

## BY-LAW NO.1

being the General By-law of

### AGRICULTURAL INSTITUTE OF CANADA FOUNDATION

(the "Foundation")

#### INTERPRETATION

1. Interpretation. This By-law shall be, unless the context otherwise requires, construed and interpreted in accordance with the following:
  - (a) all references to "Letters Patent" shall mean to the original letters patent of the Foundation as amended by supplementary letters patent and all references to "By-laws" shall mean to these by-laws;
  - (b) all terms contained in these By-laws and which are defined in the *Canada Corporations Act* (referred to herein as the "Act") or the Regulations under the Act (referred to herein as the "Regulations") shall have the meanings given to such terms in the Act or the Regulations; and
  - (c) words importing the singular number only shall include the plural and vice versa; and the word "person" shall include individuals, corporations, partnerships, trusts and any number of persons.

#### HEAD OFFICE

2. Head Office. Until changed in accordance with the Act, the head office of the Foundation shall be in the City of Ottawa, in the Province of Ontario.

#### CORPORATE SEAL

3. Seal. The seal, an impression of which is stamped in the margin hereof, shall be the seal of the Foundation.

#### GOVERNORS

4. Duties and Number. There shall be a board of governors comprised of a minimum of three (3) governors. The precise number of governors of the Foundation from time to time shall be determined by resolution of the board of governors, having reference to the recommendations of the Nominating Committee.

5. Qualifications. Every governor shall be at least eighteen (18) years of age and have power under the law to contract.
6. Election. Subject to the provisions of this By-law, the governors shall be elected by the members from a slate of candidates recommended by the Nominating Committee in its report to the members. The Nominating Committee shall prepare its report so as to ensure that the requirements relating to board composition described in paragraph 8 are met. The election of governors may take place at a meeting of members, by mail ballot or by electronic mail transmission.
7. Term. The governors of the Foundation shall hold rotating terms of office. In 2006, approximately half of the governors shall be elected by the members for a term of two (2) years until the annual general meeting in 2008 or until their successors are elected and the remaining half shall be elected for a term of three (3) years until the annual general meeting in 2009 or until their respective successors are elected (the "Initial Terms"). Upon expiry of the Initial Terms, governors shall be elected for terms of three (3) years from the date of the meeting at which they are elected until the third annual meeting next following or until the governor's successor is elected. Thereafter, each year, a number of directors equal to the number of governors retiring shall be elected by the members to serve terms of three (3) years each, it being the intention that governors shall be elected and shall retire in rotation. Governors shall be eligible for re-election for a maximum of two (2) consecutive terms, including the Initial Term.
8. Composition of Board. Subject to the provisions of this By-law, the board of governors shall be comprised of directors representing a balance of geographic representation across Canada who bring a range of skills and experience that are of value to the Foundation. Governors need not be members of the Foundation.
9. Vacancies. The office of a governor shall automatically be vacated:
  - (a) if the governor fails to attend three (3) meetings of the board of governors in any fiscal year (without a satisfactory explanation being provided to the board);
  - (b) if the governor becomes bankrupt or suspends payment of debts generally or compounds with creditors or makes an authorized assignment or is declared insolvent;
  - (c) if the governor is found by a court to be of unsound mind;
  - (d) if the governor has resigned his office by delivering a written resignation to the Secretary of the Foundation;

- (e) if at a special meeting of members, a resolution is passed by at least two-thirds (2/3) of the votes cast by the members removing the governor before the expiration of the governor's term of office; or
  - (f) if the governor dies.
10. Filling Vacancies. A vacancy occurring in the board of governors shall be filled in accordance with the recommendation of the Nominating Committee as follows:
- (a) if the vacancy occurs as a result of the removal of any governor by the members in accordance with paragraph 9(e) above, it may be filled upon the vote of a majority of the members and any governor elected to fill a removed governor's place shall hold office for the remainder of the removed governor's term;
  - (b) any other vacancy in the board may be filled for the remainder of the term by the governors then in office, provided there is a quorum. If there is not a quorum of governors, the remaining governors shall forthwith call a meeting of the members to fill the vacancy and, in default or if there are no governors then in office, the meeting may be called by any member.

