

## BY-LAW NUMBER 1

### A by-law relating generally to the transaction of the affairs of

### SEEDS CANADA SEMENCES CANADA

**BE IT ENACTED** as a by-law of Seeds Canada Semences Canada as follows:

#### ARTICLE 1 DEFINITIONS

1.1 **Definitions** – In this by-law and in all other by-laws and Special Resolutions of the Corporation hereafter passed, unless the context otherwise requires:

- (a) “**Affiliate Class Members**” has the meaning set forth in Section 3.1(b);
- (b) “**Affiliated Regional Seed Associations**” means the Regional Seed Associations that have entered into an Affiliation Agreement with the Corporation. “**Affiliated Regional Seed Association**” shall have a corresponding meaning;
- (c) “**Affiliation Agreement**” has the meaning set forth in Section 5.13(a);
- (d) “**Amalgamation**” means the amalgamation of CSGA, CPTA, CSAAC, CSI and CSTA;
- (e) “**Amalgamation Agreement**” means the agreement entered into by the Existing Corporations prior to the Date of Amalgamation;
- (f) “**Annual Financial Statements**” means the comparative financial statements of the Corporation, as prescribed by the CNCA, the report of the Public Accountant and any further information respecting the financial position of the Corporation and the results of its operations required by the Articles or the By-laws;
- (g) “**Annual Organizational Meeting**” has the meaning set forth in Section 7.3(a).
- (h) “**Annual Meeting**” means an annual meeting of the Members of the nature described in Section 4.1;
- (i) “**Articles**” means the original Certificate and Articles of Amalgamation of the Corporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation from time to time in force and effect;
- (j) “**Atlantic Area**” means the Provinces of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador;
- (k) “**Audit Committee**” means an audit committee of the Corporation;
- (l) “**Board**” means the board of directors of the Corporation;

- (m) “**Business Class Members**” has the meaning set forth in Section 3.1(a);
- (n) “**Business Entity**” means a corporation, a partnership, a trust, a sole proprietor, a co-proprietor and an unincorporated organization. “**Business Entities**” shall have a corresponding meaning;
- (o) “**By-laws**” means this by-law and all other by-laws of the Corporation from time to time in force and effect;
- (p) “**CFIA**” means the Canadian Food Inspection Agency;
- (q) “**CNCA**” means the *Canada Not-for-profit Corporations Act*, S.C. 2009, c. 23 including the regulations made pursuant thereto, and any statute or regulations that may be substituted therefor, as amended from time to time;
- (r) “**Committee**” means a committee established by the Board pursuant to Section 5.12 or, where the context permits, a subcommittee of such committee;
- (s) “**Corporation**” means “Seeds Canada” in English and “Semences Canada” in French, a corporation incorporated as a corporation without share capital under the CNCA;
- (t) “**CPTA**” means Canadian Plant Technology Agency Inc.;
- (u) “**CSAAC**” means Commercial Seed Analysts Association of Canada/Association des analystes de semences commerciales du Canada;
- (v) “**CSGA**” means Canadian Seed Growers’ Association/Association canadienne des producteurs de semences;
- (w) “**CSI**” means Canadian Seed Institute/Institut canadien des semences;
- (x) “**CSTA**” means Canadian Seed Trade Association/L’Association Canadienne du Commerce Des Semences;
- (y) “**Date of Amalgamation**” means the date of issuance of the Certificate and Articles of Amalgamation issued pursuant to the CNCA;
- (z) “**Declared Incapable**” means:
  - (i) an individual who has been found under the *Substitute Decisions Act, 1992* or under the *Mental Health Act (Ontario)*, or similar provincial legislation, as being incapable of managing his or her property or who has been declared to be incapable by a court of competent jurisdiction; or
  - (ii) an individual for whom the Corporation has obtained a letter from a physician who is licensed to practice medicine in one or more of the provinces or territories of Canada declaring such person to be incapable of managing property;

- (aa) “**Director**” means a member of the Board;
- (bb) “**Executive Committee**” means an executive committee of the Board;
- (cc) “**Existing Corporations**” means each of CPTA, CSAAC, CSTA, CSI and CSGA;
- (dd) “**First Vice-President**” means the First Vice President of the Corporation appointed pursuant to Section 7.1;
- (ee) “**Governance and Nominating Committee**” means a governance and nominating committee of the Board;
- (ff) “**Initial Directors**” has the meaning set forth in Section 5.4(a);
- (gg) “**Members**” means those individuals referred to in Section 3.1, and “**Member**” shall have a corresponding meaning;
- (hh) “**Meeting of Members**” means a meeting of Members and includes an Annual Meeting or Special Meeting of Members;
- (ii) “**Nomination and Election Policy**” has the meaning set forth in Section 5.6(a);
- (jj) “**Officer**” means an officer of the Corporation;
- (kk) “**Ordinary Resolution**” means a resolution passed by a majority of the votes cast on that resolution;
- (ll) “**President**” means the President of the Corporation appointed pursuant to Section 7.1;
- (mm) “**Professional Class Member**” has the meaning set forth in Section 3.1(c);
- (nn) “**Public Accountant**” means the person from time to time appointed pursuant to Section 12.1 hereof;
- (oo) “**Public Affairs & Advocacy Committee**” means a public affairs and advocacy committee of the Board;
- (pp) “**Regional Director**” has the meaning set forth in Section 5.5(a);
- (qq) “**Regional Seed Associations**” means those CSGA branches named on a list, which consists of the present recognized affiliate seed grower associations of the Regions, identified by the Corporation at the Date of Amalgamation. “**Regional Seed Association**” shall have a corresponding meaning;
- (rr) “**Regions**” or “**Region**” means collectively or individually, as applicable (i) the Province of British Columbia, (ii) the Province of Alberta, (iii) the Province of Saskatchewan, (iv) the Province of Manitoba, (v) the Province of Ontario, (vi) the Province of Quebec, and (vii) Atlantic Area;

- (ss) “**Secretary**” means the secretary of the Corporation appointed pursuant to Section 7.1;
- (tt) “**Seed Certification Committee**” means a seed certification committee of the Board;
- (uu) “**Seed Sector Value Chain**” means persons, including Business Entities, involved in the seed sector in research and development; inspection; analysis, evaluation and testing; certification and quality assurance, production and processing; or marketing, sales and distribution of seeds and plant varieties;
- (vv) “**Seed Testing and Quality Assurance Committee**” means a seed testing and quality assurance committee of the Board;
- (ww) “**Segments**” has the meaning set forth in Section 5.5(b)(i);
- (xx) “**Special Meeting of Members**” means a meeting of Members other than an Annual Meeting;
- (yy) “**Special Resolution**” means a resolution passed by a majority of not less than two-thirds of the votes cast on that resolution; and
- (zz) “**Value Chain Directors**” has the meaning set forth in Section 5.5(b).

1.2 **Interpretation** – In this By-law and in all other By-laws hereafter passed, unless the context otherwise requires, words imparting the singular number or the masculine gender shall include the plural number or the feminine gender, as the case may be, and *vice versa*, and references to persons shall include individuals, firms and corporations. The division of this By-law into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. Unless otherwise provided, each reference to an Article or a Section is to the corresponding article or section hereof. Whenever the words “include”, “includes” or “including” are used in this By-law and in all other By-laws hereafter passed, unless the context otherwise requires, such words shall be deemed in each instance to be followed by the words “without limitation.”

## **ARTICLE 2 GENERAL**

- 2.1 **Name** – The name of the Corporation shall be Seeds Canada in English and Semences Canada in French. The name may be used in English alone or in French alone, or together, in such manner as shall be specified from time to time by the Board.
- 2.2 **Languages** - English and French are the languages of the Corporation. The Board is responsible for the development, implementation and oversight of language policies for the Corporation.
- 2.3 **Registered Office** – Until changed in accordance with the CNCA, the registered office of the Corporation shall be in the Province of Ontario.

2.4 **Financial Year** – Unless otherwise approved by the Board, the financial year of the Corporation shall end on the 31st day of January in each year.

2.5 **Books and Records** – The Board shall see that all necessary books and records of the Corporation required by the By-laws or by any applicable statute or law are regularly and properly kept.

2.6 **Regulatory Mandates -**

(a) The Corporation shall carry out its delegated regulatory authority and regulatory mandates, as they exist at the Date of Amalgamation, following the standards, policies and operating procedures of the Existing Corporations, as may be amended from time to time.

