

**OFFICE CONSOLIDATION
MANITOBA CANOLA GROWERS ASSOCIATION INC.**

All persons making use of this Office Consolidation are reminded that it has no official status. Amendments have been inserted into By-law No. 1/2020 for convenience of reference only. The original By-laws should be consulted for purposes of interpreting and applying the By-laws. This Office Consolidation includes By-law No. 1/2012 passed by the Board on February 27, 2012 and confirmed by the Members on February 28, 2012; as amended by By-law No. 1/2017 passed by the Board on January 13, 2017 and confirmed by the Members on February 16, 2017; as amended by By-law No. 1/2020 passed by the Board on January 14, 2021 and confirmed by the Members on February 11, 2021; as amended by By-law No. 1/2023 passed by the Board on January 20, 2023 and confirmed by the Members on February 16, 2023.

Note: This Office Consolidation was prepared on March 9, 2023.

BY-LAW NO. 1/2023

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

MANITOBA CANOLA GROWERS ASSOCIATION INC.

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BE IT ENACTED as a by-law of the Association as follows:

Section One

INTERPRETATION

1.01 Definitions. In the by-laws of the Association, unless the context otherwise requires:

"Act" means The Corporations Act (Manitoba), and any statute that may be substituted therefor, as from time to time amended;

"appoint" includes "elect" and vice versa;

"articles" means the articles of the Association as from time to time amended or reinstated;

"Association" means the corporation incorporated under the Act and named MANITOBA CANOLA GROWERS ASSOCIATION INC.;

"board" means the board of directors of the Association;

"by-laws" means this by-law and all other by-laws of the Association from time to time in force and effect;

"Eligible Person" means an individual who is a Member or who is the designated representative of a Member which is a corporation, partnership, or other person;

"Ineligible Individual" means an individual determined to be an ineligible individual pursuant to section 6.05;

"meeting of Members" includes an annual meeting of Members and a special meeting of Members;

"person" includes an individual, body corporate, partnership, a trust, a joint venture and an unincorporated organization;

"recorded address" means in the case of a Member that Member's address as recorded in the Members' register; and in the case of a director, officer, auditor or member of a committee of the board, that individual's latest address as recorded in the records of the Association;

"signing officer" means, in relation to any instrument, any person authorized to sign the same on behalf of the Association by section 2.05 or by a resolution passed pursuant thereto;

save as aforesaid, words and expressions defined in the Act have the same meanings when used herein; and words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders.

Section Two

BUSINESS OF THE ASSOCIATION

2.01 Undertaking of the Association. The Association shall restrict its undertaking as set out in its articles. All profits or other accretions to the Association shall be used in furthering its undertaking. The board may take such steps as they may deem requisite to enable the Association to receive grants and benefits for the purpose of furthering its undertaking.

2.02 Registered Office. Until changed in accordance with the Act, the registered office of the Association shall be at the City of Winnipeg in the Province of Manitoba and at such location therein as the board may from time to time determine.

2.03 Corporate Seal. The Association has no seal.

2.04 Financial Year. Until changed by the board, the financial year of the Association shall end on the last day of July in each year.

2.05 Execution of Instruments. Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Association by the president and the vice-president together, or either of them with the secretary or the treasurer. In addition, the board may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed.

2.06 Financial Arrangements. The financial business of the Association including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, credit unions, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the board. Such financial business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the board may from time to time prescribe or authorize.

2.07 Voting Rights in Other Bodies Corporate. The signing officers of the Association may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Association. Such instruments, certificates or other evidence shall be in favour of such person or persons as may be determined by the officers executing such proxies or arranging for the issuance of voting certificates or such other evidence of the right to exercise such voting rights. In addition, the board may from time to time direct the manner in which and the person or persons by whom any particular voting rights or class of voting rights may or shall be exercised.

2.08 SR&ED Agents. The Association shall be considered and act as agents for its Members in respect of all matters relating to the scientific research and experimental development tax credit.

[see By-law 1/2023]

BORROWING AUTHORITY

3.01 Borrowing Power. Without limiting the borrowing powers of the Association as set forth in the Act, the board may from time to time:

- (a) borrow money upon the credit of the Association;
- (b) issue, reissue, sell or pledge bonds, debentures, notes or other evidence of indebtedness or guarantee of the Association, whether secured or unsecured; and
- (c) mortgage, hypothecate, pledge or otherwise create an interest in or charge upon all or any property (including the undertaking and rights) of the Association, owned or subsequently acquired, by way of mortgage, hypothec, pledge or otherwise, to secure payment of any such evidence of indebtedness or guarantee of the Association.

Nothing in this section limits or restricts the borrowing of money by the Association on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Association.

MEMBERSHIP

4.01 Membership. Except as otherwise provided in this section, each person engaged in the business of producing and marketing canola in Manitoba and who has paid fees to the Association on all canola marketed by such person in the previous fiscal year of the Association pursuant to Manitoba Regulation 57/96 being a regulation made under *The Agricultural Producers' Organization Funding Act* (the "Funding Act") which designates the Association as the representative organization of producers of Canola shall be a Member of the Association for the subsequent two (2) fiscal years of the Association.

[see By-law 1/2020]

Notwithstanding the provisions set out above, upon receipt by the Association of a Member's application for a refund under the Funding Act, the Member's membership shall automatically terminate and such person shall not be eligible to be a Member of the Association during that fiscal year or during the subsequent fiscal year of the Association.

