

GRAIN FARMERS OF ONTARIO

BY-LAW NO. 1 –

**A By-law relating generally to the
transaction of the business and affairs**

of

GRAIN FARMERS OF ONTARIO

(Hereinafter referred to as the Board)

BE IT ENACTED as a By-law of Grain Farmers of Ontario as follows:

HEAD OFFICE

1. The head office of the Board shall be at the City of Guelph, Ontario and at such place therein as the members of the Board may, from time to time, determine.

SEAL

2. (1) The seal, an impression whereof is stamped in the margin hereof, shall be the corporate seal of the Board.
- (2) The Secretary shall have custody of the seal.

MEETINGS OF THE BOARD

3. The first meeting of the newly elected Board after every general election of the members thereof shall be held within ten days after every such general election of the members thereof and on or before March 16th of that year.
4. (1) Meetings of the Board shall be held from time to time at such place, at such time and on such day as the Chair or Vice-Chair or any two members of the Board may determine and the Secretary, when directed or authorized by either of the said officers or by any two members of the Board, shall give or cause to be given notice of the meeting.
- (2) Unless otherwise stated in the notice calling the meeting, meetings of the Board shall be held at the head office.
- (3) Notice of a meeting shall,
- (a) include the date and time of the meeting, and

- (b) be given:
 - (i) in writing by mail or electronic transmission, or
 - (ii) orally or by telephone.
 - (iii) Notice of a meeting shall be given not fewer than 2 days before the date on which the meeting is held.
 - (iv) No notice of a meeting is required to be given, where, in addition to the members of the Board present, those absent waive notice of the meeting either before or after the meeting.
 - (v) Notice in writing by mail or electronic transmission shall be sufficiently given if mailed or transmitted to a member at his or her last address as recorded in the books of the Board.

TRANSACTION OF BUSINESS OTHER THAN AT A MEETING

- 5. (1) The Board may transact a matter of business other than at a meeting called and conducted in accordance with paragraph 4 upon the condition that,
 - (a) the Chair of the Board is of the opinion that the matter of business should be decided sooner than a meeting can be called;
 - (b) the Chair submits the matter to be decided to the Secretary of the Board;
 - (c) the Chair or the Secretary submits the matter for decision to at least two-thirds (2/3) of the members of the Board,
 - (i) by mail or electronic transmission,
 - (ii) by telephone, or
 - (iii) orally; and
 - (d) the Secretary makes a record in the minute book of the Board of the matter to be decided and the decision of each member.

- (2) Where the conditions prescribed in sub-paragraph (1) have been complied with and the record shows a majority of members in favour of, or against, the matter of business, it shall be decided accordingly.
- (3) Where the Secretary of the Board makes a record in the minute book under sub-paragraph (1), the record shall be read and confirmed at the next meeting of the Board.

VOTES TO GOVERN

6. (1) All questions at a meeting of the Board shall be decided by the majority of the votes of the members present and in the event of a tie vote the Chair of the meeting shall have the deciding vote.
- (2) All votes at a meeting of the Board shall be taken by ballot if so demanded by any member present, but if no demand is made, the question shall be decided by a show of hands.

QUORUM

7. A majority of the members of the Board constitute a quorum for the transaction of business. Notwithstanding vacancies, the remaining members may exercise all the powers of the Board so long as a quorum of the Board remains in office.

MINUTES

8. Minutes of each meeting of the Board shall be kept by the Secretary and approved at the next regular meeting of the Board.

ORDER OF BUSINESS AT MEETING

9. (1) The order of business at a meeting of the Board shall be,
 - (a) roll call;
 - (b) declaration of Conflict of Interest;
 - (c) approving of minutes of last meeting;
 - (d) business arising out of minutes;

- (e) reports;
 - (f) dealing with correspondence;
 - (g) unfinished business; and
 - (h) new business.
- (2) The order of business may be varied by the Chair.

ELECTIONS

10. (1) At the first meeting after every general election of the members thereof, the Board shall appoint such producer-members as are necessary to fill any vacancies under the provisions of the regulations under the *Farm Products Marketing Act*.
- (2) At the meeting mentioned in sub-paragraph (1) the Board shall, after appointment of any producer-members necessary to complete the Board, conduct its annual Board elections.