(b) The regulatory mandates include but are not limited to: (i) the CSAAC arrangements with CFIA; (ii) the regulatory authority delegated to CSGA under the *Seeds Act* (Canada) and the Seeds Regulations, as amended from time to time; (iii) the CSGA's Canadian Regulations and Procedures for Pedigreed Seed Crop Production; (iv) the CSI's oversight of the Registered Seed Establishments (RSE), their licensed personnel, and the Accredited Seed Labs, set forth in CSI's Conformity Verification Body Agreement, (v) the CSI's RSE Standard, Accredited Audit Body Quality System Standard, Technical Manuals, and Quality Manual Templates; and (vi) any relevant policies, guidelines, technical interpretations and other documents of the Existing Corporations, as amended from time to time.

2.7 **Seal, Membership Seal and Insignia**

(a) The Corporation may have a corporate seal in the form approved from time to time by the Board. The seal, an impression of which is stamped in the margin hereof, shall be the seal of the Corporation until such time as a new seal is approved by the Board.

(b) The corporate seal, membership seal and insignia constitute the property of the Corporation, and shall not be copied, duplicated, altered, sold or otherwise disposed of without the written authority of the Board. The consignment and/or privilege of use of the seal and insignia shall be governed by the Board.

(c) The privilege of use of the membership seal, which may be replaced from time to time as a result of revised accreditation, and/or insignia shall be obtained only upon written application to the Corporation and if approved, the applicant shall be provided with specified forms and related instructions which shall specifically designate conditions of use, the terms governing the surrender of the membership seal and the cessation of the use of the insignia.

(d) The membership seal shall be returned to the Corporation in the event a Member ceases to be a Member for any reason and the privilege of use shall be voided therewith.

### ARTICLE 3-MEMBERS

3.1 **Membership** – Subject to the Articles, there shall be three classes of Members of the Corporation as set forth in this Section 3.1 and the following conditions shall apply to such classes of Members:

(a) Seed Industry Business Class Members (the “**Business Class Members**”). Business Class Members shall be comprised of (1) Business Entities who derive revenue from the Seed Sector Value Chain, which includes Regional Seed Associations, as approved by the Board, or the Governance and Nominating Committee of the Board, and (2) the Directors from time to time of the Corporation who shall be *ex-officio* Business Class Members for so long as they serve as Directors. Each Business Class Member shall be entitled to receive notice of, and attend, Meetings of Members and shall be entitled to one vote at each such meeting.

(i) At the Date of Amalgamation,

(A) each Business Entity entitled to vote in an Existing Corporation,

(B) each Regional Seed Association; and

(C) each individual who is currently a member of an Existing Corporation, and who opts to apply as a Business Class Member through a Business Entity associated with such individual;

wishing to be a Business Class Member shall complete the Corporation’s applicable application form, and provided it meets the eligibility qualifications and the membership class definition as set forth in the By-law, it shall automatically become a Business Class Member. In the event of a dispute in respect of eligibility qualifications, the Board, or the Governance and Nominating Committee of the Board, shall make a final determination as to membership eligibility.

(ii) Notwithstanding Section 3.1(a)(i), no Business Entity shall be entitled to more than one membership regardless of the number of memberships such Business Entity held in the Existing Corporations.

(iii) After the Date of Amalgamation, all Business Entities applying to become a Business Class Member, shall complete the Corporation’s applicable application form to become a Business Class Member, for review and approval, at the discretion of the Board or the Governance and Nominating Committee of the Board.

(b) Seed Industry Affiliate Class Member (the “**Affiliate Class Members**”). Affiliate Class Members shall be comprised of Business Entities who do not meet the eligibility criteria of a Business Class Member and may not derive revenue from the Seed Sector Value Chain, but who are interested in furthering the Corporation’s

purposes, or are otherwise associated with, the Seed Sector Value Chain. The Affiliate Class Members shall be entitled to receive notice of, and attend, Meetings of Members, unless otherwise determined by the Board or as required by the CNCA, but shall not be entitled to vote unless otherwise permitted under the Articles or the CNCA.

- (i) At the Date of Amalgamation,
  - (A) each Business Entity not entitled to vote in an Existing Corporation, and
  - (B) each individual who is currently a member of an Existing Corporation, and who opts to apply as an Affiliate Class Member through a Business Entity associated with such individual;

wishing to be an Affiliate Class Member shall complete the Corporation's applicable application form, and provided it meets the eligibility qualifications and the membership class definition set forth in the By-law, it shall automatically become an Affiliate Class Member. In the event of a dispute in respect of eligibility qualifications, the Board, or the Governance and Nominating Committee of the Board, shall make a final determination as to membership eligibility.

- (ii) Notwithstanding Section 3.1(b)(i), no Business Entity shall be entitled to more than one membership regardless of the number of memberships such Business Entity held in the Existing Corporations.
- (iii) After the Date of Amalgamation, all Business Entities applying to become an Affiliate Class Member, shall complete the Corporation's application form to become an Affiliate Class Member, for review and approval, at the discretion of the Board or the Governance and Nominating Committee of the Board.

- (c) Seed Industry Professional Class Member (the "**Professional Class Members**"). Professional Class Members shall be comprised of individuals who are interested in furthering the Corporation's purposes or are otherwise associated with the Seed Sector Value Chain. The Professional Class Members shall be entitled to receive notice of, and attend, Meetings of Members, unless otherwise determined by the Board or as required by the CNCA, but shall not be entitled to vote unless otherwise permitted under the Articles or the CNCA.

- (i) At the Date of Amalgamation, each individual who is a member in an Existing Corporation who completes the Corporation's applicable application form, and meets the eligibility qualifications and the membership class definition set forth in the By-law, shall automatically become a Professional Class Member in the Corporation. In the event of a dispute in respect of eligibility qualifications, the Board, or the Governance

and Nominating Committee of the Board, shall make a final determination as to membership eligibility.

- (ii) Notwithstanding Section 3.1(c)(i), no individual shall be entitled to more than one membership regardless of the number of memberships such individual held in the Existing Corporations.
- (iii) After the Date of Amalgamation, all individuals applying to become a Professional Class Member, shall complete the Corporation's application form to become a Professional Class Member, for review and approval, at the discretion of the Board or the Governance and Nominating Committee of the Board.

3.2 **Admission to Membership** – Except as otherwise set forth in Section 3.1, after the Date of Amalgamation, all Business Entities or individuals applying to become a Member of the Corporation shall complete an application for review and approval at the discretion of the Board or a Committee of the Board.

3.3 **Withdrawal by Member** – Members may withdraw from the Corporation by delivering to the Corporation a resignation in writing, which shall be effective at the time such written resignation is received by the Board, or at the time specified in the written resignation, whichever is later. In the case of the withdrawal of a Member, such Member shall remain liable for payment of any dues or fees which became payable by such Member to the Corporation prior to such Member's resignation.

3.4 **Removal, Expulsion or Suspension of Member** –

- (a) Any Member may be removed, expelled or suspended at any time by the Board by a resolution passed by a Special Resolution of the Directors present and voting at the meeting of the Board authorizing the removal, expulsion or suspension of such Member, or by written resolution signed by all of the Directors entitled to vote on that resolution, for any reason which the Board in its sole discretion deems to be in the interests of the Corporation, including but not limited to violating of any provision of the Articles, By-laws, or any policies or practices of the Corporation in effect from time to time.
- (b) In the event that the Board determines that a Member should be removed, expelled or suspended from membership in the Corporation, any officer or director as may be designated by the Board, shall provide 20 days' notice of suspension or expulsion to the Member and shall provide reasons for the proposed suspension, expulsion or removal.
- (c) The Member may make written submissions to the Board in response to the notice received within such 20 day period.
- (d) In the event that no written submissions are received by the Board, the Board may proceed to notify the Member that the Member is suspended, expelled or removed from membership in the Corporation.



- (e) If written submissions are received in accordance with this Section 3.4, the Board shall consider such submissions in arriving at a final decision and shall notify the Member concerning such final decision within a further 20 days from the date of receipt of the submissions.
- (f) The Board's decision shall be final and binding on the Member, without any further right of appeal.

3.5 **Transferability of Membership** – Membership in the Corporation is not transferable. A Special Resolution of the Members is required to make any amendment to this Section 3.5.