4.02 Types of membership. There shall be two (2) types of membership, namely:

- (a) Members; which shall be open to every person engaged in the business of producing and marketing canola in Manitoba and who has met the requirements of section 4.01;
- (b) Associate Members; which shall be open to any person involved in the canola industry, who supports the objectives of the Association, who has applied to become an Associate Member and whose application for such membership has been approved by the board of directors, and who has paid the membership fee for Associate Members as set out in section 4.04.

4.03 Voting.

- (a) In the case of an individual who is a Member, the individual shall be entitled to one vote at each meeting; in the case of a corporation which is a Member, the corporation may designate a director and shareholder of that corporation to be an "Eligible Person" to represent it at meetings of the Association and such Eligible Person shall be entitled to one (1) vote at each meeting of Members of the Association; and in the case of a partnership which is a Member, the partnership may designate a partner in that partnership to be an "Eligible Person" to represent it at meetings of the Association and such Eligible Person shall be entitled to one (1) vote at each meeting of Members of the Association. In the case any other type of person which is a Member, that Member may designate an individual to be an Eligible Person to represent it at meetings of the Association and such Eligible Person shall be entitled to one (1) vote at each Meeting of Members of the Association.
- (b) Associate Members shall be entitled to receive any newsletter issued by the Association but shall not be entitled to notice of any meetings of the Association, or to attend or to speak at such meetings of the Association without the approval of the chair of such meeting, or to vote at such meetings, or to be elected as a director of the Association.

4.04 Membership Fees.

- (a) The membership fee payable by a Member from time to time shall be an amount equal to the fee payable by that person on that person's production and marketing of canola pursuant to the Funding Act and must be paid on all marketing of canola by that person in the previous fiscal year of the Association as well as current fiscal year of the Association. If the Association has not received a fee from a Member for two (2) consecutive fiscal years of the Association the membership of that Member shall automatically terminate.
- (b) The membership fee for Associate Members shall be that amount prescribed by the board of directors from time to time.

4.05 Termination of Membership. The membership of a Member in the Association is not transferable and terminates and ceases to exist:

For Members:

- (a) as provided in section 4.01, upon receipt by the Association of a Member's application for a refund under the Funding Act;
- (b) as provided in section 4.04, if the Association has not received a fee from the Member for two (2) consecutive fiscal years of the Association;
- (c) upon the death of the Member who is an individual;
- (d) upon the dissolution of a corporation, a partnership, other person which is a Member; or
- (e) otherwise in accordance with these by-laws.

For Associate Members:

- (a) after the end of a fiscal year of the Association for which the person last paid the applicable membership fees.

4.06 Other Cancellation or Suspension of Membership. The board may cancel or suspend the membership of a Member by resolution for cause, or where the directors otherwise are of the opinion that such cancellation or suspension is in the best interests of the Association. Such Member shall receive at least seven (7) days notice of the meeting of the board at which such resolution is to be considered, together with a statement of the grounds upon which the membership of the Member is proposed to be terminated, and such Member shall be entitled to appear by or with an agent or counsel, to make submissions at the meeting.

[see By-law 1/2020]

Section Five

MEETINGS OF MEMBERS

5.01 Annual Meetings. The annual meeting of Members of the Association shall be held at such time in each year and, subject to section 5.03, at such place as the board may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, appointing auditors and for the transaction of such other business as may properly be brought before the meeting. Meetings may be held in accordance with the applicable regulations under The Corporations Act (Manitoba), if any, entirely by means of a telephonic, electronic or other communication facility that permits all registered producers or designated representatives participating in such a meeting to communicate adequately with each other during the meeting.

[see By-law 1/2020]

5.02 Special Meetings. The board, or the president shall have the power to call a special meeting of Members at any time. The board shall call a special meeting of Members upon written requisition signed (by print or by electronic signature) by not less than 5% of the Members, such requisition to clearly state the nature and purpose of the business to be transacted at such meeting.

[see By-law 1/2020]

5.03 Place of Meetings. Meetings of Members shall be held at a place in Manitoba or as a virtual meeting as the board may determine.

[see By-law 1/2020]

5.04 Notice and Business to be Conducted. Notice of the time and place of each meeting of Members shall be published in the Canola Digest or such other print or electronic publication as the directors may designate for such purpose circulating in the production area for canola in Manitoba where the date of publication is between twenty-one (21) days and fifty (50) days before the meeting.

[see By-law 1/2020]

The Board shall prepare an agenda for each meeting of Members stating the business which may be properly brought before the meeting. The agenda shall be delivered or sent by mail, fax or email to each Member, at least seven (7) days prior to the meeting. The Board shall also establish Rules and Regulations governing the manner in which any business (including any resolution or any amendment, repeal or replacement of this by-law) may be submitted by persons entitled to attend and vote at the meeting for inclusion on such agenda.

[see By-law 1/2020]

A notice of the meeting shall also be posted on the website of the Association not less than twenty-one (21) days before such meeting and shall remain on the Association's website until the conclusion of that meeting. Such notice shall also be given in the manner provided in section 10.01 not less than twenty-one (21) days nor more than fifty (50) days before the date of the meeting to each director and to the auditor.

Notice of a meeting of Members called for any purpose other than consideration of the financial statements and auditor's report, and reappointment of the incumbent auditor shall state the nature of such business in sufficient detail to permit the Member to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting. A person may in any manner waive notice of or otherwise consent to a meeting of Members.

5.05 List of Members Entitled to Participate. For every meeting of Members, the Association shall prepare a list of Members entitled to attend the meeting, arranged in alphabetical order. The list shall include all Members registered at the close of business on the day immediately preceding the day on which notice of the meeting is given.