If the number of governors is increased between the terms, a vacancy or vacancies, to the number of the authorized increase, shall thereby be deemed to have occurred, which may be filled in the manner above provided.

11. Remuneration of Governors. The governors shall serve as such without remuneration and no governor shall directly or indirectly receive any profit from occupying the position of governor; provided that a governor may be reimbursed for reasonable expenses incurred by the governor in the performance of the governor's duties.

### COMMITTEES

12. Nominating Committee. The board of governors shall appoint a Nominating Committee, the members of which shall hold office for a term of one (1) year from the date of their appointment, or until their successors are appointed. Members of the Nominating Committee may not serve more than two (2) consecutive terms on the Committee. The Nominating Committee shall be comprised of up to three (3) committee members including the Past-President who will serve as Committee chair, a current or former governor of the Foundation and one (1) individual drawn from the membership of the Foundation. Board governors who serve on the committee must agree not to run for re-election to the board of governors. The primary task of the Nominating Committee shall be to recruit and secure strong balanced leadership for the Foundation.

In particular, the duties of the Nominating Committee will be as follows:

- (a) The Nominating Committee will prepare a report to the voting members which will include a slate of at least one (1) candidate for each governor's office which is or which will become vacant and for which the voting members will be electing a replacement. In preparing its report to the members, the Nominating Committee will strive to ensure that the slate of nominee governors presented to the members complies with paragraph 8 relating to board composition.
- (b) The Nominating Committee's report to the members shall also include at least one (1) candidate to fill the office of Vice-President of the Foundation.
- (c) The Nominating Committee will deliver its report to the head office of the Foundation within such timeframe as the board of governors shall determine, having regard to the proposed date of the annual general meeting of members and the required timing under clause (d) for delivery of the Nominating committee's report to the members. The report shall include a brief biographical sketch of each nominee and confirmation of the consent of each nominee to stand for election as governor.
- (d) Not later than 45 days prior to the annual general meeting of members, the Foundation shall send a notice to its members including the report of the Nominating Committee (together with the biographical information). The notice will invite groupings of any three (3) voting members of the Foundation to submit further nominations for the office of governor, to be delivered to the head office of the Foundation not later than 20 days from the date of the notice, such further nominations to include the biographical sketch and consent of the nominees to stand for election as governor.
- (e) In the event that no nominations are received from the voting members and if the slate of nominees prepared by the nominating committee does not exceed the number of vacancies on the board, the nominees listed in the report of the Nominating Committee shall be acclaimed and shall be formally announced at the annual general meeting.
- (f) If the Nominating Committee report includes more candidates than there are vacancies on the board or if further nominations are received under clause (d) so that there are more nominations for the board of governors than the number of vacancies, the Foundation shall send a notice to its voting members including a complete listing of nominees and their biographical sketches and a mail ballot or electronic ballot election form. The notice will require voting members of the Foundation to return their completed mail ballots to the head office within 10 days of the date of the notice.
- (g) The individual (or individuals in the event that more than one governor is to be elected) receiving the highest number of votes by mail or electronic ballot shall be considered duly elected by the voting members, such election to be effective at the annual general meeting immediately following the mail/electronic ballot election. The election of governors in this manner shall be formally announced at the Foundation annual general meeting.

- (h) The Nominating Committee will also make recommendations to the board of governors regarding names of persons to fill vacancies on the board, in officers' positions or on committees that occur throughout the year.

Nominating committee members shall receive no remuneration for serving as such, but are entitled to reasonable expenses incurred in the exercise of their duty.

13. Other Committees. The board of governors may from time to time appoint any other committee or committees, as it deems necessary or appropriate for such purposes and with such powers as the board shall see fit. Any committee member may be removed by resolution of the board of governors. The board may fix any remuneration for committee members who are not also governors of the Foundation.