3.6 **Termination of Membership** – Subject to the Articles, upon termination of membership, the rights of the Member, including any rights in the property of the Corporation, automatically cease to exist. Membership of a Member shall lapse and terminate on the earliest to occur of any one of the following events:

- (a) the Member dies, retires from business, or, in the case of a Member that is a Business Entity, the Business Entity is dissolved, becomes inactive or ceases to carry on business;
- (b) the Member fails to maintain any eligibility qualifications for membership in Section 3.1;
- (c) the Member's membership is terminated and not renewed by the Corporation, in accordance with Section 3.7;
- (d) the withdrawal or resignation of such Member in accordance with Section 3.3;
- (e) the removal of such Member in accordance with Section 3.4; or
- (f) the liquidation or dissolution of the Corporation under Part 14 of the CNCA.

3.7 **Term of Membership** - Except as otherwise provided herein,

- (a) Subject to Section 3.7(b), a Member's term of membership is for one year, renewable annually,
- (b) a Regional Seed Association's term of membership will terminate on the earlier of (i) the date on which it enters into an Affiliation Agreement (in which case the Regional Seed Association's term of membership shall be as set out in the Affiliation Agreement) and (ii) the third anniversary of the Date of Amalgamation, following which if the Regional Seed Association is a Member, its term of membership is for one year, renewable annually,

provided in all circumstances that such Member or Regional Seed Association, as applicable, continues to meet the Corporation's membership eligibility qualifications and is not in arrears of payment of applicable annual membership dues, each as determined by the Board.

### 3.8 **Membership Fees –**

- (a) Until otherwise determined by the Board which determination is expected to be made within two years of the Date of Amalgamation, each Member at the Date of Amalgamation, who continues as a Member of the Corporation, shall continue to pay the same membership fees to the Corporation that such Member paid to an Existing Corporation in the fiscal year immediately prior to the Amalgamation. For greater certainty, to the extent that a Member at the time of Amalgamation paid membership fees to multiple Existing Corporations, such Member shall pay an aggregate fee equal to the multiple membership fees. In the event that a Member ceased to be a member of an Existing Corporation prior to the Date of Amalgamation, the Member would not be required to pay membership fees associated with such Existing Corporation.
- (b) After the Date of Amalgamation, for any Business Entity or individual applying for membership, annual membership fees shall be fixed by resolution of the Board from time to time. In establishing annual membership fees, the Board shall take into consideration the purpose, services and activities of the Corporation and the recovery of the costs of providing such services and activities, and shall fix membership fees that are reasonable in such context.

## **ARTICLE 4 MEMBERS' MEETINGS**

### 4.1 **Annual Meetings of Members –** At every Annual Meeting, in addition to any other business that may be transacted:

- (a) the Annual Financial Statements for the preceding financial year shall be presented to the Members;
- (b) Directors shall be elected, if such elections are required; and
- (c) the Public Accountant shall be appointed for the ensuing year and the Board shall be entitled to fix the remuneration of the Public Accountant.

Subject to the provisions of the CNCA, if the Corporation is a soliciting corporation, as defined in the CNCA, a copy of the Annual Financial Statements shall be sent to the Director appointed by the Minister to exercise the powers of the Director under the CNCA at least 21 days before the date fixed for the Annual Meeting, or without delay, in the event that the Members have signed a resolution approving the Annual Financial Statements instead of holding a meeting.

### 4.2 **Place of Meetings –** An Annual Meeting or any other Meeting of Members shall be held at any place within Canada, or a place specified in the Articles, such day in each year and at such time as the Board may determine.

### 4.3 **Special Business –** All business transacted at a Special Meeting of Members, and all business transacted at an Annual Meeting of Members, except consideration of the Annual

Financial Statements, the election of Directors and the appointment of Public Accountant, is special business.

4.4 **Special Meeting** – A Special Meeting of Members may be held from time to time as required to address matters that are appropriate to come before them, as determined by the Board or by the application of the CNCA, the Articles or the By-laws. Such meetings shall take place within Canada on such day and at such time as the Board may determine. However, notwithstanding the foregoing sentence, in the event the Special Meeting is held at the same time as, or in conjunction with, an Annual Meeting, the Special Meeting shall be held at the same place as the Annual Meeting at any place within Canada, or a place specified in the Articles as the Board may determine.

4.5 **Calling of Meetings** – The Board, the President, the First Vice President or the Secretary shall have power to call, at any time, any Meeting of Members of the Corporation. In addition, the Board shall call a Special Meeting of Members on written requisition of Members holding five percent (5%) of votes that may be cast at a Meeting.

4.6 **Notice of Members' Meetings** – Written notice of the time and place of all meetings of Members shall be given to the Directors, the Public Accountant and all Members, unless otherwise determined by the Board, in which case only Members entitled to vote at such meetings, and whose name is entered in the register of Members at the close of business on such date as the Board may fix as the record date for notice (which shall be 21 to 60 days before the date of the meeting) or, if no record date for notice is fixed, at the close of business on the day preceding the day on which notice is given.

A declaration of the President, the First Vice President, the Secretary or of any other person authorized to give notice of a meeting, that notice has been given pursuant to this By-law shall be sufficient and conclusive evidence of the giving of such notice.

For the purpose of this Section 4.6, notice shall be given in one or more of the following manners:

- (a) by mail, courier or personal delivery to each person entitled to vote at such meeting, during a period of 21 to 60 days before the day on which the meeting is to be held; or
- (b) by telephonic, electronic or other communication facility to each person entitled to vote at such meeting, during a period of 21 to 35 days before the day on which the meeting is to be held, provided that a Member may request that the notice be given to such Member by non-electronic means.

4.7 **Waiver of Notice** – Any person who is entitled to notice of a meeting of Members may waive notice either before or after the meeting, and attendance of the person at the meeting is a waiver of notice of the meeting, unless the person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

- 4.8 **Special Meeting Requirements** – Notice of a Special Meeting of Members shall state the nature of the business to be transacted thereat in sufficient detail to permit a Member to form a reasoned judgment thereon and shall state the text of any resolution of Members to be submitted to the meeting.
- 4.9 **Chairing Meetings** – The President, or in the President’s absence, the First Vice President, or in the First Vice President’s absence, the Secretary, or in the Secretary’s absence, an Officer appointed by the Board for such purpose, shall be the chair at all Meetings of Members. If no such officer is present within 15 minutes from the time fixed for holding the meeting, the Members present and entitled to vote at the meeting shall choose one of the Members present to be the chair of the meeting.
- 4.10 **Persons Entitled to be Present** – The Members entitled to vote at the Meeting of Members under the CNCA shall be entitled to attend such meeting. All other Members are entitled to attend Meetings of Members pursuant to Sections 3.1(b) and 3.1(c), unless otherwise determined by the Board. Additionally, the Directors, the Public Accountant and any other person or persons who are entitled, or required, under any provision of the CNCA, the Articles or the By-laws, to be present at the meeting. Any other person or persons may be admitted only on the invitation of the chair of the meeting or with the consent of the Members present at the meeting and entitled to vote thereat.
- 4.11 **Adjournments** – If a meeting of Members is adjourned by one or more adjournments for an aggregate of more than 30 days, notice of adjournment shall be given to Members entitled to vote at the meeting, the Directors and the Public Accountant in the manner referred to in Section 4.6. Such adjournment may be made notwithstanding that no quorum is present.
- 4.12 **Quorum** – A quorum is 30 Members in good standing entitled to vote at the meeting of Members. If a quorum is present at the opening of the Meeting of Members, the Members present may proceed with the business of the Meeting even if a quorum is not present throughout the Meeting. For the purpose of determining quorum, a Member may be present in person, by proxy or, if permitted in accordance with Sections 4.17 or 4.18, by telephonic and/or other electronic means.
- 4.13 **Voting** – Unless the CNCA or the By-laws provide otherwise, at any meeting of Members, each Member having the right to vote present in person or by proxy shall be entitled to one vote on each question.
- 4.14 **Votes to Govern** – At any Meeting of Members, every question shall, unless otherwise required by the CNCA, the Articles or By-laws or otherwise by law, be determined by the majority of the votes of Members duly cast on the question.
- 4.15 **Voting By Show of Hands** – Every question at a Meeting of Members shall be decided in the first instance by a show of hands unless:
- (a) prior to a show of hands, a majority of Members present and entitled to vote thereat resolve to vote on the matter by ballot, in which case Section 4.16 shall apply; or

- (b) after a show of hands, a ballot thereon is required or demanded by the chair of the meeting or any person entitled to vote on the question, in which case Section 4.16 shall apply.