[see By-law 1/2020]

5.06 Chair, Secretary and Scrutineers. The chair of any meeting of Members shall be the first mentioned of such of the following officers as have been appointed and who is present at the meeting: the president, or the vice-president. If no such officer is present within 15 minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chair. If the secretary of the Association is absent, the chair shall appoint some person, who need not be a Member, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be Members, may be appointed by a resolution or by the chair with the consent of the meeting.

5.07 Persons Entitled to be Present. The only persons entitled to be present at a meeting of Members shall be individuals who are Members and Eligible Persons designated by corporations, partnerships and other persons which are Members, the directors and auditors of the Association and others who, although not entitled to vote, are entitled or required under any provisions of the Act or the articles or by-laws to be present at the meeting. Associate Members and other persons may be admitted only on the invitation of the chair of the meeting or with the consent of the meeting.

For the purpose of sections 5.08 to 5.12 inclusive Eligible Persons attending a meeting of Members will be deemed to have been named on the list referred to in section 5.05.

5.08 Quorum. A quorum for the transaction of business at any meeting of Members shall those persons present in person or confirmed in attendance by means of electronic communication, from time to time each being a Member entitled to vote thereat.

[see By-law 1/2020]

5.09 Right to Vote. At any meeting of Members every person in attendance in-person or virtually who is named in the list referred to in section 5.05, shall be entitled to one vote.

[see By-law 1/2020]

5.10 Votes to Govern. At any meeting of Members every question shall, unless otherwise required by the articles or by-laws or by law, be determined by the majority of the votes cast on the question. In case of an equality of votes either upon a show of hands or upon a poll, the motion shall be lost.

5.11 Show of Hands. Subject to the provisions of the Act, a resolution put to a vote at a meeting of Members shall be decided by a show of hands unless a ballot thereon is required as hereinafter provided. Upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required, 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 the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the Members upon the said question.

[see by-law 1/2020]

5.12 Ballots. On any question proposed for consideration at a meeting of Members, and whether or not a show of hands has been taken thereon, the meeting may decide to subject such question

to a ballot. A ballot so required shall be taken in such manner as the chair shall direct. If a ballot is taken each person present and entitled to vote shall have one vote upon the question, and the result of the ballot so taken shall be the decision of the Members upon the said question.

5.13 Alternate Voting. Despite clause 5.12, at the discretion of the board, and in accordance with those procedures, rules and processes established by the board by time to time, voting may take place in advance of the meeting of Members by mail-in or electronic ballot. Votes shall be counted on the day of the meeting of Members, with the results to be reported during that meeting.

[see By-law 1/2020]

5.14 Adjournment. If a meeting of Members is adjourned for less than thirty (30) days, it shall not be necessary to give notice of the adjourned meeting if the time and place of the adjourned meeting is announced at the original meeting.

5.15 Rules of Order. In the case of a question or dispute over procedure to be followed in the conducting of a vote or carrying on the business of a meeting, Robert's Rules of Order shall be followed except where inconsistent with these by-laws.

5.16 Hybrid/Other Means. For greater certainty, Subject to the provisions of the Act, at the discretion of the board, and in accordance with those procedures, rules and processes established by the board from time to time, a meeting of Members may be undertaken by way of any combination of the methods provided for in sections 5.11, 5.12, and/or 5.13 and, additionally, any other means or methods not otherwise provided for herein, which demonstrate, in the opinion of the board, comparable levels of reliability, certainty, and exactness to those methods provided for in sections 5.11, 5.12, and 5.13.

[see By-law 1/2020]

5.17 Electronic Meeting. Where the Association has adequate facilities and at the discretion of the board, by way of resolution, Members may participate in a meeting of Members by telephone or electronic means. All participants, however, must be able to communicate adequately with each other. Members participating in such meetings are deemed to be present, including for the purposes of quorum.

[see By-law 1/2020]

Section Six

DIRECTORS

6.01 Number of Directors and Quorum. Subject to the articles and any vacancies, the board shall consist of eight (8) directors. The quorum for the transaction of business at any meeting of the board shall consist of a majority of the number of directors constituting the board from time to time or such greater number of directors as the board may from time to time determine.

[see By-law 1/2020]

6.02 Qualification. No person shall be qualified for election as a director if such person is less than 18 years of age; if such person is of unsound mind and has been so found by a court in Canada or elsewhere; if such person is not an individual; or if such person has the status of a bankrupt; or if such person is an employee of the Association or has contracted directly or indirectly, to provide services to the Association. A director must be an Eligible Person. An Ineligible Individual is not qualified to be elected a director. A director must be a resident of Manitoba.

6.03 Election and Term. An election shall be held to elect directors to replace those directors whose term of office is to expire in accordance with the following process:

- (a) Each director elected as provided in this section shall take office at the conclusion of the next annual meeting of the Members following the holding of the election and shall hold office for a term of four (4) years, or until such time as the director vacates the office as per clause 6.04.

[see By-law 1/2020]

- (b) Prior to July 31 of the year prior to the year in which the office of a director is to expire, the board shall appoint a returning officer to conduct the election.
- (c) Retiring directors, if qualified, shall be eligible for re-election, provided however no individual who has been a director for three consecutive four (4) year terms shall be eligible for re-election.
- (d) Nominations for the office of director shall be submitted to the main business office of the Association in Winnipeg on or after the 15th day of November and not later than 4:30 p.m. C.S.T. on the 30th day of November in an election year.

