

TORONTO PORT AUTHORITY

BY-LAW NO. 2

A by-law relating to contracting by the Toronto Port Authority or any of its subsidiaries other than as an agent of Her Majesty in right of Canada.

WHEREAS:

- A. Sections 28(5) and 28(6)(a) of the Canada Marine Act (the "Act") and section 4.19(a) of the letters patent (the "Letters Patent") of the Toronto Port Authority (the "Authority") provide that the board of directors (the "Board") of the Authority shall take all necessary measures to ensure that the Authority or any subsidiary (a "Subsidiary") of the Authority that enters into a contract, including a contract for the borrowing of money, other than as agent of Her Majesty in right of Canada ("Her Majesty") (such contracts referred to herein as "Non-Agent Contracts") does so in its own name and that such contract expressly states that the Authority or the Subsidiary, as the case may be, is entering into the contract on its own behalf and not as agent of Her Majesty; and
- B. Section 28(6)(b) of the Act and section 4.19(b) of the Letters Patent provide that any subcontract (such subcontracts referred to herein as "Non-Agent Subcontracts") arising directly or indirectly from a Non-Agent Contract shall expressly state that the Authority or Subsidiary, as the case may be, is entering into such Non-Agent Contract on its own behalf and not as agent of Her Majesty;

BE IT RESOLVED THAT:

1. Disclaimer In Every Contract

The President and CEO shall ensure that every contract expressly states that the Authority or the Subsidiary, as the case may be, is entering into such contract on its own behalf and not as agent of Her Majesty.

2. Disclaimer In Every Subcontract

The President and CEO shall ensure that every subcontract arising from a contract to which section 1 of this By-law applies expressly states that the Authority or the Subsidiary, as the case may be, is entering into such subcontract on its own behalf and not as agent of Her Majesty.

3. Authorization of President and CEO and Standard Wording

The President and CEO is hereby authorized to take all such steps and do all such things as are necessary to ensure compliance with, and give full effect to, the foregoing including, seeking advice from the Corporate Secretary and/or the Authority's outside legal counsel from time to time as to the characterization of a particular contract

or subcontract as an Agent Contract/Subcontract or Non-Agent Contract/Subcontract, authorizing the amendment of any standard form purchase orders, letterhead or other documents by which the Authority contracts, and providing for the inclusion of standard wording (the "Standard Wording") in all such contractual documents along the following lines, with such modifications as the particular agreement may require:

Except as otherwise expressly provided in this contract, the Toronto Port Authority, 981011 Ontario Inc. and any other subsidiary of the Toronto Port Authority (collectively, the "TPA"), enters into this contract and any subcontract arising directly or indirectly from this contract, in its own name, on its own behalf, and not as an agent of Her Majesty in right of Canada. Any party (the "Contracting Party") with whom the TPA contracts shall extract from the party with whom the Contracting Party contracts in any subcontract a similar covenant that the Contracting Party is contracting in its own name, on its own behalf, and not as an agent of Her Majesty in right of Canada.

4. Decisions by Management Without Prior Board Approval Relating to Below Threshold Contracts/Subcontracts

The President and CEO is hereby authorized to make decisions without prior approval of, or subsequent reporting to, the Board relating to contracts or subcontracts the aggregate value of which is less than \$35,000 ("Below Threshold Contracts/Subcontracts") as to whether a particular contract or subcontract is to be characterized as (i) a Non-Agent Contract or Non-Agent Subcontract for which the inclusion of the Standard Wording is required and no contractual provision expressly overriding the Standard Wording is permitted, or (ii) a contract or subcontract relating to an agent activity (such contracts or subcontracts referred to herein as "Agent Contracts" or "Agent Subcontracts", as the case may be) as such term is understood in section 28(2)(a) of the Act for which the Standard Wording is also required but a contractual provision expressly overriding the Standard Wording is permitted.

5. Authorization of President and CEO to Execute Below Threshold Contracts/Subcontracts Without Board Approval or Consent

The President and CEO is hereby authorized to execute on behalf of the Authority, without prior approval of, or subsequent reporting to, the Board all Below Threshold Contracts/Subcontracts.

6. Decisions by Management Requiring Board Approval Relating to Above Threshold Contracts/Subcontracts

Prior to acceptance and execution, for contracts or subcontracts the aggregate value of which is \$35,000 or greater ("Above Threshold Contracts/SubContracts"), the President and CEO may consult the Corporate Secretary

and/or the Authority's outside legal counsel and shall seek the approval of the Board as to whether the contract or subcontract is to be characterized as an Agent or Non-Agent Contract or Subcontract, as the case may be, and accordingly whether such contract or subcontract may include a contractual provision expressly overriding the Standard Wording.

7. Reporting to Board on Compliance with By-Law

The President and CEO shall report at each meeting of the Board on compliance with this by-law with respect to all Above Threshold Contracts/Subcontracts entered into by the Authority or any of its Subsidiaries.

CERTIFIED to be a true copy of a by-law as passed at a meeting of the Board on June , 2000.

Chairman

Corporate Secretary