#### MEETINGS OF GOVERNORS

14. Place of Meeting. Meetings of the board of governors may be held at any place within or outside Canada
15. Notice. A meeting of directors may be called by the President, Vice-President or any two (2) governors at any time. The Executive Director or Secretary shall then convene a meeting of governors. In general, thirty (30) days written notice (exclusive of the day on which the notice is delivered or sent but inclusive of the date for which the notice is given) of a meeting shall be given to each governor in the manner specified in paragraph 47. In the case of urgent business, forty-eight (48) hours written notice may be provided to governors, provided that such notice is provided electronically or in person and not by mail.
16. Error or Omission in Giving Notice. No error or accidental omission in giving notice of any meeting of governors shall invalidate such meeting or make void any proceedings taken at such meeting.
17. Quorum. A majority of the governors in office shall form a quorum for the transaction of business. For the purpose of determining quorum, a governor may be present in person, or, if authorized under paragraphs 19 and/or 20, by teleconference and/or by other electronic means
18. Voting at Meetings of Governors. Each governor is authorized to exercise one (1) vote. Questions arising at any meeting of governors shall be decided by a majority of votes. In all matters of parliamentary process, not referred to in these bylaws, Robert's Rules, of Order, 10<sup>th</sup> edition will stand as the parliamentary authority.
19. Telephone Participation. The governors of the Foundation may meet by teleconference provided that either a majority of the governors consents to meeting by teleconference

or meetings by teleconference have been approved by resolution passed by the board of governors at a meeting of the governors of the Foundation.

20. Meetings by Other Electronic Means. The governors of the Foundation may meet by other electronic means that permits each governor to communicate adequately with each other, provided that:
- (a) the board of governors of the Foundation has passed a resolution addressing the mechanics of holding such a meeting and dealing specifically with how security issues should be handled, the procedure for establishing quorum and recording votes;
  - (b) each governor has equal access to the specific means of communication to be used;
  - (c) a majority of governors has consented in advance to meeting by electronic means using the specific means of communication proposed for the meeting.

#### POWERS OF GOVERNORS

21. Administer Affairs. The board of governors of the Foundation shall administer the affairs of the Foundation in all things and make or cause to be made for the Foundation, in its name, any kind of contract which the Foundation may lawfully enter into and, save as hereinafter provided, generally, may exercise all such other powers and do all such other acts and things as the Foundation is by its Letters Patent or otherwise authorized to exercise and do.
22. Agents and Employees. The board of governors may appoint such agents and engage such employees (and may delegate this function to any officer or officers of the Foundation) as it shall deem necessary from time to time and such persons shall have such authority and shall perform such duties as shall be prescribed at the time of such appointment. The remuneration of officers, agents, employees and committee members shall, subject to the other provisions of this By-law, be fixed by the board of governors by resolution provided that the board of governors may delegate this function to an officer or officers of the Foundation

## OFFICERS

23. Officers. The officers of the Foundation shall be a President, Vice-President, Past-President, Secretary, Treasurer and Manager. Any two offices may be held by the same person. None of the officers are required to be governors except for the President and the Vice-President.
24. Election and Appointment. The Vice-President shall be elected by the members of the Foundation pursuant to the report of the Nominating Committee at an annual meeting of members, by mail ballot or electronic mail transmission. The President shall automatically take office upon expiration of his or her term as Vice-President. When the President's term of office expires, he or she shall automatically become the Past-President. The Secretary shall be appointed by the board of governors. The Manager shall hold office in accordance with the terms of his or her engagement with the Foundation. The board of governors may appoint such other officers as it may deem necessary.
25. Term and Vacancies. Except for the Manager (whose term shall be established by contract) all officers shall hold office for one (1) year from the date of appointment or election or until their successors are elected or appointed in their stead. Officers shall be subject to removal by resolution of the board of governors at any time. If the office of any officer of the Foundation shall become vacant, the governors may, by resolution, appoint a person to fill such vacancy. In the case of the President and Vice-President, such vacancy shall be filled with reference to the recommendation of the Nominating Committee.
26. Remuneration and Removal of Officers. The board of governors may fix the remuneration (if any) to be paid to officers of the Foundation who are not directors. Subject to the provisions of any written employment contract, the board of governors may remove any officer by resolution.
27. Powers and Duties. All officers shall have the authority to sign such contracts, documents or instruments in writing as require their respective signatures and shall respectively have and perform all powers and duties incident to their respective offices and such other powers and duties respectively as may from time to time be assigned to them by the board of governors. The duties of the officers shall include:
- (a) President. The President shall, when present, preside at all meetings of the board of governors and the members.
  - (b) Vice-President. If the President is absent or is unable or refuses to act, the Vice-President if any, shall, when present, preside at all meetings of the board of governors and the members. The Vice-President shall be the president-elect