[See By-law 1/2020]

- (e) The returning officer conducting an election shall not accept a nomination unless:
 - (i) the nominee is an Eligible Person and is not an Ineligible Individual;
 - (ii) the nomination is in the form set out in Schedule "A" attached hereto, as same may be modified from time to time by a resolution of the board;
 - (iii) the nomination bears the signature of at least three (3) Members or Eligible Persons;

[See By-law 1/2023]

- (iv) the nomination bears the signature of the nominee indicating the nominee's acceptance of the nomination; and
- (v) the nomination was received at the main business office of the Association in Winnipeg, not later than the time specified in this section.
- (f) Where the returning officer conducting an election is satisfied that nominations are complete, the returning officer shall forthwith provide each nominee with a list of the nominees. That list shall conclusively determine the nominees for the election.
- (g) A nominee may withdraw the nominee's nomination by Notice in writing to the returning officer delivered electronically or mailed so that it is received at the main business office of the Association not later than the 5th day after the date of the delivery or mailing to the nominee of the list of nominees.

[see By-law 1/2020]

- (h) Where not more than the number of persons to be elected as a director are nominees, the returning officer shall declare such nominees elected as directors by acclamation.
- (i) Where more persons are candidates for election as a director than persons to be elected, the returning officer shall conduct an election. The returning officer shall advise the secretary of the Association of the holding of the election and the secretary shall provide the returning officer with a list of Members as at July 31st of the previous fiscal year and such list shall conclusively determine the eligibility of the Members entitled to vote in the election.
- (j) Where the returning officer is to conduct an election the returning officer may appoint such deputy returning officers and other persons as the returning officer considers necessary to conduct the election.
- (k) The form of the ballot, and the voting instructions to accompany the ballot shall be determined by resolution of the board and communicated to the returning officer. The names of the candidates shall be listed on the ballot in alphabetical order. The ballot must allow a voter to rank candidates in order of preference. The voting instructions must also specify whether a ballot may be cast by use of electronic processes, including the internet.

[see By-law No. 1/2017]

- (l) The returning officer must ensure that all methods of voting preserve the anonymity of voters and the secrecy of their vote.

[see By-law No. 1/2017]

- (m) Where an election is to be conducted the returning officer shall mail one ballot accompanied by the voting instructions to each Member not later than the 14th day of December.

[see By-law No. 1/2017]
[see By-law No. 1/2020]

- (n) A ballot must be cast in the manner specified in the voting instructions.

[see By-law No. 1/2017]

- (o) The returning officer must not accept a ballot unless it is received in the manner specified in the voting instructions not later than 4:30 p.m. C.S.T. on the 15th day of January.

[see By-law No. 1/2017]
[see By-law No. 1/2020]

- (p) The ballots cast by Members shall be counted by the returning officer on the 5th business day following the date specified in clause (o) in accordance with a procedure acceptable to the returning officer and approved by a resolution of the board.

[see By-law No. 1/2017]

- (q) Each candidate may designate a scrutineer, who must not be a candidate, to be present at the place where the ballots are counted.

[see By-law No. 1/2017]

- (r) The returning officer shall declare the results of the election and shall notify the candidates and the Association of such results.

[see By-law No. 1/2017]

- (s) All ballots cast in an election and other electronic documents must be retained until the later of the time specified in clause (t) and the completion of any recounting of the ballots under clause (u).

[see By-law No. 1/2017]

- (t) Any candidate may request a recounting of the ballots by Notice in writing to the returning officer delivered or mailed so that it is received by the returning officer not later than five (5) days after the date of notification referred to in clause (r).

[see By-law No. 1/2017]

- (u) Upon receipt of a Notice under clause (t) the returning officer shall conduct a recounting of the ballots and each candidate may designate a scrutineer, who must not be a candidate, to be present at such recounting.

[see By-law No. 1/2017]

- (v) The election of a candidate on the basis of such recounting shall be final.

[see By-law No. 1/2017]

- (w) In the case of a tie between or among candidates to be elected the deadlock shall be broken by a vote at the next annual meeting of Members. The returning officer shall be responsible for conducting such election. Voting shall be by secret ballot.

[see By-law No. 1/2017]

- (x) Any accidental omission or failure on the part of the board or the returning officer to comply with the provisions of this section does not invalidate an election.

[see By-law No. 1/2017]

Notwithstanding the specific times and dates set out in the above process, such times and dates may be extended to later times and dates acceptable to the returning officer and approved by a resolution of the board in order to deal with a force majeure or other extenuating circumstance.

A meeting may be held entirely by means of a telephonic, electronic or other communication facility if the Producer Board makes available such a communication facility and the vote is held in accordance with the applicable regulations under The Corporations Act (Manitoba), if any.

6.04 Vacation of Office. A director ceases to hold office when such person dies; is absent from three consecutive meetings of the board, unless the absence is due to illness or other emergency which prevented the director from attending or unless such absence is excused or consented to by the board; ceases to be qualified for election as a director; ceases to be a resident of Manitoba; or a written resignation is sent or delivered to the Association, or if a time is specified in such resignation, at the time so specified, whichever is later.

6.05 Other Vacation of Office. A director shall also cease to hold office if the board passes a resolution by a majority of at least 2/3 (two-thirds) of the votes cast stating that the director has

- (i) failed to adhere to the provisions of section 6.19 of this by-law dealing with conflict of interest, or that the director has failed to provide a Disclosure Statement or to make a disclosure as required in such Disclosure Statement;
- (ii) failed to adhere to the provisions of section 6.20 of this by-law dealing with confidentiality, or that the director has failed to provide a satisfactory Undertaking as required by subsection 6.20(b) or has breached such Undertaking, or
- (iii) failed to adhere to the provisions of section 6.21 of this by-law dealing with miscellaneous duties and obligations of directors and has breached such duties and obligations;

and determining that such director is an "Ineligible Individual".

