at the meeting of the Members may vote by any electronic, telephonic or other method that the Institute has made available for that purpose; and
 - (d) a person attending a meeting of the Members by electronic means under (a) or (b) preceding is deemed for all purposes under these Articles to be present in person at the meeting.

A reference in this Article 25 to a meeting means any meeting of the Members including an Annual General Meeting and a special general meeting.

A reference in this Article 25 or any other of these Articles to “electronic means” in relation to an Annual General Meeting, a special general meeting or a meeting of the Directors means communication that enables all persons attending the meeting to hear and communicate with each other instantaneously, including without limitation, teleconferencing and computer network-based or internet-based communication platforms.

VOTES OF MEMBERS

26. On a show of hands or on a poll every Member shown on the register of Members of the Institute, present in person or by proxy, has one vote.
27. Votes may be given either personally or by proxy.
28. The instrument appointing a proxy shall be in writing in any effectual form under

the hand of the appointer or of the attorney of the appointer duly authorized in writing, and need not be attested. A person may be appointed such a proxy although not a Member. The validity of any proxy shall be determined by the chair of the meeting at which the proxy is to be used.

29. No instrument appointing such a proxy is valid after the expiration of twelve (12) months from the date of its execution unless it is otherwise specified in the instrument, and permitted by the provisions of the Companies Act.
30. The instrument appointing such a proxy shall be deposited at the Registered Office of the Institute or such other place as may be specified in the notice of meeting or at the meeting with the chair of the meeting. In default of such deposit, such instrument of proxy is not valid.
31. A vote given in accordance with the terms of an instrument of proxy is valid notwithstanding the previous death of the principal, or revocation of the said proxy, or a change in the person holding the office by virtue of which the membership is held provided no intimation in writing of any such change has been received before the meeting at the place where proxies are to be deposited.
32. In any case, except where a meeting of the Company is required by law to pass a resolution, a resolution (ordinary or special) consented to in writing by all the Members who would have been entitled at a meeting to vote on the resolution is as valid and effectual as if it had been passed at a meeting of the Members duly called and constituted and such resolution relates back to any date therein stated to be the effective date thereof.

DIRECTORS

33. There shall be not less than five (5) or more than twenty (20) directors of the Institute. The Directors shall be elected for terms of three years, or any lesser period specified in the resolution appointing a Director, the general intent being that Directors shall be elected for three-year staggered terms. After any election of Directors at an Annual Meeting of the Institute, the Board of Directors shall include:

The following who have each agreed to the same, shall be the Directors of the Institute:

- (a) The Vice President (Research) of the University of Alberta;
- (b) The Vice President (Research) of the University of Calgary;
- (c) The Deputy Minister for Alberta Health or such Assistant Deputy Minister for Alberta Health as designated by the Deputy Minister;

- (d) The Deputy Minister for Jobs, Economy and Innovation;
- (f) One individual designated by Alberta Innovates;
- (g) The President of Alberta Health Services or such individual designated by the President of Alberta Health Services;
- (h) The Dean, Faculty of Pharmacy and Pharmaceutical Sciences, the University of Alberta;
- (i) Two academic employees designated by the University of Alberta, one from the Faculty of Medicine and Dentistry and one from the Department of Economics;
- (j) Two academic employees designated by the University of Calgary, one from the Faculty of Medicine and one from Department of Economics;
- (l) The Chair of the Institute;
- (m) The Chair of the Institute's Audit and Finance Committee, if any;
- (n) The Chief Executive Officer of the Institute if so determined by the Members on recommendation by the Directors; and
- (o) Individuals, not otherwise associated with a University Participant, or Government Participant who are recommended for election pursuant to a selection process established by the Board.

Provided, however, that if any party entitled to designate an individual to be appointed as a Director fails to do so, or any person occupying an office entitling that person to be a Director declines to become a Director, the Members may appoint an alternate person to serve as Director. Vacancies occurring on the Board of Directors between Annual Meetings may be filled by the Board for a period to the next Annual Meeting subject to any right of any party to designate the person to be so appointed or the right of the holder of an office to be so appointed, in either case, in accordance with the foregoing provisions of this Article 33.

- 34. A Director need not be a Member of the Institute.
- 35. The Directors may be paid out of the funds of the Institute by way of indemnification for expenses incurred incidental to their services as Directors, such reasonable sums as the Board may determine, but no Director shall be paid any salary, wages or compensation for acting as a Director; provided however, that nothing herein provided shall limit the right of the Institute to pay salary, wages, bonus or other compensation or payment to any Director for services other than as a Director or for the transfer of assets or property to the

Institute.