and shall automatically become the President of the Foundation at the end of his or her term as Vice- President.

- (c) Past-President. The immediate past-president of the Foundation shall become the Past-President who shall chair the Nominating Committee and carry out such other duties as the board of governors may prescribe. If the immediate past-president is unable or unwilling to act as Past-President, the board of governors may select any past-president to fill this position.
- (d) Secretary. The Secretary shall give or cause to be given notices for all meetings of the board of governors or committees of directors, if any, and members when directed to do so and have charge of the corporate seal of the Foundation, the minute books of the Foundation and of the documents and registers referred to in Section 109 of the Act.
- e) Treasurer The Treasurer shall, in consultation with the manager of the Foundation, develop budgets, monitor the financial state of the Foundation, and ensure the board and members are informed of the financial state, and ramifications of the Foundation's financial situation.
- (f) Manager The board of governors may from time to time appoint a Manager and may delegate to that person full power to manage and direct the business and affairs of the Foundation and to employ and discharge agents and employees of the Foundation. The Manager shall supervise the day to day operations and administration of the Foundation. The Manager shall conform to all lawful orders given by the board of governors of the Foundation and shall at all reasonable times give to the governors or any of them all information they may require regarding the affairs of the Foundation.

#### LIMITATION OF LIABILITY

- 28. For the Protection of Governors and Officers. No governor or officer of the Foundation shall be liable for the acts, neglects or defaults of any other governor, officer or employee or for any loss, damage or liability whatsoever which may happen in the execution of the duties of his/her respective office or in relation thereto unless the same shall happen by or through such governor's or officer's wilful act, wilful neglect or default.

#### INDEMNIFICATION

- 29. Indemnities to Governors and Officers. Every governor or officer of the Foundation who has undertaken or is about to undertake any liability on behalf of the Foundation and their heirs, executors and administrators, and estate and effects, respectively, shall

from time to time and at all times, be indemnified and saved harmless out of the funds of the Foundation, from and against,

- (a) all costs, charges and expenses whatsoever which such governor or officer sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against the governor or officer for or in respect of any act, deed matter or thing whatever, made, done or permitted by them, in or about the execution of the duties of such office or in respect of any such liability; and
- (b) all other costs, charges and expenses which the governor or officer sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by their own willful neglect or default.

### MEMBERSHIP

30. Entitlement. There shall be two (2) classes of members in the Foundation, namely, Sustaining members and Friends of the Foundation members. The board of governors of the Foundation may, by resolution, approve the admission of the members of the Foundation. The board of governors may also pass membership rules, providing, among other things, for the admission of members by the Secretary of the Foundation. Each member shall be promptly informed by the Secretary of their admission as a member. In order to be eligible for membership, members must meet the criteria defined in the applicable membership category below and must also:

- be interested in furthering the objectives of the Foundation;
- provide their updated contact information to the Foundation on an annual basis;

The following categories of members are hereby established:

- (a) Sustaining Member (Organizations)
  - (i) Sustaining membership shall be available to organizations (including corporations, partnerships and associations) that have made a substantial contribution to the Foundation, as may be determined by the board of governors of the Foundation.
  - (ii) Each Sustaining Member is entitled to receive notice of, attend and vote at all meetings of members and each organization shall be entitled to one (1) vote.