6.06 Vacancies. Subject to the Act, in the event of a vacancy in the board, a quorum of the board may appoint an Eligible Person to fill the vacancy for the balance of the term of the director whose cessation of office caused the vacancy.

6.07 Action by the Board. The board shall manage the business and affairs of the Association. Subject to section 6.08, the powers of the board may be exercised by resolution passed at a meeting at which a quorum is present or by resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board. Where there is a vacancy in the board, the remaining directors may exercise all the powers of the board so long as a quorum remains in office.

6.08 Virtual Meetings. By request and with approval from the board, a director may participate in an in-person meeting of the board or of a committee of the board by means of such video conference, telephone or other communications facilities as permit all person participating in the meeting to hear each other and communicate adequately with each other, and a director participating in such a meeting by such means is deemed 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.

[see By-law 1/2020]

6.09 Place of Meetings. Meetings of the board may be held at any place in Manitoba or any such other place as may be determined by a resolution of the board.

6.10 Callings of Meetings. Meetings of the board shall be held from time to time and at such place as the board, the president, or any three directors may determine.

6.11 Notice of Meeting. Notice of the time and place of each meeting of the board shall be given in the manner provided in section 10.01 to each director not less than seven (7) days before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified, including any proposal to:

- (a) submit to the Members any question or matter requiring approval of the Members;
- (b) fill a vacancy among the directors or in the office of auditor;
- (c) issue securities;
- (d) approve any annual financial statements; or
- (e) adopt, amend or repeal by-laws.

A director may in any manner waive notice of or otherwise consent to a meeting of the board.

6.12 First Meeting of New Board. Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting immediately following the conclusion of the annual meeting at which time they take office.

6.13 Adjourned Meeting. Notice of an adjourned meeting of the board to be held within forty-eight (48) hours from the time the original meeting is adjourned is not required if the time and place of the adjourned meeting is announced at the original meeting.

6.14 Regular Meetings. The board shall hold at least four (4) meetings in each calendar year. The board may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

6.15 Chair. The chair of any meeting of the board shall be the president, or in the president's absence a vice-president who is chosen by the directors present to be chair. If no such officer is present, the directors present shall choose one of their number to be chair.

6.16 Votes to Govern. At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chair of the meetings shall not be entitled to a second or casting vote.

6.17 Reimbursement for Expenses. The directors shall not be paid remuneration for their services. The directors may, by resolution of the board, receive per diem honorariums for attending meetings of the board or any committee thereof, or such other meeting as may be determined by the board from time to time, and may be reimbursed for travelling and other expenses properly incurred by them in attending such meetings. The aggregate of per diem honourariums paid to a director during a fiscal year of the Association shall be made available upon request at the Annual General Meeting. of the Association for that fiscal year.

[see By-law 1/2020]

6.18 Report. The board shall submit or cause to be submitted to the annual meeting of Members of the Association and to any other general meeting of Members, a report as to the affairs of the Association. In addition, it shall be the responsibility of the board to keep the Members informed as

to the affairs of the Association and to encourage interest, discussion and support on the part of the Members throughout the year by presenting periodic reports to the Members as to the affairs of the Association and the condition of its business.

6.19 Conflict of Interest.

- (a) The Guidelines annexed hereto and marked Schedule “B” shall govern the interpretation and application of this section and shall be adhered to by each director.

[See by-law 1/2020]

- (b) Within a reasonable period of time following the election of an individual as a director of the Association, and prior to March 31st in each calendar year thereafter, each director shall disclose in writing to the other directors all business, commercial or financial interests where such interest may conceivably be construed as being in actual or potential conflict with the director’s duties and responsibilities as a director and shall execute an Undertaking in such form as may be approved by the board with respect to how the director proposes to avoid any conflict or appearance of conflict with that director’s duties and responsibilities as a director of the Association.

- (c) Each director who may become interested in a business, commercial or financial interest which interest may conceivably be construed as being an actual or potential conflict with the director’s duties and responsibilities as a director of the Association shall disclose in writing to the other directors all business, commercial or financial interests where such interest may conceivably be construed as being in actual or potential conflict with the director’s duties and responsibilities as a director of the Association and shall execute an Undertaking in such form as may be required by the board with respect to how the director proposed to avoid any conflict or appearance of conflict with that director’s duties and responsibilities as a director of the Association.

- (d) The failure to make the disclosure as required under this section or the failure to provide an Undertaking as required under this section, or the breach of such an Undertaking, by a director shall be grounds for the passage of a resolution by the board under section 6.05 stating that the director has failed to adhere to the provisions of this section dealing with Conflict of Interest, determining that such director is an Ineligible Individual, and causing the office of that director to be automatically vacated.

6.20 Confidentiality.

- (a) The Guidelines annexed hereto and marked Schedule “C” shall be adhered to by each director.

- (b) Within a reasonable period of time following the election of an individual as a director of the Association, that individual shall execute an Undertaking in a form satisfactory to the board with respect to not disclosing information relating to the Association of a confidential nature provided to the directors of the Association, which Undertaking shall reflect the Guidelines set out in Schedule “C”.

- (c) The failure to provide an Undertaking as required under this section or the breach of such an Undertaking by a director shall be grounds for the passage of a resolution by the board under section 6.05 stating that the director has failed to

adhere to the provisions of this section dealing with confidentiality, determining that such director is an Ineligible Individual, and causing the office of that director to be automatically vacated.