OFFICERS

11. (1) The Chair shall, when present, preside at all meetings of the Board.
- (2) The Chair, when present, shall preside at any annual or special general meeting of producers.
- (3) The Chair shall act as liaison with the Chief Executive Officer of the Board. The Chair shall also perform such duties and exercise such powers as the Board may prescribe.
- (4) During the absence of the Chair or his or her inability to act, the Chair's duties may be performed by a Vice-Chair.
- (5) Where the Chair and Vice-Chairs are absent from a meeting, the Board may elect a Chair for the purpose of that meeting from among the members present at the meeting.
- (6) The Chair and Vice-Chairs of the board shall hold office until their successors are elected.

- (7) The Board shall appoint a Chief Executive Officer (CEO), a Secretary and a Treasurer.
- (8) The Board may appoint such other officers and employees as it deems necessary.
- (9) The Board shall not appoint a member of the Board as an officer or employee thereof except for the positions of Chair or Vice-Chairs which shall be filled by members of the Board.
- (10) The same person may be appointed as CEO, Secretary and Treasurer as the Board determines.
- (11) No person is eligible to serve as Chair for more than three (3) consecutive terms.
- (12) No Director is eligible to be on the Board of Directors for more than 12 years.

DUTIES OF THE CHIEF EXECUTIVE OFFICER

12. (1) The Chief Executive Officer (CEO) shall be charged with the general management of the Board, including full authority to manage and direct the business and affairs of the Board (except such matters and duties as by law must be transacted or performed by members of the Board).

(2) The CEO shall liaise with the Chair and shall conform to all reasonable and lawful orders given by the Board and shall at all reasonable times give the Board all information it may require regarding the affairs of the Board.

(3) The CEO shall attend all meetings of the Board unless excused by the Chair.

DUTIES OF THE SECRETARY

13. (1) The Secretary to the Board shall,
- (a) attend all meetings of the Board and keep true minutes thereof and shall send a copy of the minutes to every member of the Board within ten days, excluding Saturdays and holidays, after the meeting;

- (b) conduct the correspondence of Board;
- (c) keep a record of,
 - (i) all business transactions of the Board,
 - (ii) all orders, directions or determinations of the Board,
 - (iii) all reports of committees that are from time to time appointed by the Board, and
 - (iv) all annual statements and financial auditor's reports;
- (d) maintain at the head office of the Board true copies of all regulations, orders and policy statements of the Board and an index identifying all regulations, including amendments, by subject matter, and shall during the normal business hours of the Board,
 - (i) permit any person to inspect the copies and index without charge, and
 - (ii) provide to any person upon request copies of the regulations, orders and policy statements; and
- (e) file with the Farm Products Marketing Commission such minutes, orders, directions, regulations, policy statements, reports, financial statements, appointments of agents and special statements, as may be required from time to time by the Commission through regulation;
- (f) perform such other duties as may be prescribed from time to time by the Board or by the CEO.

DUTIES OF THE TREASURER

14. (1) The Treasurer shall act as Treasurer to the Board and shall,
- (a) under the direction of the Board, provide for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Board;

- (b) maintain separate accounts for the deposit of,
 - (i) money received by the Board in trust for any other person, and
 - (ii) levies or charges imposed by the Board pursuant to powers exercised under authority granted under the Agricultural Products Marketing Act (Canada);
- (c) keep full and accurate books of account in which shall be recorded all receipts and disbursements of the Board;
- (d) prepare reports showing the financial position of the Board at such intervals as the Board may direct and not less frequently than once per quarter; and
- (e) perform such other duties as may be prescribed from time to time by the Board or by the CEO.

ASSISTANTS

15. Any of the powers and duties of an officer to whom an assistant has been appointed by the Board may be exercised and performed by the assistant.