Whenever a vote by show of hands or a ballot in accordance with Section 4.16 shall have been held upon a question, a declaration by the chair of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be *prima facie* evidence of the fact without proof of the number or proportion of votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the results of the vote so taken shall be the decision of Members upon the said question.

4.16 **Ballot** – If a ballot is required or demanded (including in the case of a class vote which may require a ballot), the ballot shall be held in such manner as the chair of the meeting shall direct. The demand for a ballot may be withdrawn at any time prior to the holding of the ballot.

4.17 **Participation at Meetings by Electronic Means** - Any person entitled to attend a Meeting of Members may, if so determined by the Board, participate in the Meeting by means of a telephonic, an electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the Corporation makes available such a communication facility. A person participating in and who is entitled to vote at such a Meeting of Members may vote by means of a telephonic, electronic or other communication facility, if the facility:

- (a) enables the vote to be gathered in a manner that permits its subsequent verification; and
- (b) permits the tallied vote to be presented to the Corporation without it being possible for the Corporation to identify how the person voted.

4.18 **Meetings held by Telephonic, Electronic or other Communication Facility** - Subject to compliance with the CNCA and if so determined by the Board to make it available, a meeting of Members may be held entirely by means of telephonic, an electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

4.19 **Absentee Voting** – Subject to compliance with the CNCA and except as otherwise provided in these By-laws, every Member may vote by any of the following means:

- (a) Proxies
  - (i) At any meeting of Members of the Corporation, a proxy holder, who need not be a Member, who has been duly appointed by a Member entitled to vote, shall be entitled to exercise, subject to any restrictions expressed in the instrument appointing him or her, the same voting and other rights that such Member appointing him or her would be entitled to exercise if present at that meeting. A proxy shall be in writing and executed by the Member.

Subject to the requirements of the CNCA, a proxy may be in such form as the Board from time to time prescribe or in such other form as the chair of the meeting may accept as sufficient, and such proxy shall be deposited with the secretary of the meeting before any vote is called under its authority, or at such earlier time and in such manner as the Board may prescribe.

(ii) No proxy holder may hold proxies for more than two Members.

(b) Mailed-in Ballot

A Member entitled to vote may, if written notice of the applicable Meeting of Members so permits, vote by mailed-in ballot, if the Corporation has a system that:

(i) enables the votes to be gathered in a manner that permits their subsequent verification; and

(ii) permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each Member voted.

(c) Electronic Voting

A Member entitled to vote may, if the written notice of the applicable Meeting of Members so permits, vote by means of a telephonic, an electronic or other communication facility, provided such communication facility:

(i) enables the votes to be gathered in a manner that permits their subsequent verification; and

(ii) permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each member voted

4.20 **Compulsory Voting Mechanism.** Subject to compliance with the CNCA and notwithstanding the provisions of Section 4.19, the Board shall make available to Members, who are entitled to vote on such matters at such Meeting, at least one of, or a combination of, the voting mechanisms in Sections 4.19(b) and 4.19(c) at any Meeting where Members are requested to vote on a resolution (i) to elect Directors, or (ii) make any amendment to this Section 4.20, and such voting mechanisms will be used to conduct a vote on those matters and any other matter or matters that the Board may determine.

4.21 **Casting Vote** – In the case of an equality of votes at any meeting of Members, either upon a show of hands, a ballot or the results of telephonic or electronic voting, the chair of the meeting shall not have a second or casting vote and the question shall be deemed to be decided in the negative.

4.22 **Written Resolution in Lieu of Meeting** – Subject to the provisions of the CNCA, a resolution in writing signed by all of the Members entitled to vote on that resolution at a meeting of Members is as valid as if it had been passed at a meeting of Members.

Resolutions in writing may be signed in counterpart and satisfy all the requirements of this By-law relating to meetings of Members.

## **ARTICLE 5 DIRECTORS**

5.1 **Authority and Responsibility** – Subject to the CNCA and the Articles, the Board of Directors shall manage or supervise the management of the activities and affairs of the Corporation, including all statutory and regulatory authorities delegated to the Corporation in respect of the seed certification system.

5.2 **Number of Directors** –

- (a) The number of Initial Directors of the Corporation shall be 15.
- (b) After the initial term described in Section 5.4(a)(i), the number of Directors shall be set at 13, meaning that in the year when the term of the Initial Directors described in Section 5.4(a)(i) ends, only six Directors will be elected.
- (c) After the initial term described in Section 5.4(a)(ii), the number of Directors shall be set at 11, meaning that in the year when the term of the Initial Directors described in Section 5.4(a)(ii) ends, only five Directors will be elected.
- (d) The Members are empowered to change by Ordinary Resolution, from time to time, the number of Directors of the Corporation within the minimum and maximum numbers or delegate those powers to the Directors.
- (e) No decrease in the number of Directors shall shorten the term of an incumbent Director.

5.3 **Qualifications** – In order to serve as a Director, an individual must:

- (a) be 18 years of age or older;
- (b) not be Declared Incapable;
- (c) not be an undischarged bankrupt;
- (d) be an “individual” as such term is defined in the *Income Tax Act* (Canada), as amended from time to time.

5.4 **Election and Term** –

- (a) Subject to the Articles, the Board, on the Date of Amalgamation, shall consist of 15 Directors (the “**Initial Directors**”) of which
  - (i) eight shall be Directors for an initial two year term, and
  - (ii) seven shall be Directors for an initial three year term,

as more particularly set out in the Amalgamation Agreement.

- (b) After the initial terms described in Section 5.4(a) have expired, Directors will be nominated and elected in accordance with Sections 5.5 and 5.6 of this By-law. Each Director shall be elected at an Annual Meeting to hold office until the second Annual Meeting after such Director is elected, at which time, each such Director shall resign as a Director, but, if qualified, shall be eligible for re-election.
- (c) Except as otherwise provided herein, Directors may not serve more than three consecutive terms.
- (d) After serving for three consecutive terms, a Director may be subsequently re-elected after ceasing to be a Director for at least one year.
- (e) Notwithstanding the foregoing provisions of this Section 5.4,
  - (i) in the event that a Director holds the position of First Vice President, the Board shall automatically allow for one additional term for such Director; and
  - (ii) each term during which a Director is serving as President or First Vice President shall not be counted as part of such Director's three consecutive terms.

#### 5.5 **Composition of the Board –**

- (a) After the initial terms described in Section 5.4(a) and subject to Section 5.6, seven Directors, known as the “**Regional Directors**” shall be elected by the Business Class Members on the basis of nominations as follows:
  - (i) one Regional Director shall be elected from the list of one or more nominees from the Region of British Columbia;
  - (ii) one Regional Director shall be elected from the list of one or more nominees from the Region of Alberta;
  - (iii) one Regional Director shall be elected from the list of one or more nominees from the Region of Saskatchewan;
  - (iv) one Regional Director shall be elected from the list of one or more nominees from the Region of Manitoba;
  - (v) one Regional Director shall be elected from the list of one or more nominees from the Region of Ontario;
  - (vi) one Regional Director shall be elected from the list of one or more nominees from the Region of Quebec; and



- (vii) one Regional Director shall be elected from the list of one or more nominees from the Atlantic Area.
- (b) After the initial terms described in Section 5.4(a) and subject to Section 5.6, four Directors, known as the “**Value Chain Directors**” shall be elected by the Business Class Members on the basis of nominations as follows:
  - (i) each Value Chain Director must be from one of the four segments of the Seed Sector Value Chain: (A) developers, (B) growers, (C) seed trade and (D) seed testing (the “**Segments**”), as more specifically determined by the Board from time to time;
  - (ii) one Value Chain Director shall be elected from the list of one or more nominees representing the developer Segment;
  - (iii) one Value Chain Director shall be elected from the list of one or more nominees representing the grower Segment;
  - (iv) one Value Chain Director shall be elected from the list of one or more nominees representing the seed trade Segment; and
  - (v) one Value Chain Director shall be elected from the list of one or more nominees representing the seed testing Segment.