6.21 Miscellaneous Duties and Obligations of Directors.

- (a) The Guidelines annexed hereto and marked Schedule "D" shall be adhered to by each director.

- (b) The failure to adhere to the Guidelines set out in Schedule "D" shall be grounds for the passage of a resolution by the board under section 6.05 stating that the director has breached the duties or obligations owed by that individual, determining that such director is an Ineligible Individual, and causing the office of that director to be automatically vacated.

Section Seven

EXECUTIVE AND COMMITTEES

7.01 Executive Committee. The board shall appoint an Executive Committee from time to time. The Executive Committee shall include the president, the vice-president, the secretary and the treasurer of the Association. The members of the Executive Committee must be able to meet on a regular basis. The Executive Committee shall from time to time prepare agendas for meetings for the board of directors and ensure that the meetings of the board of directors have sufficient information and alternatives available to them in order to deal with matters included on such agendas.

During the intervals between the meetings of the board, the Executive Committee shall possess and may exercise (subject to any restrictions which the board may from time to time make) all of the powers of the board in the management and direction of the day to day operation of the Association (save and except only such acts as must by the Act or the articles be performed by the board itself) in such manner as the Executive Committee may deem best in the interest of the Association in all cases in which specific direction shall not have been given by the board. All actions of the Executive Committee shall be reported to the board at the meeting next succeeding such actions and shall be subject to revision or alteration by the board; provided that no acts or rights of the parties shall be affected or invalidated by any such revision or alteration.

7.02 Advisory Committees. The board may from time to time appoint such committees as it may deem advisable, but the functions of any such other committees shall be advisory only.

7.03 Transaction of Business. Subject to the provisions of section 6.08, the powers of the Executive Committee or any other committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in Manitoba or such other place as may be decided upon by a resolution of the committee.

7.04 Procedure. Unless otherwise determined by the board, each committee shall have the power to fix its quorum at not less than a majority of its members and to regulate its procedure.

Section Eight

OFFICERS

8.01 Appointment. The board may from time to time elect from among their numbers a president, a vice-president, a secretary and a treasurer. The board may also from time to time appoint such other officers as the board may determine. Such other officers may but need not be a director. One person may hold more than one office. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers such powers as it may deem appropriate.

8.02 President. The president shall preside at all meetings of the Members of the Association, and shall preside at meetings of the directors, and of the Executive Committee. The president shall be an ex officio member of all committees appointed by the board. The president shall perform such other duties as are incident to the office of president of the Association or as may be required from time to time by the board.

8.03 Vice-president. The vice-president shall, in the absence of the president or the president's inability from any cause to act, discharge the duties of the president. Should the office of the president become vacant, the vice-president shall act until such time as the directors may appoint a successor. The vice-president shall carry out such duties as the board may assign to such individual.

8.04 Secretary. The secretary shall attend and be the secretary of all meetings of the board and of the Members of the Association, and shall enter or cause to be entered in records kept for that purpose minutes of all proceedings thereat; the secretary shall conduct or cause to be conducted the correspondence of the Association; the secretary shall give or cause to be given, as and when instructed, all notices to Members of the Association, directors, officers, and auditors; except when some other officer or agent has been appointed for that purpose. The secretary shall have such other powers and duties as the board may specify.

8.05 Treasurer. The treasurer shall keep or cause to be kept proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Association; the treasurer shall keep or cause to be kept a proper set of books showing accurately the financial position of the Association and shall render to the board whenever requested by them an account of all of the treasurer's transactions as treasurer and of the financial position of the Association, the treasurer shall have prepared for submission to the annual meeting of Members of the Association a set of financial statements of the financial position of the Association, and when requested to do so, prepare or have prepared interim financial statements for submission to any other general or special meeting of Members of the Association. The treasurer shall have such other powers and duties as the board may specify.

8.06 Powers and Duties of Other Officers. The powers and duties of all other officers shall be such as the terms of their engagement call for or as the board may specify.

8.07 Variation of Powers and Duties. The board may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer.

8.08 Term of Office. Each officer appointed by the board shall hold office until that officer's successor is appointed, provided that the board, in its discretion, may remove any officer of the Association.

8.09 Agents and Attorneys. The board shall have the power from time to time to appoint agents or attorneys for the Association in or outside Canada with such powers of management or otherwise (including the power to subdelegate) as may be thought fit.

8.10 Fidelity Bonds. The board may require such officers, employees and agents of the Association as the board deems advisable to furnish bonds for the faithful discharge of their powers and duties, in such form and with such surety as the board may from time to time determine.

Section Nine

PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

9.01 Limitation of Liability. Every director and officer of the Association in exercising such person's powers and discharging that person's duties shall act honestly and in good faith with a view to the best interests of the Association and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for any loss, damage or expense happening to the Association through the insufficiency or deficiency of title to any property acquired for or on behalf of the Association, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Association shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Association shall be deposited, or for any loss occasioned by any error of judgement or oversight on that director's or officer's part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of the director's or officer's office or in relation thereto; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof.

9.02 Indemnity. Subject to the limitations contained in the Act, the Association shall indemnify a director or officer, a former director or officer, or a person who acts or acted at the Association's request as a director or officer of a body corporate of which the Association is or was a shareholder or creditor, and that person's heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by that person in respect of any civil, criminal or administrative action or proceeding to which that person is made a party by reason of being or having been a director or officer of the Association or such body corporate, if

- (a) that person acted honestly and in good faith with a view to the best interests of the Association; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, that person had reasonable grounds for believing the conduct was lawful.

The Association shall also indemnify such person in such other circumstances as the Act permits or requires.