(b) Friends of the Foundation (Individuals)

- (i) Friends of the Foundation membership shall be available to individual donors and supporters as well as interested individuals who meet the Friends of the Foundation Membership Criteria approved by the board of governors from time to time.
  - (ii) Each Friends of the Foundation member is entitled to receive notice of, attend and vote at all meetings of members and each such member shall be entitled to one (1) vote.
31. Membership Term. The term of membership shall be one year and shall be effective upon approval as a member in accordance with paragraph 30 and upon receiving updated contact information for membership.
32. Resignation. Any member may resign upon notice in writing to the Manager or Secretary of the Foundation. In the case of resignation, a member shall remain liable for payment of any outstanding membership dues levied or which became payable by the member to the Foundation prior to such person's resignation.
33. Termination of Membership. The interest of a member in the Foundation is not transferable and lapses and ceases to exist upon death or dissolution of the member, when the member resigns or the term of membership expires without renewal. A member may also be removed as a member by resolution of the board of governors provided that the member shall be granted the opportunity to be heard at such meeting.
34. Membership Dues. Members shall be notified in writing of the membership fees (if any) at any time payable by them and, if any are not paid within one (1) calendar month of the membership renewal date, as the case may be, the members in default shall thereupon cease to be members of the Foundation.

MEMBERS' MEETINGS

35. Time and Place of Meetings. The annual meeting of the members shall be held on such day in each year and at such time and place as the governors may determine.
36. Special Meetings. Other meetings of the members may be convened by order of the President, the Vice-President or by the board of governors at any date and time and at any place. The board of governors shall call a special general meeting of members on written requisition of voting members carrying not less than 25% of the voting rights.

37. Notice. Notice of any annual or special general meeting of members shall be provided to the voting members of the Foundation not less than sixty (60) days (exclusive of the day on which the notice is delivered or sent but inclusive of the date for which the notice is given) before the meeting is to take place in the manner specified in paragraph 47. Notice of any meeting where special business will be transacted should contain sufficient information to permit the member to form a reasoned judgment on the decision to be taken. Notice of each meeting of members must remind the member that the member has the right to vote by proxy.
38. Error or Omission in Giving Notice. No error or omission in giving notice of any annual or special meeting or any adjourned meeting of the members of the Foundation shall invalidate any resolution passed or any proceedings taken at any meeting of members.
39. Quorum. A quorum at any meeting of the members shall be five per cent (5%) of the voting members present in person or represented by proxy or, if authorized under paragraphs 42 and/or 43, present by teleconference and/or other electronic means.
40. Chairperson of the Meeting. In the event that the President and the Vice-President are absent, the persons who are present and entitled to vote shall choose one of their number to be chairperson of the meeting.
41. Meetings by Teleconference. If a majority of the voting members of the Foundation consents (either at a meeting of members by simple resolution or by consents signed individually by a majority of the members), a meeting of members of the Foundation may be held by teleconference.
42. Meetings by Other Electronic Means. The voting members of the Foundation may meet by other electronic means that permits each member to communicate adequately with each other, provided that:
  - (a) the board of governors of the Foundation has passed a resolution addressing the mechanics of holding such a meeting and dealing specifically with how security issues should be handled, the procedure for establishing quorum and recording votes;
  - (b) each member has equal access to the specific means of communication to be used;
  - (c) a majority of the members has consented in advance to meeting by electronic means using the specific means of communication proposed for the meeting.
43. Voting of Members. Each member present at a meeting shall have the right to exercise one vote. A member may, by means of a written proxy, appoint a proxy holder to

attend and act at a specific meeting of members, in the manner and to the extent authorized by the proxy. A proxy holder must be a member of the Foundation. No member shall be entitled either in person or by proxy to vote at meetings of members of the Foundation unless the member has paid all dues or fees, if any, then payable by the member.