VARIATION OF DUTIES

16. The Board may add to or limit the powers and duties of an officer or his or her assistant.

BORROWING

17. (1) A by-law passed by the Board,
- (a) for borrowing money on the credit of the Board;
 - (b) for issuing, selling or pledging securities of the Board;
 - (c) for charging, mortgaging, hypothecating or pledging all or any of the real or personal property of the local board, including books debts and unpaid calls, rights, powers franchises and undertakings; or

- (d) to negotiate for any securities or any money borrowed, or other debt, or any other obligation or liability of the local board,

shall state the purpose or purposes for which the money, credit, debt or liability are to be used.

(2) No by-law referred to in subsection (1) is effective unless it is passed at a meeting of the members of the Board called for the purpose of considering the by-law and not less than two-thirds of the members are present and vote in favour thereof.

INVESTMENT OF FUNDS

18. (1) Subject to section 14, the Board shall not invest any surplus funds of the Board other than in,

- (a) bonds, debentures or other evidences of indebtedness,
 - (i) of or guaranteed by the Government of Canada,
 - (ii) of or guaranteed by the government of any province of Canada,
 - (iii) of or guaranteed by the Government of the United Kingdom,
 - (iv) of any municipal corporation in Canada, including debentures issued for public, separate, secondary or vocational school purposes, or guaranteed by any municipal corporation in Ontario, or secured by or payable out of rates or taxes levied under the law of any province of Canada on property in that province and collectible by or through the municipality in which the property is situated;
- (a.1) bonds, debentures or other evidences of indebtedness of a corporation that are secured by the assignment to a trustee of payments that the Government of Canada has agreed to make, if those payments are sufficient to meet the interest as it falls due on the bonds, debentures or other evidences of indebtedness outstanding and to meet the principal amount of the bonds, debentures or other evidences of indebtedness upon maturity;
- (a.2) debentures of any loan corporation that is registered under the *Loan and Trust Corporations Act*;

- (a.3) guaranteed investment certificates of any trust corporation that is registered under the *Loan and Trust Corporations Act*;
- (a.4) deposit receipts, deposit notes, certificates of deposits, acceptances and other similar instruments issued or endorsed by any bank listed in Schedule I or II to the *Bank Act* (Canada) or by any authorized foreign bank within the meaning of section 2 of the *Bank Act* (Canada);
- (a.5) term deposits accepted by a credit union as defined in the *Credit Unions and Caisses Populaires Act, 1994*;
- (b) investment certificates of a bank listed in Schedule I or II to the *Bank Act* (Canada) or of an authorized foreign bank within the meaning of section 2 of the *Bank Act* (Canada) ; and
- (c) paid up shares of,
 - (i) any credit union league to which the *Credit Unions and Caisses Populaires Act* applies; and
 - (ii) The Ontario Co-operative Credit Society.

(1.1) Despite subsection (1), the Board shall not invest its surplus funds in the investments listed in that subsection unless the investment is in other respects reasonable and proper.

(2) The Board may lend money to a fund established under the Farm Products Payments Act.

ANNUAL AUDITS

19. (1) The Board shall cause its accounts to be audited annually by one or more auditors within three months after the end of the fiscal year of the Board.

(2) The auditor shall make a report to the Board based on the accounts examined by him or her and on every balance sheet laid before the local board at a general meeting and in the report shall state whether, in the auditor's opinion, the balance sheet referred to in the report is properly drawn up so as to exhibit a true and correct view of the state of the Board's affairs as shown by its books and the Secretary's financial statements.

(3) The Secretary of the Board shall file the report of the auditor.

(4) The Board shall within four months of the close of its fiscal year publish in one issue of at least one edition of a newsletter or a magazine having general circulation among its producers, its annual statement of operations and the financial report of the Board.

(5) The annual financial statement of the Board shall include,

- (a) the threshold reporting amount established by the Board in its by-laws;
- (b) the amount of each grant or other like payment of money made by the Board to any person or association or body of persons during the fiscal year that is greater than or equal to the threshold reporting amount;
- (c) the amount of each grant or other like payment of money that is less than the threshold reporting amount and was made by the local board to any person or association or body of persons during the fiscal year and before the by-law establishing the threshold reporting amount is passed by an annual meeting of the Board;
- (d) the name of the person or association or body of persons to whom each grant or other like payment of money described in clause (b) or (c) was made;
- (e) the total number of grants and other like payments of money that are each less than the threshold reporting amount and were made by the Board to any persons, associations and bodies of persons during the fiscal year and after the by-law establishing the threshold reporting amount is passed by an annual meeting of the Board ; and
- (f) the total amount of the grants and other like payments described in clause (e).