#### 5.6 **Nomination Process** –

- (a) The Board, or the Governance and Nominating Committee, as may be determined, shall develop such processes, timelines and related procedures for the application and nomination of Director nominees (the “**Nomination and Election Policy**”). All nominations made pursuant to Section 5.5 shall be made in accordance with this By-Law and subject to the Nomination and Election Policy; provided that the Board, or the Governance and Nominating Committee, as may be determined, shall seek to balance the skills, experience, diversity, including regional diversity and crop diversity, and qualities of Directors, including special requirements of the Corporation from time to time.
- (b) All Members may submit to the Board, or the Governance and Nominating Committee, as may be determined, names of one or more nominees to stand for election as a Regional Director or a Value Chain Director.
- (c) Any individual identified as a Regional Director nominee for a Region must be (i) a Member from, or be connected to a Business Class Member or an Affiliate Class Member from, such Region; and (ii) an individual residing in the Region.
- (d) Any individual identified as a Value Chain Director nominee must be a Member or be connected to a Business Class Member or an Affiliate Class Member;
- (e) Each Member can only have one representative on the Board associated with such Member.

- (f) In the event that no Regional Director nominee is identified for one of the Regions by the Members such Regional Director seat shall be declared a “Value Chain Director” seat and shall be elected by the same process established by the Board, or the Governance and Nominating Committee, as may be determined, to elect a Value Chain Director; provided, however, such Value Chain Director can be from any of the Segments.

5.7 **Consent to Serve** – An individual who is elected to hold office as a Director is not a Director, and is deemed not to have been elected to hold office as a Director, unless:

- (a) the individual was present at the meeting when the election took place and did not refuse to hold office as a Director; or
- (b) the individual was not present at the meeting when the election took place and:
  - (i) consented to hold office as a Director in writing before the election or within 10 days after the day on which the election took place; or
  - (ii) has acted as a Director after the election.

5.8 **Resignation** – Any Director who wishes to resign from the Board prior to the expiry of his or her term of office shall deliver a written resignation to the Board and such resignation shall be effective at the time of receipt of such written resignation by the Board or at the time specified therein, whichever is later.

5.9 **Removal** –

- (a) The Business Class Members may, by Ordinary Resolution of Members passed at a Special Meeting of Members of which notice specifying the intention to pass such Ordinary Resolution has been given, remove any Director before the expiry of such Director’s term of office, and may, by a majority of votes cast at that meeting, elect any qualified person in the place of such Director for the remainder of the term of such Director.
- (b) In the event that no qualified person from an applicable Region is nominated pursuant to Section 5.9(a), such Board seat shall be filled by a qualified person as a Value Chain Director for the remainder of the term of such Regional Director in accordance with Section 5.9(a).
- (c) Any person elected in accordance with Sections 5.9(a) or 5.9(b) must meet the eligibility qualifications, including those set forth in Sections 5.5 and 5.6, identified by the Board, or the Governance and Nominating Committee, as may be determined, prior to being elected at the Meeting of Members.

5.10 **Vacation of Office** – The office of a Director shall automatically be vacated when such Director dies, resigns in accordance with Section 5.8, is removed from office in accordance with Section 5.9 or becomes disqualified from being a Director under Section 5.3.

5.11 **Vacancies** – Except for vacancies resulting from an increase in the minimum or maximum number of Directors provided for in the Articles, or a failure to elect the number or the minimum number of Directors provided for in the Articles:

- (a) If a quorum of the Directors is then in office, vacancies on the Board in respect of the Directors, except in the circumstances of a vacancy arising under Section 5.9, may be filled for the remainder of the term by the remaining Directors, if such Directors determine it appropriate.
- (b) The Directors in filling such vacancy shall take in account the provisions set forth in Sections 5.5 and 5.6 and shall consult with the Business Class Members.
- (c) In the event the vacancy is a Regional Director and the Directors are unable to identify a qualified person from such Region, the Board seat shall be filled by a Value Chain Director in accordance with the provisions in Section 5.11(a).
- (d) If there is not a quorum of Directors, or if there has been a failure to elect the number or the minimum number of Directors provided for in the Articles, the remaining Directors shall forthwith call a Special Meeting of Members to fill the vacancies in accordance with the provisions of the By-laws, provided that if the Directors fail to call such a meeting or if there are no Directors then in office, the meeting may be called by any Member.

5.12 **Committees** –

- (a) The Board may from time to time constitute such committees as it deems necessary or advisable (each a “**Committee**”), and subject to the CNCA (including Committee composition requirements and the limitations on delegation set out therein), for such purposes and with such powers as may be prescribed by the Board, whose members shall serve at the pleasure of the Board.
- (b) The Executive Committee shall be constituted as a permanent Committee of the Board. The Executive Committee shall be composed of not fewer than four Directors. The Board may delegate to the Executive Committee any powers of the Board, subject to the restrictions of the CNCA or as may be imposed by the Board by resolution. The Executive Committee may fix its quorum at not less than a majority of its members.
- (c) The Audit Committee shall be constituted as a permanent Committee of the Board. The Audit Committee shall be composed of not less than three Directors, a majority of whom are not Officers or employees of the Corporation or any of its affiliates.
- (d) The Governance and Nominating Committee shall be constituted as a permanent Committee of the Board. The Governance and Nominating Committee shall advise and make recommendations to the Board on: (i) matters relating to the Board’s governance structure and processes, (ii) the evaluation of the Board’s effectiveness, (iii) the recruitment, education and evaluation of Directors, and (iv) such other matters as the Board may determine from time to time.

- (e) The Seed Certification Committee shall be constituted as a permanent Committee of the Board. The Seed Certification Committee shall advise and make recommendations to the Board on: (i) overseeing the implementation of the Corporation's delegated regulatory authority as set out in Sections 2.6(b)(ii), 2.6(b)(iii) and 2.6(b)(vi), and (ii) such other matters as the Board may determine from time to time.
- (f) The Public Affairs & Advocacy Committee shall be constituted as a permanent Committee of the Board. The Public Affairs & Advocacy Committee shall advise and make recommendations to the Board on: (i) engaging Members and the seed industry on a variety of policy-related issues to inform and formulate the advocacy stances of the Corporation outside of the Corporation's delegated regulatory authority, (ii) coordinating and aligning with like-minded organizations, and (iii) carrying out such other duties and responsibilities as the Board may determine from time to time.
- (g) The Seed Testing and Quality Assurance Committee shall be a permanent Committee of the Board. The Seed Testing and Quality Assurance Committee shall advise and make recommendations to the Board on: (i) identifying seed testing issues and concerns, including rules and regulations for seed testing, training and accreditation of seed analysts; (ii) continuing education and professional development for Canada's seed testing professionals to provide essential seed quality assurance services; and (iii) carrying out such other duties and responsibilities as the Board may determine from time to time.
- (h) The composition of each Committee shall reflect expertise, diversity, including regional diversity, and various competencies which reflect the mandate of the Committee. In respect of the Seed Certification Committee, the Affiliated Regional Seed Associations shall be eligible to identify candidates to be members of such Committee.
- (i) Each Committee may formulate its own rules of procedure subject to such regulations and/or directions as the Board may from time to time make in respect thereof. The Board may fix any remuneration to be paid, if any, to members of any Committee, except that no member of any Committee who is also a Director shall be entitled to receive remuneration for acting as such.
- (j) Any member of any Committee is removable from such Committee at any time at the discretion of the Board.
- (k) Other than as set forth in this By-law, the members of such Committees shall not be restricted to persons who are Directors of the Corporation.
- (l) The Board shall have the power to disband any Committee, including any permanent Committee, which it creates.

5.13 **Affiliation Agreements for Regional Seed Association -**

- (a) Until the third anniversary of the Date of Amalgamation, each Regional Seed Association in existence at the time of Amalgamation shall have the right to voluntarily enter into an affiliation arrangement with the Corporation (an "**Affiliation Agreement**"). Each Regional Seed Association shall be treated in principle by the Corporation as an Affiliated Regional Seed Association until the earlier of (i) the Regional Seed Association entering into an Affiliation Agreement, and (ii) the third anniversary of the Date of Amalgamation.
- (b) To be eligible to enter into an Affiliation Agreement, a Regional Seed Association:
  - (i) shall be required to demonstrate that it has amended its by-laws in respect of its membership criteria to open membership to organizations and individuals from across the Seed Sector Value Chain, which at a minimum would be similar to the membership in the Corporation;
  - (ii) shall provide voting privileges within its association to any member who would have voting privileges in the Corporation; and
  - (iii) shall agree to support the Corporation with the dissemination of communications and collaborate on regional events arranged by the Corporation, such as member education, member engagement, advocacy.
- (c) Under the Affiliation Agreement:
  - (i) the Regional Seed Association shall continue to be a Business Class Member pursuant to the provisions of Section 3.1(a) during the term of the Affiliation Agreement;
  - (ii) the Board shall accept and appoint a recognized Affiliated Regional Seed Association nominee for a regional position on the Seed Certification Committee; provided the Affiliated Regional Seed Association can demonstrate to the Board that it undertook an open and equitable nominating and vetting process, to identify the Affiliated Regional Seed Association's nominee and such nominee meets the criteria set forth in Section 5.3;
  - (iii) the Corporation shall perform, on behalf of the Regional Seed Association, all administrative functions related to collecting and remitting an administration fee (such fees established by the Regional Seed Association) charged on seed crop certification; and
  - (iv) the Regional Seed Association shall be eligible to nominate potential candidates to populate areas of governance, elected and appointed, in addition to the Seed Certification Committee.