44. Written Resolutions. Except where the Act requires a meeting of members with respect to the matter to be voted on by the members, a resolution in writing, signed by 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. Subject to the Act, a majority vote of the members shall be required to approve any matter that can be voted on by written resolution.
45. Mail and Electronic Ballots. Except where the Act requires a meeting of members with respect to the matter to be voted on by the members, a mail or electronic ballot may be used by members entitled to vote on that resolution at a meeting of members and any decision made by the members in this manner is as valid as if it had been passed at a meeting of members. Where a notice of meeting states that the members may vote by mail or electronic ballot, the form of ballot shall be attached to the notice of meeting and the notice shall specify that the mail or electronic ballot must be completed, signed by the member and received by the Secretary of the Foundation (at the address specified) by a date specified in the notice if the member wishes to record his or her vote. Any votes received by mail or electronic ballot after that time shall not be counted for the purposes of the meeting. A majority vote of the members shall be required to approve any matter that can be voted on by means of a mail or electronic ballot.

#### EXECUTION OF INSTRUMENTS

46. Execution of Instruments. All documents requiring the signature of the Foundation may be signed by any two (2) of its officers and such documents so signed shall be binding upon the Foundation without any further authorization or formality. The board of governors shall have power from time to time by resolution to appoint any other person or persons on behalf of the Foundation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The seal of the Foundation when required may be affixed to any instruments in writing signed as aforesaid or by any officer or officers appointed by resolution of the board of governors.

#### NOTICES

47. Service. Any notice or other document required by the Act, the Regulations, the letters patent or the By-laws to be sent to any member or governor or to the auditor shall be:
- (a) delivered personally,
  - (b) sent by prepaid mail, or
  - (c) sent by electronic means such as e-mail or facsimile

at such person's latest address as shown in the records of the Foundation and to the auditor at its business address, or if no address be given therein then to the last address of such member or governor known to the Secretary; provided always that notice may be waived or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto.

48. Proof of Service. With respect to every notice or other document sent by mail, it shall be sufficient to prove that the envelope or wrapper containing the notice or other document was properly addressed as provided in paragraph 47 of this By-law and mailed at a post office or mail box. With respect to any notice or other document sent by electronic means, it shall be sufficient to produce the electronic confirmation that the notice or other document was sent electronically. A certificate of an officer of the Foundation in office at the time of the making of the certificate as to facts in relation to the sending or delivery of any notice or other document to any member, director, officer or auditor or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every member, governor, officer or auditor of the Foundation as the case may be.

#### RULES AND REGULATIONS

49. Rules and Regulations. The board of governors may prescribe such rules and regulations not inconsistent with the By-laws relating to the management and operation of the Foundation and other matters provided for in these By-laws as they may deem expedient.

#### BY-LAWS

50. By-laws. The board of governors may from time to time enact by-laws relating in any way to the Foundation or to the conduct of its affairs, including, but not limited to, by-laws providing for applications for supplementary letters patent, and may from time to time by By-law amend, repeal or re-enact the by-laws but no by-law shall be effective until sanctioned by at least two-thirds (2/3) of the votes cast at a meeting of the members duly called for the purpose of considering same and the repeal or amendment

of by-laws not embodied in the Letters Patent shall not be enforced or acted upon until the approval of the Minister of Industry in respect thereof has been obtained

AUDITORS

51. Auditors. The members shall at each annual meeting appoint an auditor to review the accounts of the Foundation according to Generally Accepted Accounting Principles. The auditor shall report to members and shall hold office until the next following annual meeting; provided, however, that the governors may fill any casual vacancy in the office of the auditor. The remuneration of the auditor shall be fixed by the board of governors.

FINANCIAL YEAR

52. Financial Year. The financial year of the Foundation shall terminate on the 31st day of December in each year or on such other date as the governors may from time to time by resolution determine.

ENACTED this 17<sup>th</sup> day of September 2007.

I, Derrick Jamieson, certify this to be a true copy of the amended By-laws approved by the Board of Governors of the Agricultural Institute of Canada Foundation at a general meeting of the Foundation held by conference call on September 17, 2007.

WITNESS the seal of the Foundation.

Derrick Jamieson  
President

Wayne Wickens  
Secretary