9.03 Insurance. The Association may purchase and maintain insurance for the benefit of any person referred to in section 9.02 against such liabilities and in such amounts as the board may from time to time determine and are permitted by the Act.

Section Ten

NOTICES

10.01 Method of Giving Notices. Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations thereunder, the articles, the by-laws or otherwise to a Member of the Association, director, officer, auditor or member of a committee of the board shall be sufficiently given if delivered personally to the person to whom it is to be given in writing or by telephone, or if delivered to that person's recorded address or if mailed to that person at that person's recorded address by prepaid ordinary or air mail or if sent to that person at that person's recorded address by any means of prepaid transmitted or recorded communication such as a fax or e-mail, or other reliable form of electronic communication. A notice so delivered shall be deemed to have been given when it is delivered personally or to 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, auditor or member of a committee of the board in accordance with any information believed by that person to be reliable.

[see By-law 1/2020]

10.02 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 date of the meeting or other event shall be included.

10.03 Undelivered Notices. If any notice given to a Member pursuant to section 10.01 is returned on three consecutive occasions because that Member cannot be found, the Association shall not be required to give any further notices to that Member until that Member informs the Association in writing of that Member's new address.

10.04 Omissions and Errors. The accidental omission to give any notice to any Member, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

10.05 Waiver of Notice. Any Member, director, officer, auditor or member of a committee of the board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to that person under any provision of the Act, the regulations thereunder, the articles, the by-laws or otherwise and such waiver or abridgement shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of Members or of the board which may be given in any manner.

Section Eleven

DISSOLUTION

11.01 Dissolution. Upon the dissolution or winding up of the Association, all remaining property of the Association, after payment of all debts and liabilities, shall be distributed to a not-for-profit organization or organizations which include in its (their) activities promoting the interests of canola producers, or to an educational institution for use in appropriate canola related research, promotion or education, such distribution to be determined by a resolution of the directors.

Section Twelve

AMENDMENT AND REPEAL

12.01 Amendment, Repeal and Replacement. This by-law may be amended, repealed and replaced by an affirmative vote of at least 2/3rds of those Members present and entitled to vote at an annual or a special meeting of Members provided that the notice of such meeting included a copy of the resolution setting forth the proposed amendment, repeal, or re-enactment, as the case may be.

This by-law may also be amended, repealed and replaced at any duly called and constituted annual or special meeting of the Members without giving of the notice stated above by a resolution passed by the board of directors of the Association prior to the commencement of that meeting and confirmed by the affirmative vote of at least ninety (90%) percent of those Members present and entitled to vote on such resolution.

12.02 Repeal of Previous By-laws. All previous by-laws of the Association are repealed as of the coming into force of this by-law provided that such repeal shall not affect the previous operation of any by-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under or the validity of any contract or agreement made pursuant to such by-law prior to its repeal. All officers and persons acting under the provisions of the by-laws, and all resolutions of the Members or board with continuing effect passed under any repealed by-law shall continue good and valid except to the extent inconsistent with the by-laws and until amended or repealed.

SCHEDULE "A" TO BY-LAW NO. 1/2012

Form established pursuant to clause 6.03(e) of By-Law No. 1/2012.

**MANITOBA CANOLA GROWERS ASSOCIATION INC.
NOMINATION FOR THE ELECTION OF A DIRECTOR TO THE
MANITOBA CANOLA GROWERS ASSOCIATION INC.**

We hereby nominate _____ for the election as a Director of the Manitoba Canola Growers Association Inc.:

The undersigned each hereby state that the undersigned holds the status of a Member or an Eligible Person under the By-laws of Manitoba Canola Growers Association Inc.

Nominated by:

_____	_____	_____
(print name)	(residential address)	(signature)
_____	_____	_____
(print name)	(residential address)	(signature)
_____	_____	_____
(print name)	(residential address)	(signature)
_____	_____	_____
(print name)	(residential address)	(signature)
_____	_____	_____
(print name)	(residential address)	(signature)
_____	_____	_____
(print name)	(residential address)	(signature)
_____	_____	_____
(print name)	(residential address)	(signature)
_____	_____	_____
(print name)	(residential address)	(signature)
_____	_____	_____
(print name)	(residential address)	(signature)
_____	_____	_____
(print name)	(residential address)	(signature)

I HEREBY ACCEPT THIS NOMINATION AND CONFIRM THAT I AM AN ELIGIBLE PERSON UNDER THE BY-LAWS OF MANITOBA CANOLA GROWERS ASSOCIATION INC.

DATED at _____, in Manitoba, this ____ day of _____, 20_____.

(signature of nominee)

(residential address of nominee)

Nominations must be submitted to the main business office of the Association at 400-167 Lombard Avenue, Winnipeg, MB R3B 0T6 on or after the 15th day of November not later than 4:30 p.m. C.S.T. on the 30th day of November. (see By-law 1/2020)

This nomination was received at the main business office of Manitoba Canola Growers Association Inc. on the __ day of _____, 20_____.

(signature)

SCHEDULE "B" TO BY-LAW NO. 1/2012

Guidelines established pursuant to section 6.19 of By-law No. 1/2012.