- (d) The Corporation shall not be involved in the Affiliated Regional Seed Association's governance or other activities. Affiliated Regional Seed Associations shall continue to operate as autonomous entities with their own governance, membership, assets, finances, activities and initiatives.
- (e) Affiliated Regional Seed Associations shall determine membership fees to be charged to their Association members resulting from expanding of its membership pursuant to Section 5.13(b)(i) provided, however, membership in an Affiliated Regional Seed Association shall not be mandatory for receipt of a seed crop certificate. The Affiliated Regional Seed Association shall be entitled to charge a service fee, set by the Affiliated Regional Seed Association, to a non-member.
- (f) A Special Resolution of the Members is required to make any amendment to this Section 5.13.
- (g) A Special Resolution of the Members is required to terminate any Affiliation Agreement, other than for material breach of the Affiliation Agreement, prior to its expiry date.

5.14 **Remuneration of Directors** – The Directors shall be entitled to receive reasonable remuneration for acting as such, as determined by the Board, and shall be entitled to be paid their reasonable expenses properly incurred in the performance of their duties, including their travel and other expenses properly incurred by them in attending meetings of the Board, of any Committee thereof, or of the Members of the Corporation, or otherwise properly incurred by them in connection with carrying out the activities of the Corporation. Non-Directors who are members of a Committee constituted by the Board may be entitled to be paid a per diem and their reasonable expenses properly incurred by them in attending meetings of the Committee they serve, as may be determined by the Board from time to time.

5.15 **Director Statement** – A Director may submit to the Board a written statement giving reasons for resigning, or if a meeting is called for the purpose of removing him or her, for opposing his or her removal or replacement. Where the Board receives such a statement, the Board shall immediately:

- (a) give notice to the Members of the statement in accordance with Section 4.6; and
- (b) send a copy of the statement to the Director appointed by the Minister pursuant to the CNCA.

## **ARTICLE 6 DIRECTORS' MEETINGS**

- 6.1 **Place of Meetings** – Except as otherwise required herein or by law, the Board may hold its meetings at any place within Canada (or if the Board determines that it is in the best interests of the Corporation, at any place outside Canada) as it may from time to time determine.
- 6.2 **Calling of Meetings** – Board meetings may be formally called by the President, the First Vice President or the Secretary or by any two Directors.
- 6.3 **Number of Meetings** – There shall be a minimum of one meeting of the Board per year or such greater number of meetings as is determined, from time to time, by the Board.
- 6.4 **Notice of Directors' Meetings** – Notice of meetings of the Board shall be given by pre-paid delivery, telephone, fax, e-mail or other means of recorded electronic communication to each Director not less than five days before the meeting is to take place or shall be mailed to each Director not less than ten days before the meeting is to take place. A meeting may be called with less notice by such means as are deemed appropriate, provided that a majority of the Directors consent to holding such a meeting. The notice of the meeting of the Board need not specify the purpose of or the business to be transacted at the meeting, except that a notice of a Board meeting shall specify any matter referred to in section 138(2) of the CNCA that is to be dealt with at the meeting. The declaration of the Secretary or the President or of any other person authorized to give notice of the meeting that notice has been given pursuant to this By-law shall be sufficient and conclusive evidence of the giving of such notice.
- 6.5 **Regular Meetings** – The Board may by resolution, establish the date, time and place of regular meetings of the Board. A copy of resolution or a list of such dates, times and places shall be sent to each Director forthwith following the passage of such resolution by regular mail, prepaid delivery, telephone, fax, e-mail or other recorded means of recorded electronic communication, but no other notice shall be required for any such regular meeting except if the CNCA requires the purpose thereof or the business to be transacted to be specified in the notice.
- 6.6 **Meetings without Notice** – A meeting of the Board may be held at any time and place without notice if all Directors who are present, and all those who are not present, either before or after the meeting, waive notice thereof, and the attendance of a Director at a meeting of Directors is a waiver of notice of the meeting, except if the Director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called, and at such meeting any business may be transacted which the Corporation, at a meeting of Directors, may transact, provided that a quorum of the Board is present. A meeting of the Board may also be held, without notice, immediately following each Annual Meeting.
- 6.7 **Adjourned Meetings** – Any meeting of the Board may be adjourned to any time and from time to time, and such business may be transacted at such adjourned meeting as might have been transacted at the original meeting from which such adjournment took place and such

adjournment may be made provided a quorum is present. Notice of an adjourned meeting of the Board is not required if the time and place of the adjourned meeting is announced at the original meeting.

- 6.8 **Meetings by Communication Facility** – If all of the Directors present at or participating in the meeting consent, a meeting of the Board may be held by such telephonic, electronic or other communication facility as permits all persons participating in the meeting to communicate adequately with each other during the meeting, and a Director participating in the meeting by those means is deemed for the purposes of the CNCA to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the Board and of Committees of the Board held while a Director holds office.
- 6.9 **Chairing Meetings** – The President or, in the President's absence, the First Vice President, shall be the chair at all meetings of the Directors. If no such Officer is present within 15 minutes from the time fixed for holding the meeting, the Directors present and entitled to vote shall choose one of their number to be the chair of the meeting.
- 6.10 **Quorum** – The powers of the Directors may be exercised by resolution passed at a meeting of the Board at which a quorum is present. The presence of a majority of the number of Directors in office, from time to time shall be necessary to constitute a quorum for the transaction of business at meetings of the Board. If a quorum is present at the opening of the meeting of the Board, the Directors present may proceed with the business of the meeting of the Board even if a quorum is not present throughout the meeting of the Board.
- 6.11 **Written Resolution in Lieu of Meeting** – A resolution in writing signed by all Directors entitled to vote on that resolution at a meeting of the Board or Committee of the Board, is as valid as if it had been passed at a meeting of the Board or Committee of the Board and it may be signed by counterpart.
- 6.12 **Voting** – Subject to the CNCA, the Articles and the By-laws, any question arising at any meeting of the Board or Committee of the Board shall be decided by a majority of votes. Each Director is entitled to exercise one vote. All votes of any such meeting shall be taken by show of hands in the usual manner of assent or dissent. Whenever a vote by show of hands shall be taken upon a question, a declaration by the chair of the meeting that the resolution has been carried and an entry to that effect in the minutes shall be admissible in evidence as *prima facie* proof of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution, and the result of the vote so taken shall be the decision of the Board or Committee of the Board upon the said question.
- 6.13 **Casting Vote** – In the case of an equality of votes at any Board meeting, the chair of the meeting shall not have a second or casting vote and the question shall be deemed to be decided in the negative.



## **ARTICLE 7 OFFICERS**

- 7.1 **Appointment** – The Directors shall appoint from time to time, from among their number, a President and a First Vice President. In addition, the Board shall appoint from time to time a Secretary, a Chief Financial Officer, additional Vice Presidents and such other Officers as the Board may determine, including one or more assistants to any of the Officers so appointed. Except for the President and the First Vice President who shall be required to be Directors, an Officer may but need not be a Director and one person may hold more than one office except for the office of President and First Vice President.
- 7.2 **Duties of Officers** – Subject to the provisions of the CNCA, the Board may specify the duties of such Officers and, in accordance with this By-law and subject to the CNCA, delegate to such Officers powers to manage the activities and affairs of the Association.
- 7.3 **Terms of Office** –
- (a) Officers who are Directors shall be appointed at the meeting immediately following the Annual Meeting of Members (the “**Annual Organizational Meeting**”). The individual appointed as President or First Vice President shall serve until the conclusion of the second Annual Organizational Meeting following his or her appointment as President or First Vice President, as applicable. All other Directors appointed as Officers shall serve until the conclusion of the first Annual Organizational Meeting following his or her appointment as an Officer. Notwithstanding the foregoing, such Officers shall cease to hold office on such Officer's resignation or removal or upon such individual ceasing to be a Director, if applicable. If an office shall become vacant in any of the above-noted circumstances, the Board may elect or appoint a qualified person to fill such vacancy for the remainder of the term of such office.
  - (b) Officers who are not Directors shall hold office until such Officer's successor is appointed, or until such Officer's earlier resignation or removal. The Board, in its discretion, may remove any Officer, without prejudice to such Officer's rights under any employment contract or at law.
- 7.4 **Remuneration of Officers** – The Officers shall be paid such remuneration for their services as the Board may from time to time determine. Officers shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in the exercise of the duties of their respective offices. The remuneration of any employees or agents shall be such as the terms of their engagement call for or as the Board may specify.
- 7.5 **Agents and Attorneys** – The Corporation, by or under the authority of the Board, shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers (including the power to sub-delegate) of management, administration or otherwise as may be thought fit.