36. A Director may retire from office upon notice in writing to the Institute of the Directors and such resignation takes effect upon the later of receipt of a notice or upon the date set out in the notice.
37. The Office of a Director is ipso facto vacated:
 - (a) if the Director absconds to defeat the Director's creditors or commits an act of bankruptcy;
 - (b) if the Director becomes mentally incompetent or dies;
 - (c) in the event of the Director's written resignation;
 - (d) in the case of a person acting as a Director by virtue of the office held by that person, if such person ceases to hold the office by virtue of which the appointment occurred;
 - (e) in the case of a Director designated pursuant to Article 33(c), Article 33(e), Article 33(f), Article 33(h), Article 33(i) or Article 33(j), if the Deputy Minister for Alberta Health, the governmental department or agency or the organization which designated such individual sends a notice in writing to the Institute requesting that another person be appointed in the place and stead of such person.
38. The fact that a matter of business being considered by the Board involves a Director personally shall preclude such Director from voting; provided however, that such Director shall disclose such interest (which disclosure shall be recorded in the Minutes of the Meeting) but having made such disclosure may participate in discussion and if through inadvertence should vote, such vote shall not nullify the proceedings but shall simply not be counted in determining whether the question passed or was lost.
39. At every annual general meeting those Directors whose term of office has expired shall retire from office. A retiring Director retains office until the dissolution of the meeting at which the retiring Director's successor is appointed or elected. A retiring Director is eligible for re-election or reappointment.
40. Every Director of the Institute is entitled to attend any Members' meeting. The Chair of a meeting of the Members may request any executive officer or advisor to the Institute to attend any Members' meeting and in such event the executive officer or advisor is entitled to attend.
41. A Director may appoint an alternate who is not a Director to attend in such Director's stead at any meeting which such Director is unable to attend, and in such event, such alternate person shall be entitled to monitor the meeting on behalf of the party appointing such alternate person but shall not have a vote.

PROCEEDINGS OF THE BOARD OF DIRECTORS

42. The Board may meet together for the dispatch of business, adjourn and otherwise regulate meetings and proceedings of the Board as the Board sees fit other than to establish the quorum. The quorum for meetings of the Board shall be a majority of the Board or their representatives pursuant to Article 41 who are present in person.
43. Notwithstanding anything else contained in these Articles:
 - (a) a person entitled to attend a meeting of the Directors may attend the meeting by electronic means;
 - (b) a meeting of the Directors may be held entirely by electronic means;
 - (c) a person attending a meeting of the Directors by electronic means under (a) or (b) preceding who is entitled to vote at the meeting of the Directors may vote by any electronic, telephonic or other method that the Institute has made available for that purpose; and
 - (d) a person attending a meeting of the Directors by electronic means under (a) or (b) preceding is deemed for all purposes under these Articles to be present in person at the meeting.
44. Meetings of the Board may be held either within or outside the Province of Alberta. The Board may make regulations in regard to the manner and time that notice shall be given of such meetings. Unless otherwise provided in such regulations, meetings of the Board may be held at any time without formal notice if all the Directors are present or those absent have signified their consent in writing to the meeting being held in their absence. Notice of any meeting where notice has not been dispensed with shall be given to each Director eight (8) days prior to such meeting. Notice of any meeting or irregularities in any meeting, or in the notice thereof, may be waived by any Director. The Board may by resolution appoint regular time and place for meetings, and no further or other notice of such time and place other than the entry of such resolution upon the minutes of the meeting at which it was passed is necessary.
45. The Chair may, or the Secretary shall, at the request of five (5) or more Directors, at any time convene a meeting of the Board.
46. Questions arising at any meeting of the Board shall be decided by a majority of votes and on all questions the Chair shall have a vote. In case of an equality of votes, the question shall be deemed to have been lost.
47. The Board shall at the first meeting of the Board following every third annual general meeting of the Institute, appoint a Chair who shall be a person who

is not a Director referred to in Article 33(a) through 33(j). The Chair shall hold office until a successor is appointed, until resignation or until removed by the Board. The Chair shall be a Director and shall be elected as a Director by the Members. If the office of Chair becomes vacant the individual ceasing to be a Chair shall also cease to be a Director.

48. The Director designated in Article 33(a) and the Director as designated in Article 33(b) shall be appointed for alternate two-year terms to the office of Vice-Chair of the Board. If at any time there is no Director serving pursuant to Article 33(a) or Article 33(b) who is to be then appointed as Vice-Chair, the Board may appoint an alternate Director as interim Vice-Chair for a period determined by the Board but not exceeding the time which is shorter of when a person is again appointed as a Director pursuant to such sub-section of Article 33 or the end of that two-year term.
49. The Chair shall preside at all meetings of the Board but if the Chair is not present and able and willing to act with fifteen (15) minutes after the time appointed for the holding of a meeting, the Vice-Chair shall preside. If neither the Chair nor the Vice-Chair is present and able and willing to act, then the Board shall choose a Director to act as a Chair of that meeting.
50. A meeting of the Board for the time being at which a quorum is present is competent to exercise all or any of the authorities, powers, and the discretions by or under the regulations of the Institute for the time being vested in or exercisable by the Board generally.
51. The Board may delegate any of the Board's powers to other committees consisting of such Director or Directors as the Board thinks fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations which may be imposed upon it by the Board.
52. Notwithstanding that it shall afterwards be discovered that there was some defect in the appointment or qualification of a Director or of a person or persons acting as Directors, all acts done at a meeting of the Board, or of committee of Directors or by any person acting as a Director are as valid as if every such person had been duly appointed and was qualified to be a Director, if the meeting would have been duly constituted without the presence of such person. The decision of the meeting in such event shall be determined without reference to or the counting of the vote or votes of such person or persons.
53. A resolution in writing of which notice to all Directors has been given, signed by a majority of all Directors without their meeting together, is as valid and effectual as if it had been passed at a meeting of the Board duly called and constituted and such resolution relates back to any date therein stated to be

the effective date thereof.