BONDING

20. (1) The Board shall require the Secretary and the Treasurer to furnish a bond for the faithful discharge of his or her duties in such form and with such security as the Board may from time to time prescribe.

(2) The Board may require such other officers and such employees and agents as the Board considers advisable to furnish bonds for the faithful discharge of

their duties in such form and with such security as the Board may from time to time prescribe.

(3) The Board shall pay the cost of any bond or bonds required under subsections (1) or (2).

INDEMNITY OF MEMBERS AND OFFICERS

21. (1) Every member or officer of the Board and his or her heirs, executors or administrators, and estate and effects respectively shall, from time to time and at all times, be indemnified and saved harmless out of the money of the Board, from and against any action, suit or proceeding that is brought, commenced or prosecuted against the member or officer in respect of any matter to which subsection 3 (6) of the Act applies, which subsection provides that no member of the Board and no officer, clerk or employee of the Board is personally liable for anything done or omitted to be done by the Board or by the member, officer, clerk or employee in good faith in the exercise of any power or the performance of any duty under or purporting to be under *The Farm Products Marketing Act* or any other Act of Ontario or Canada.

(2) Where any member or officer of the Board or his or her heirs, executors or administrators or estate and effects receives any money from any person on account of any matter with respect to which the member or officer has already received money from the Board under subsection (1), the member or officer shall forthwith pay to the Board the amount of money that he or she received respecting that matter from the Board or the amount of money that he or she received respecting that matter from the other person, whichever is the lesser amount.

(3) Each of the members, directors and officers of each of The Ontario Wheat Producer's Marketing Board, Ontario Soybean Growers and the Ontario Corn Producers' Association, and their respective heirs, executors, administrators and estate and effects, are included as parties indemnified and saved harmless under subsection (1) and section 22.

22. (1) In addition to the indemnity provided by section 21 and except in respect of an action to procure a judgment in favour of the Board, every member, officer, clerk or employee of the Board, past, present and future, against whom any action, suit or proceeding has been or may be brought, commenced or prosecuted or who is required by law or otherwise agreed to participate in any investigation, hearing, inquiry, appeal, examinations for discovery, trial or any judicial or other proceeding in connection with Board business, shall:

(a) receive from the Board such legal counsel and assistance as the Board may reasonably determine;

- (b) in the case of board members, past or present, be paid by the Board per diems at the rate paid to board members at the time;
- (c) in the case of officers, clerks or employees, past or present, be paid by the Board the lower of the equivalent current salary of the person in that or a similar position or the per diem paid to board members at the time; and
- (d) be reimbursed for all eligible out-of pocket expenses including travel and other costs.

(2) Provided however that, in exchange for the presentation of these provisions of indemnity and remuneration and reimbursement such member, officer, clerk or employee, past, present or future, as the case may be, shall co-operate fully with the Board in the defence of such proceedings and shall be subject to such direction as the Board or its counsel shall deem appropriate, failing which such provision of indemnity, remuneration and reimbursement provided hereby shall forthwith lapse and be of no further force and effect.

REMUNERATION OF MEMBERS OF THE BOARD

23. The members of the Board shall be paid such remuneration on a per diem basis as the Board may from time to time determine. Subject to approval of the Board, the members of the Board shall be paid such sums in respect of their eligible out of pocket expenses incurred in attending meetings of the Board and committees or otherwise in respect of the performance by them of their duties as the Board may from time to time determine.

BANKING ARRANGEMENTS

24. The banking business of the Board, or any part thereof, shall be transacted with such bank, trust company or other firm or corporation carrying on a banking business as the Board may designate, appoint or authorize from time to time by resolution and all such banking business, or any part thereof, shall be transacted on the Board's behalf by such one or more officers and other persons that the Board may designate, direct or authorize from time to time by resolution and to the extent therein, provided, including, but without restricting the generality of the foregoing, the operation of the Board's accounts; the making, signing, drawing, accepting, endorsing, negotiating, lodging, depositing, or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money; the giving of receipts for and orders relating to any property of the Board; the execution of any agreement relating to any

such banking business and defining the rights and powers of the parties thereto; and the authorizing of any officer of such banker to do any act or thing on the Board's behalf to facilitate such banking business.