**ARTICLE 8  
PROTECTION OF DIRECTORS AND OFFICERS**

- 8.1 **Indemnity** – Subject to the limitations contained in the CNCA, but without limiting the right of the Corporation to indemnify any individual under the CNCA or otherwise to the full extent permitted by law, the Corporation shall, from time to time and at all times, indemnify each Director or Officer or former Director or Officer (and each such Director’s, Officer’s or other individual’s respective heirs, executors, administrators, or other legal personal representatives and his or her estate and effects, or another individual who acts or acted at the Corporation’s request as a director or an officer or in a similar capacity of another entity), against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity provided that the individual to be indemnified:
- (a) acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the Corporation’s request; and
  - (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that the individual’s conduct was lawful.
- 8.2 **Advance of Costs** – The Corporation may, if so determined by the Board, advance money to a Director, an Officer or other individual for the costs, charges and expenses of a proceeding referred to in Section 8.1. The individual shall repay the money if the individual does not fulfil the conditions of Sections 8.1(a) and 8.1(b).
- 8.3 **Insurance** – The Corporation shall purchase and maintain insurance for the benefit of an individual referred to in Section 8.1 against any liability incurred by the individual in the individual’s capacity as a Director or an Officer of the Corporation, or in the individual’s capacity as a director or an officer, or in a similar capacity, of another entity, if the individual acts or acted in that capacity at the Corporation’s request.
- 8.4 **Indemnities Not Limiting** – The provisions of this Article 8 shall be in addition to and not in substitution for or limitation of any rights, immunities and protections to which an individual is otherwise entitled.

**ARTICLE 9  
DISCLOSURE OF INTEREST**

- 9.1 **Disclosure of Interest** – A Director or an Officer of the Corporation shall disclose to the Corporation, in writing or by requesting to have it entered into the minutes of meetings of the Directors or of Committees, the nature and extent of any interest that the Director or Officer has in the material contract or material transaction, whether made or proposed, with the Corporation, if the Director or Officer:

- (a) is a party to the contract or transaction;
- (b) is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or
- (c) has a material interest in a party to the contract or transaction.

9.2 **Time of Disclosure for Director** – The disclosure required by Section 9.1 shall be made, in the case of a Director:

- (a) at the meeting at which a proposed contract or transaction is first considered;
- (b) if the Director was not, at the time of the meeting referred to in Section 9.2(a), interested in the proposed contract or transaction, at the first meeting after the Director becomes so interested;
- (c) if the Director becomes interested after a contract or transaction is made, at the first meeting after the Director becomes so interested; or
- (d) if an individual who is interested in a contract or transaction later becomes a Director, at the first meeting after the individual becomes a Director.

9.3 **Time of Disclosure for Officer** – The disclosure required by Section 9.1 shall be made, in the case of an Officer who is not a Director:

- (a) immediately after the Officer becomes aware that the contract, transaction, proposed contract or proposed transaction is to be considered or has been considered at a meeting;
- (b) if the Officer becomes interested after a contract or transaction is made, immediately after the Officer becomes so interested; or
- (c) if an individual who is interested in a contract or transaction later becomes an Officer, immediately after the individual becomes an Officer.

9.4 **Time of Disclosure for Director or Officer** – If a material contract or material transaction, whether entered into or proposed, is one that, in the ordinary course of the Corporation's activities, would not require approval by the Directors or Members, a Director or an Officer shall, immediately after he or she becomes aware of the contract or transaction, disclose in writing to the Corporation, or request to have entered in the minutes of meetings of Directors or of Committees, the nature and extent of his or her interest.

9.5 **Voting** – A Director who is required to make a disclosure under Section 9.1 shall not vote on any resolution to approve the contract or transaction unless the contract or transaction:

- (a) is for indemnity or insurance pursuant to Article 8 hereof; or
- (b) is with an affiliate, as such term is understood for the purposes of the CNCA.

- 9.6 **Continuing Disclosure** – For the purposes of this Section, a general notice to the Directors declaring that a Director or an Officer is to be regarded as interested, for any of the following reasons, in a contract or transaction made with a party, is a sufficient declaration of interest in relation to the contract or transaction:
- (a) the Director or Officer is a director or an officer, or acting in a similar capacity, of a party referred to in Section 9.1(b) or 9.1(c);
  - (b) the Director or Officer has a material interest in the party; or
  - (c) there has been a material change in the nature of the Director’s or the Officer’s interest in the party.
- 9.7 **Access to Disclosures** – The Members may examine the portions of any minutes of meetings of Directors or any minutes of meetings of Committees that contain disclosures contemplated by Section 9.1, and of any other documents that contain those disclosures, during the Corporation’s usual business hours.
- 9.8 **Avoidance Standards** – A contract or transaction for which disclosure is required under Section 9.1 is not invalid, and the Director or Officer is not accountable to the Corporation or its Members for any profit realized from the contract or transaction, because of the Director’s or Officer’s interest in the contract or transaction or because the Director was present or was counted to determine whether a quorum existed at the meeting of Directors or of the Committee that considered the contract or transaction, if:
- (a) disclosure of the interest was made in accordance with Section 9.1;
  - (b) the Directors approved the contract or transaction; and
  - (c) the contract or transaction was reasonable and fair to the Corporation when it was approved.

## **ARTICLE 10 EXECUTION OF DOCUMENTS, BANKING AND BORROWING**

- 10.1 **Signatories** – The following are the only persons authorized to sign any documents on behalf of the Corporation, other than in the usual and ordinary course of the Corporation’s business:
- (a) any two Officers, any two Directors, or any one Officer with any one Director of the Corporation, provided that no individual shall execute, acknowledge or verify any instrument in more than one capacity; or
  - (b) any individual or individuals appointed by Ordinary Resolution of the Board to sign a specific document or that type of document or generally on behalf of the Corporation.

Any document so signed may, but need not, have the corporate seal applied, if there is one.

- 10.2 **Banking** – The banking business of the Corporation shall be transacted with such banks, trust companies or other firms or corporations carrying on a banking business in Canada, or elsewhere as may from time to time be designated by or under the authority of the Board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of power as the Board may, from time to time, prescribe or authorize.
- 10.3 **Borrowing** – Subject to any limitations set out in the Articles or the By-laws, the Board may, from time to time, without authorization of the Members:
- (a) borrow money on the credit of the Corporation;
  - (b) issue, reissue, sell, pledge or hypothecate debt obligations of the Corporation;
  - (c) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
  - (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.
- 10.4 **Board Delegation** – From time to time, unless the Articles otherwise provide and subject to the CNCA, the Board may delegate all or any of the powers referred to in Section 10.3 to any Director or a Committee or Officer of the Corporation.

## **ARTICLE 11 NOTICE**

- 11.1 **Procedure for Sending Notices** – Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served), other than notice of a Meeting of Members or a meeting of the Board, pursuant to the CNCA, the Articles, the By-law or otherwise, to a Member, Director, Officer or member of a Committee or to the Public Accountant shall be sufficiently given:
- (a) if delivered personally to the person to whom it is to be given or if delivered to such person's address as shown in the records of the Corporation or in the case of a notice to a Director, to the latest address as shown in the last notice that was sent by the Corporation in accordance with section 128 or 134 of the CNCA; or
  - (b) if mailed to such person at such person's recorded address by prepaid ordinary or air mail; or
  - (c) if sent to such person by telephonic, electronic or other communication facility at such person's recorded address for that purpose; or
  - (d) if provided in the form of an electronic document in accordance with part 17 of the CNCA.