MINUTES

54. The Board shall cause minutes to be duly entered in books provided for that purpose:
- (a) of all appointments of officers;
 - (b) of the names of Directors present at each meeting of the Board and of any committee of Directors;
 - (c) of all resolutions made by the Directors and committees of Director;
 - (d) of all resolutions and proceedings of Members' meetings;

and any such minutes of any meetings of the Board or of any committee of Directors or of the Company if purporting to be signed by the Chair of such meeting, or by the Chair of the next succeeding meeting, are receivable as prima facie evidence of the matter stated in such minutes.

POWERS OF DIRECTORS

55. The management or supervision of the management of the business and affairs of the Institute is vested in the Board which, in addition to the powers and authorities by these Articles or otherwise expressly conferred upon the Board, may exercise all such powers and do all such acts and things as may be exercised or done by the Institute and are not hereby or by statute expressly directed or required to be exercised or done by the Members in general meeting.

Without restricting the generality of the foregoing:

- (a) The Board may exercise all or any of the powers of the Institute to borrow or raise money and to mortgage the undertaking and all or any of the real and personal property of the Institute, both present and future, and to create and issue, at par or at a premium or a discount, debentures, mortgage debentures, debenture stock and other securities of any description whatsoever;
 - (b) The Board may, to the extent permitted by law, sell, dispose of, mortgage or charge the entire undertaking and property of the Institute or any part thereof, for such consideration as the Board thinks fit.
56. The Board may from time to time, by ordinary resolution, change the Registered Office of the Institute.

OFFICERS

57. The Board may from time to time appoint a Chief Executive Officer, a Secretary, a Treasurer or a Secretary-Treasurer and such other officers as the Board may determine, and may determine the period for which any officers are to hold office. Any one person may hold more than one of the above offices. A person appointed as an officer in accordance with this Article need not be a Director.
58. The Board may appoint an Assistant Secretary, who shall be empowered to act in the absence of or under the direction of the Secretary in the performance of the duties of the Secretary. The Board may appoint a temporary substitute for any of the above officers. For the purposes of these Articles any such substitute shall be deemed to be the officer.

SEAL

59. The Institute shall have a corporate Seal or Seals which shall be of such form and device as may be adopted by the Board, and the Board may make such provisions as the Board thinks fit with respect to the affixing of the said Seal and the appointment of a Director or Directors or other persons to attest by their signatures that such Seal was duly affixed.
60. The Institute may exercise the powers conferred by the Companies Act and may have for use in any other province, state or country, an official Seal which shall be a facsimile of the Seal of the Institute with the addition on its face of the name of the province, state or country where it is to be used. The Board may make such provisions as the Board thinks fit respecting the use of the said official Seal and may comply with the requirements of any law.

ACCOUNTS

61. The Board shall cause true accounts to be kept of the sums of money received and expended by the Institute and the matter in respect of which said receipt and expenditures take place, of all sales and purchases of property by the Institute and of the assets and liabilities of the Institute.
62. The books of account shall be kept at the Registered Office or such place or places as the Board shall think fit, and no person (other than a Director or auditor or Member or other officer, accountant, or person whose duty to the Institute requires that person to do so) shall have any right of inspecting any account or book or document of the Institute, except as conferred by statute or authorized by the Board or by a resolution of the Institute in general meeting.
63. At the first and each subsequent annual meeting of the Institute, the Board shall lay before the Institute an income and expenditure account and balance sheet, containing a general summary of the assets and liabilities of the Institute and

make up to date not more than six (6) months before the meeting and such other accounts, if any, as the Board may think proper and desirable, or as the Institute in general meeting may from time to time require.

64. Every such income and expenditure account and balance sheet as aforesaid shall be accompanied by the report of the auditors of the Institute and a report of the Board as to the state and condition of the Institute.

NOTICES

65. Any notice or document may be served by the Institute on any Member or Director, either personally or by facsimile, e-mail or similar means of communication, or by sending it through the post in a prepaid envelope, addressed to such person at such person's registered place of address as appears in the Register of Members or Register of Directors as the case may be or delivered to such address by courier.
66. Any summons, notice, order or other document required to be sent to or served upon the Institute or upon any officers of the Institute may be sent or served by e-mail, by courier or leaving the same or sending it through the post in a prepaid letter addressed to the Institute at the Registered Office or such officer at such officer's office.
67. Any notice or other document, if served by post, is deemed to have been served on the fifth mail delivery day after the letter, envelope, card or wrapper containing the notice or document was properly addressed and put into the post office.