CONFLICT OF INTEREST GUIDELINES

GENERAL

1. No conflict should exist or appear to exist between the personal interests of a director of the Association and his or her duties and responsibilities as a director of the Association. For the purposes of this provision "personal interests" include, but are not necessarily limited to, a business, commercial or financial interest, whether of a person involved or arising from family or marital relationships, friends, or from former, existing or prospective business association.
2. Such individuals should arrange their personal affairs in a manner that will prevent conflict of interest from arising.
3. Such individuals should exercise care so as to not benefit or appear to derive a material personal benefit from being a director of the Association.
4. Such individuals should not place themselves in a position where they could derive or appear to derive a material personal benefit, direct or indirect, personally or through a firm or corporation in which the individual has an interest, from contracts or other financial arrangements entered into by the Association, either with themselves, or with members of their immediate family (spouse or dependent children).
5. Nothing in these Guidelines is intended to imply that the participation by a director in the business of producing canola in Manitoba and the marketing of such canola should be considered a conflict of interest. However such a director should refrain from participating in the presentation of any motions, or voting on any resolutions, which would result in a material personal benefit to that director different from the benefit generally available to other producers of canola in Manitoba.

IMMEDIATE DISCLOSURE OF INTEREST

Each director is responsible for the immediate disclosure of any situation or matter where he or she may have a conflict of interest or a potential conflict of interest. Where a director is unsure whether any conflict of interest may exist, it is his or her responsibility to seek clarification from the board.

DECISION AS TO CONFLICT OF INTEREST

The board may decide, by resolution of the board, whether a material personal benefit may be derived or appear to be derived in the case of a director, or whether a conflict exists or appears to exist between the personal interests of a director of the Association and his or her duties and responsibilities as a director of the Association.

MATERIAL CONTRACTS OR ARRANGEMENTS

The Association will not ordinarily enter into a material contract or arrangement with a director or any firm or partnership associated with a director (or the spouse or dependent child of such director) for the provision of goods or services to the Association.

The following examples are intended to provide guidance with respect to material contracts or arrangements for the provision of goods or services:

1. The purchase of goods or services required for the daily operation of the Association in the ordinary course of the business of a supplier from the supplier's retail shelf, published price list, or catalogue would not normally be considered an inappropriate contract or arrangement. On the other hand, a purchase of customized goods or services or the call for tender to provide goods or services from a supplier which would involve a subjective qualitative judgment by the Association may well be considered an inappropriate contract or arrangement.
2. It would be inappropriate for the Association to hire a director, or the spouse or dependent child of a director, as an employee of the Association.

SCHEDULE "C" TO BY-LAW 1/2012

Guidelines established pursuant to section 6.20 of By-law No. 1/2012.

CONFIDENTIALITY GUIDELINES

Definitions

1. In these Guidelines "Confidential Information" means information which is not generally available to members of the public, provided at or in connection with a meeting of the Board of Directors of the Association or given to a director as a result of that individual's status as a director of the Association.

Confidential Information includes, but is not limited to, information relating to the activities, plans, programs, policies, operations, affairs, and business of the Association which is not in the public domain or has not been announced, published or made public in some official manner by the Association.

Confidential Information does not include:

- (a) information which was, at the time of disclosure by a director, in the public domain; or
- (b) information which has been published or otherwise made available to the public through no action, direct or indirect, of the director.

Right of Access

2. A director is entitled to such information, data and knowledge (including Confidential Information) as may be necessary for the director to perform the director's function and as may be approved by the Board of Directors from time to time.

Association Information

3. A director shall hold in strict confidence all Confidential Information relative to the activities, plans, programs, policies, operations, affairs and business of the Association.

The Board of Directors may from time to time determine when Confidential Information may be announced, published, or otherwise made public by the Association.

When Confidential Information is to be announced, published, or otherwise made public by the Association, it shall only be released by or through the President or the Executive Director (or such other person as may be designated by the Association) after due authorization by the Board of Directors.

The President and the Executive Director may also, with the approval of the Executive Committee announce, publish or otherwise make public on behalf of the Association Confidential Information.

Third Party Information

4. Confidential Information provided to a director in the director's capacity as a director with respect to the business and affairs of canola producers and persons doing business with canola producers shall only be used by a director for the sole purpose of dealing with the matter to be decided or dealt with by the Association and for which such information was provided to the Association, and for no other purpose.

Distribution

5. A director must hold all Confidential Information in confidence and must not discuss, indicate, or transmit same to others (except to other directors and the Executive Director) or make any unauthorized copy or use of any Confidential Information provided to the director in any manner, without the specific approval of a resolution of the Board of Directors.

Return of Materials

6. A director shall return to the Association any originals or copies of any information which remains as Confidential Information when the director ceases to be a director of the Association.

Vigilance

7. A director must take all reasonable actions to ensure that no unauthorized use or disclosure of Confidential Information occurs.

Survival

8. The fiduciary duties of a director, which include the duty not to disclose or use any Confidential Information of the Association, survive the director's term of office as a director of the Association.

SCHEDULE "D" TO BY-LAW 1/2012

Guidelines established pursuant to section 6.21 of By-law No. 1/2012.

**MISCELLANEOUS DUTIES AND OBLIGATIONS OF
DIRECTORS' GUIDELINES**

1. Each director in exercising that person's powers and discharging that person's duties shall act honestly and in good faith with a view to the best interests of the Association and in a manner consistent with the Articles of Incorporation and By-laws of the Association and the responsibilities of the Board of Directors.
2. Each director shall exercise the care, diligence and skill that could reasonably be expected from a person of his or her knowledge and experience.
3. Each director shall respect, in spirit as well as in the letter, the programs, positions and policies established by the Association.
4. No director shall publicly criticize a program, position, or policy adopted by the Association.
5. No director shall engage in conduct unbecoming of a director of the Association, and each director shall observe a standard of conduct that reflects credit on the Association and inspires confidence, respect and trust of both the directors and the supporters of the Association and of the general public.