A notice so delivered shall be deemed to have been given when it is delivered personally or the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The Secretary may change or cause to be changed the recorded address of any Member, Director, Officer, Public Accountant or member of any Committee in accordance with any information believed by the Secretary to be reliable. The declaration by the Secretary that notice has been given pursuant to this By-law shall be sufficient and conclusive evidence of the giving of such notice. The signature of any Director or Officer to any notice or other document to be given by the Corporation may be written, stamped, type-written or printed or partly written, stamped, type-written or printed.

- 11.2 **Undelivered Notices** – If any notice given to a Member pursuant to Section 11.1 hereof is returned on two consecutive occasions because such Member cannot be found, the Corporation shall not be required to give any further notice to such Member until such Member informs the Corporation in writing of such Member’s new address.
- 11.3 **Computation of Time** – In computing the date when notice must be given under any provision requiring a specified number of days’ notice of any meeting or other event, the date of giving the notice shall be excluded and the day of the meeting or other event shall be included.
- 11.4 **Waiver of Notice** – Any Member, Director, member of a Committee or Public Accountant may waive any notice required to be given to such person under any provision of the CNCA, the By-laws or otherwise, and such waiver, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in giving such notice.
- 11.5 **Error or Omission in Notice** – No error or omission in giving notice of any Meeting or adjourned Meeting of Members, Directors or Committee to any Member, Director, member of any Committee or Public Accountant of the Corporation, or the non-receipt of the notice by any such person where the Corporation has provided notice in accordance with this By-law, and no error in any notice not affecting its substance, shall invalidate any meeting to which the notice pertained or otherwise founded on such notice or make void any resolutions passed or proceedings taken thereat, and any Member or Director may ratify, approve and confirm any or all proceedings taken thereat.

## ARTICLE 12 PUBLIC ACCOUNTANT

- 12.1 **Public Accountant** – Unless the Members are authorized by the CNCA to dispense with a Public Accountant, and all of the Members entitled to vote at an Annual Meeting have resolved not to appoint a Public Accountant, the Members shall, by Ordinary Resolution, at each Annual Meeting appoint a Public Accountant to hold office until the next Annual Meeting, and if an appointment is not so made, the Public Accountant in office shall continue in office until a successor is appointed. Subject to the Articles, the Directors may,

if a quorum of the Directors is then in office, fill any vacancy in the office of Public Accountant arising between Annual Meetings.

- 12.2 **Qualification** – The person or firm appointed as a Public Accountant shall not be a Director, an Officer or an employee of the Corporation, or a business partner or employee of any such person, but shall: (a) be a member in good standing of an institute or association of accountants incorporated by or under an Act of the legislature of a province of Canada; (b) meet any qualifications under an enactment of a province for performing any duty that the person is required to perform under the relevant sections of the CNCA; and (c) be independent, within the meaning of the CNCA, of the Corporation, its affiliates, the Directors and Officers, and the directors and officers of the affiliates.
- 12.3 **Remuneration** – The remuneration of the Public Accountant may be fixed by Ordinary Resolution of the Members, or if not so fixed, shall be fixed by the Directors.

### **ARTICLE 13 FUNDAMENTAL CHANGES**

- 13.1 **Amendment of Articles or By-Law** – Pursuant to the provisions of the CNCA and notwithstanding any provisions in the By-laws to the contrary, a Special Resolution of the Members, or, if Section 13.2 applies, of each of class of Members of the Corporation, if there is more than one class of Members of the Corporation, each voting separately as a class, is required to make any amendment to the Articles or the By-laws of the Corporation to:
- (a) change the Corporation's name;
  - (b) change the province in which the Corporation's registered office is situated;
  - (c) add, change or remove any restriction on the activities that the Corporation may carry on;
  - (d) create a new class or group of Members;
  - (e) change a condition required for being a Member;
  - (f) change the designation of any class or group of Members or add, change or remove any rights and conditions of any such class or group;
  - (g) divide any class or group of Members into two or more classes or groups and fix the rights and conditions of each class or group;
  - (h) add, change or remove a provision respecting the transfer of a membership;
  - (i) subject the provisions of the CNCA, increase or decrease the number of directors fixed by the Articles;
  - (j) change the statement of the purpose of the Corporation;

- (k) change the statement concerning the distribution of property remaining on liquidation after the discharge of any liabilities of the Corporation;
- (l) change the manner of giving notice to the Members entitled to vote at a Meeting of Members;
- (m) change the method of voting by the Members not in attendance at a Meeting of Members;
- (n) add, change or remove any other provision that is permitted by the CNCA to be set out in the Articles; and
- (o) change Section 3.5, Section 4.20, Section 5.13(f) or Section 5.13(g).

13.2 **Class Vote** – Except as otherwise provided in the Articles, pursuant to the provisions of the CNCA and notwithstanding any provisions in the By-law to the contrary, a Special Resolution of each of class of Members of the Corporation, if there is more than one class of Members of the Corporation, voting separately as a class on a proposal to make an amendment referred to in Section 13.1, is required to:

- (a) add, change or remove the rights or conditions attached to the memberships of the class or group, including
  - (i) to reduce or remove a liquidation preference, or
  - (ii) to add, remove or change prejudicially voting or transfer rights of the class or group;
- (b) increase the rights of any other class or group of Members having rights equal or superior to those of the class or group;
- (c) increase the rights of a class or group of Members having rights inferior to those of the class or group to make them equal or superior to those of the class or group; or
- (d) effect an exchange or create a right of exchange of all or part of the memberships of another class or group into the memberships of the class or group.

For greater certainty, Section 13.2 applies whether or not the class of Members of the Corporation otherwise have the right to vote pursuant to the Articles or By-law.

13.3 **Class Vote on Other Fundamental Matters** – Subject to the provisions of the CNCA and notwithstanding any provisions in the By-law to the contrary, a Special Resolution of each class of Members of the Corporation, if there is more than one class of Members of the Corporation, each voting separately as a class, is required to effect the following:

- (a) in the case of amalgamation of the Corporation with one (1) or more corporations, to adopt the amalgamation agreement if the amalgamation agreement contains provisions that, if contained in a proposed amendment to the Articles, would entitle the Members to vote as a class under Section 13.2;



- (b) in the case of an extraordinary sale or lease of all, or substantially all, of the assets of the Corporation, if a class of Members is affected by the sale, lease or exchange in a manner different from the Members of another class; and
- (c) in the case of the voluntary liquidation and dissolution of the Corporation.

Each class of Members of the Corporation carries the right to vote in respect of the matters referred to in this Section 13.3 whether or not it otherwise carries the right to vote.

13.4 **Continuance** – Subject to the provisions of the CNCA and notwithstanding any provisions in the By-laws to the contrary, the Corporation may apply for the continuance under the laws of another jurisdiction, if:

- (a) an application for continuance of the Corporation is authorized by the Special Resolution of the Members of the Corporation; and
- (b) the Corporation establishes to the satisfaction of the director appointed by the Minister to exercise the powers of the director under the CNCA that its proposed continuance in the other jurisdiction shall not adversely affect creditors or Members of the Corporation.

Each class of Members of the Corporation carries the right to vote in respect of a continuance whether or not it otherwise carries the right to vote.

#### **ARTICLE 14 ANNUAL FINANCIAL STATEMENTS**

14.1 **Statutory Requirements** – The Corporation may, instead of sending copies of the Annual Financial Statements to the Members, publish a notice in the manner required by Section 11 to its Members stating that the Annual Financial Statements are available at the registered office of the Corporation and any Member may, on request, obtain a copy free of charge at the registered office or by prepaid mail.

#### **ARTICLE 15 BY-LAWS**

15.1 **Effective Date** – Subject to matters requiring a Special Resolution, this By-law shall be effective when made by the Board. If this By-law is confirmed, or confirmed as amended, by the Members at the next meeting of Members, as required by the CNCA, it remains effective in the form in which it was confirmed. This By-law ceases to have effect if it is not submitted by the Directors to the Members, as required by the CNCA, or if it is rejected by the Members.

**MADE** by the Board on the <@> day of <@>, 2020.

\_\_\_\_\_  
, President

\_\_\_\_\_  
, Secretary

**CONFIRMED** by the Members on the <@> day of <@>, <@>.

\_\_\_\_\_  
, President

\_\_\_\_\_  
, Secretary