EXECUTION OF DOCUMENTS

25. Regulations, orders, contracts, documents or other instruments in writing requiring the signature of the Board may be signed by the Chair, a Vice-Chair and the CEO or the Secretary and all such regulations, orders, contracts, documents and instruments in writing so signed shall be valid and binding upon the Board, and all others affected thereby without any further authorization or formality. The Board shall have power from time to time by resolution to appoint any officer or officers, person or persons on behalf of the Board, either to sign contracts, documents or instruments in writing.

FISCAL YEAR

26. The fiscal year of the Board shall end on the 31st day of May in each year.

MEETINGS OF PRODUCERS

27. (1) The Board shall call annual district meetings of producers under the plan in each district and an annual meeting of delegates of all district meetings.

(2) The annual meeting of the producers shall be held on or before the 1st day of October in each year at such date and time and at such place as the Board determines.

(3) At the annual meeting referred to in paragraph (1) the Board shall present, at the meeting, the auditor's report referred to in section 19 and shall announce the appointment of auditors for the next succeeding annual meeting.

(4) The Board shall call semi-annual district meetings of producers under the Plan in each district and a semi-annual meeting of delegates of all district meetings on or before the 31st day of March in each year.

(5) At the semi-annual meeting referred to in subsection (4), the Board shall announce the results of the elections of Board members at the semi-annual district meetings and any appointments made by the Board in accordance with the Plan.

28. (1) Where the Board receives a petition or request from at least ten per cent of the producers under the plan requesting that a special meeting of the producers be held for discussion of matters respecting the operation of the plan or of the Board, the Board shall call a special meeting of the producers within thirty days of receipt of the petition or request.

(2) A petition or request shall contain or be accompanied by a statement of the matters for discussion at the special meeting.

29. (1) A meeting referred to in section 27 or 28 may be called,

(a) by giving notice thereof to each producer who is entitled to attend;
or

(b) by publication of a notice in at least one newspaper or magazine having a general circulation among the producers.

(2) Notice of a meeting referred to in section 28 shall be given or published at least two weeks before the date of the meeting.

DELEGATE ALTERNATE REPRESENTATION

30. To allow alternates to represent delegates at AGM / Semi-Annual meetings.

(1) A District Grain Committee may appoint one alternate per four delegates, up to a maximum of four (4), to represent delegates unable to attend GFO and/or District Grain Committee meetings.

(2) A delegate unable to attend shall give prior notice to the District Grain Committee confirming same.

(3) The District Grain Committee shall appoint an alternate to attend in that delegates place and provide that person with a letter confirming the appointment.

(4) The alternate shall file that letter with GFO at the meeting.

(5) Any interested producer in the district with a broad knowledge of the industry prepared to devote the necessary time to GFO and the industry is eligible.

(6) An ideal candidate is a producer with enthusiasm, leadership, communication, listening, public speaking and effective meeting skills who is under the age of 35.

(7) A duly appointed alternate has the right to attend and participate in the designated meeting (except voting in board member elections and committees of the board) and is entitled to reimbursement for expenses and per diems in accordance with GFO policy for delegates.

COMMITTEES OF THE BOARD

31. (1) The Board shall establish the following committees and sub committees as hereinafter defined:

(a) Executive Committee

Chaired by the Chair of the Board and consisting of two (2) Vice-Chairs and one other member as appointed by the Board. The mandate of the Executive Committee is the oversight of Board activities between regular meetings of the Board and reporting to the Board accordingly.

(b) Finance and Audit Committee

Consisting of five (5) Board members. The mandate of the Finance and Audit Committee is that of financial oversight and advising the Board on the organizational budget.

(c) Resolutions Committee

Consisting of four Board members, the mandate of the Resolutions Committee is to consider resolutions originating from districts at the annual or other special meetings of producers or delegates and compiling and editing same to reflect common intent and consensus among those originating the resolutions.

(d) Wheat Marketing Committee

Consisting of five Board members; three of them populating the Wheat Trading Group. Advising the Board on wheat trading functions of the board.

(e) The following standing advisory committees each of which shall consist of a member of the Board as Chair and two other Board Members and not less than four (4) additional members, the majority of whom shall be delegates appointed by the Board:

(i) Market Development

Advising the Board on strategic planning and initiatives for increasing production, marketing and utilization of grains and oil seeds.

(ii) Wheat Trading Group

Advising the Board on local board programs.

(iii) Research and Innovation

Advising the Board on research priorities and the level of resources appropriate for each issue and opportunity; and advising on policy related to new technology.

(iv) Government Relations

Advising the Board on matters related to government policies, including regulatory agencies, and liaison with all levels of government, general farm organizations, and other commodity groups. Assessment and development of business risk management and safety net policies for consideration by the Board.

(v) Communications

Advising the Board on general public relations campaigns, grower publications, advertising policy, media relations, press releases, and website presentation and content.

(2) Each committee under subsection (1) shall be appointed by the Board annually within sixty (60) days of the date of the semi-annual meeting of delegates.

(3) The Board may establish any of the following ad hoc sub Committees which each shall consist of not less than one member from each of the Research and Innovation Committee and the Market Development Committee. A separate sub Committee may be formed for each issue or opportunity.

(i) Wheat Issues sub Committee

Reporting to each of the Market Development Committee and the Research Committee on issues specific to wheat.

(ii) Corn Issues sub Committee

Reporting to each of the Market Development Committee and the Research Committee on issues specific to corn.

(iii) Soy Bean Issues sub Committee

Reporting to each of the Market Development Committee and the Research Committee on issues specific to soy beans.

(iv) Other Committees as may be deemed necessary by the Board.

(4) Subject to subsection (5) the members of each committee and sub committee appointed under subsection (1), (2) or (3) are and remain members thereof at the pleasure of the Board until the Board has appointed their replacements.

(5) Where a member of any of the committees or sub committees thereof ceases to be a producer, dies, resigns, or is unavailable to act before the expiration of his or her term, the Board may appoint a replacement.

RESOLUTIONS

32. The Board shall receive, consider and report to delegates on its consideration of all resolutions duly presented to it as recommended by the annual meeting or semi-annual meeting of delegates.

BY-LAW AMENDMENTS

33. This By-Law may be amended by the Board in its discretion provided that no amendment to section 31 shall take effect until presented to and approved by the delegates at any duly constituted meeting of same.

INTERPRETATION

34. In this By-law and all other by-laws of the Board, expressions used, unless the contra intention appears, shall have the same meaning as similar expressions in the Farm Products Marketing Act and Regulations as amended from time to time; words importing the singular number only shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter genders; words

importing persons shall include companies, corporations, partnerships and any number or aggregate of persons.

ENACTED and confirmed by the members of the Board this 1st day of January, 2010.

AMENDED and approved at the Semi Annual Meeting of the Delegates this 8th day of March, 2010.

AMENDED and approved by the Grain Farmers of Ontario Board of Directors this 8th day of December, 2010.

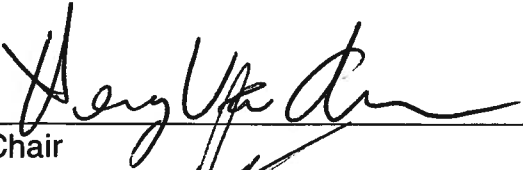
AMENDED and approved by the Grain Farmers of Ontario Board of Directors this 13th day of February, 2013.

AMENDED and approved at the Semi Annual Meeting of the Delegates this 19th day of March, 2013.


AMENDED and approved by the Grain Farmers of Ontario Board of Directors this 11th day of December, 2013.

AMENDED and approved at the Semi Annual Meeting of the Delegates this 25th day of March, 2014.

WITNESS the corporate seal of Grain Farmers of Ontario.



Chair



Secretary

