

CONSTITUTION AND BYLAWS
OF THE
MANITOBA PULSE GROWERS ASSOCIATION INC.

BY-LAW NO. 1

A By-law relating, generally, to the transaction of the affairs of THE MANITOBA PULSE GROWERS ASSOCIATION INC.

BE IT ENACTED, as a By-law of THE MANITOBA PULSE GROWERS ASSOCIATION INC., THAT:

NAME

1. The name of this non-share capital corporation shall be the **MANITOBA PULSE GROWERS ASSOCIATION INC.**, hereinafter referred to as "**MPGA**", unless changed by the Board of Directors in accordance with *The Corporations Act (Manitoba)*.

HEAD OFFICE

2. The Head Office of the Corporation shall be located in the Province of Manitoba, Canada, at the place therein as the Directors may, from time to time, decide.

OBJECT

3. The object of this Corporation shall be the advancement of Manitoba's pulse crop growing industry in all of its phases. This object shall be carried out by:

- a) Facilitating mechanisms for exchange of ideas and information;
- b) Collecting, and making available to its members, useful scientific and general information on producing, storing, packaging, processing, transporting, marketing, and utilizing of pulse crops;
- c) Improving trade relationships, and promoting consumption of Manitoba grown pulse crops;
- d) Demonstrating desirable production and merchandising practices and research projects by means of field days;
- e) Co-operating with other agricultural groups in the promotion of the welfare of pulse crops producers;
- f) Providing financial support to stimulate, increase and improve the production and marketing of Manitoba grown pulse crops;
- g) Acting as agents for producers in all matters relating to the Scientific Research and Experimental development Investment Tax Credit Program (hereinafter referred to as SR & ED)
- h) Using such other means as may, from time to time, seem desirable.

MEMBERSHIP

4. a) **Active Members** – Members will include any person, corporation, partnership or joint venture who has grown or harvested a pulse crop in Manitoba and who has made a payment by automatic check-off, as described in Schedule A of *The Agricultural Producers' Association Funding Act*, and payment has been received by MPGA since September 30th of the year that is 24 months prior. If since September 30th of the year, that is 24 months prior, MPGA has not received a member's automatic check-off pursuant to the Act, their membership will be automatically revoked. Upon receipt by the Association of a producer's application for any refund under the Act

the producer's membership is automatically revoked, and the producer must contribute through the automatic check-off under the Act and the same must be received by MPGA for one year prior to being reinstated as a member.

Membership is non-transferable.

Each member shall be entitled to one vote for each entity that has contributed by automatic check-off pursuant to the Act, notwithstanding that the entity might be a partnership of two or more persons or a corporation with more than one shareholder or a joint venture with two or more persons.

- b) **Associate Members** - Any person, corporation, partnership or joint venture interested in the pulse crop industry, and is not eligible for active membership, may be admitted as an Associate Member upon application to the Executive Manager, payment of the prescribed annual membership fee and approval of his/her application by the Board of Directors. This entitles the Associate Member to associate membership privileges as set out herein for the calendar year.
- c) **Patron Members** - Any person, corporation, partnership, or joint venture who is not eligible for active membership or associate membership may be admitted as a patron member upon application to the Executive Manager, payment of the prescribed annual membership fee and approval of this application by the Board of Directors. This entitles the Patron member to patron membership privileges as set out herein for the calendar year.
- d) **Honorary Life Members** - any person, corporation, partnership, or joint venture, who has rendered meritorious service to the pulse crop industry in Manitoba, may be admitted as honorary life member of the Corporation upon selection by the Board of Directors and approval at the annual meeting of the members of the Corporation.

MEMBERSHIP FEES

- 5. The membership fees for associate members and patron members shall be prescribed annually at the annual meeting of members of the Corporation.

MEMBERSHIP PRIVILEGES

- 6. All members of the Corporation in good standing shall be entitled to receive copies of any literature, particularly notice of meetings and minutes of meetings, that may be sent out by the Corporation from time to time, be entitled to participate in the *Advance Payments Program* as outlined under the *Agricultural Marketing Programs Act*, and shall further be entitled to any other services and privileges for which the Corporation may provide or arrange.

MEETINGS

- 7. a) The Board of Directors shall call an annual meeting of the members of the Corporation within 90 days of each financial year-end of the Corporation. The Board of Directors shall determine the time and place of such meeting and may call additional general meetings of the members of the Corporation if and when they deem such meetings necessary.

- b) A special meeting of members shall be called upon 5% of voting members requisitioning in writing, the President or Board to call such a special meeting and stating the purpose of such meeting including the text of the proposed motion or resolution, which is being requested by the 5% of members, or upon resolution of the Board of Directors. A special meeting may be held in conjunction with the AGM. Notice of a special meeting shall be given either by publishing same in the Association newsletter or by mailing to members at their last known address and providing notice of the special meeting is given at least 21 days but not more than 50 days prior to the holding of said special meeting and providing there is sufficient information in the notice to permit members to form a reasoned judgement on the decision to be taken. Notice shall also be sent to all directors and the auditor of the Corporation.
- c) A minimum of 21 days and a maximum of 50 days notice shall be given of each annual or special meeting of the members of the Corporation and such notices shall name the time and place at which the meeting is to be held. Such notice shall be given by publication in the Association's newsletter or by a notice mailed to all members in good standing
- d) Any member in good standing who wants to bring forward a resolution to the annual general meeting must give 90 days advance notice to the Board of Directors. The Board of Directors will send notice to members, as outlined in 7 (c), disclosing the text of any resolution to be considered at the meeting.

VOTING

8. Only active members in good standing may vote at any special or annual meeting of the members of the Corporation. Voting shall be by a show of hands except in the election of directors and such other matters as the directors may specify, which will be by secret ballot.

BOARD OF DIRECTORS

9. The Board of Directors shall be composed of a minimum of nine and a maximum of fifteen directors. A majority of these directors shall be active members of the Corporation who are in good standing, elected at the annual meeting, and shall serve for a term of three years, except that for the first year, a third of them shall be elected to serve one year, another third to serve two years and another third to serve three years. The remaining directors shall include the immediate past president of the Corporation and additional directors appointed annually by the Board. In making these appointments, the Board shall attempt to obtain representation from:

- a) Manitoba Agriculture, Food and Rural Initiatives
 - b) The Faculty of Agricultural and Food Sciences, University of Manitoba
 - c) Agriculture and Agri-Food Canada in Manitoba
 - d) Pulse crop processing firms as nominated by the Canadian Special Crops Association in Manitoba.
10. Any nominating committee shall attempt to fulfil the following goals:
- a) Nominate active members for election to the Board of Directors representing all pulse crops grown in Manitoba,
 - b) Nominate active members for election to the Board of Directors in proportion to the acreage of these crops grown by the active members in the Corporation.

11. The office of a Director shall be automatically vacated:
- a) If a Director shall resign his/her office by delivering a written resignation to the executive manager of the Corporation.
 - b) A Director misses three consecutive Directors' meetings without reasonable cause;
 - c) On the death of the Director;
 - d) If at a special meeting of the members of the Corporation a resolution is passed by a majority of the members present and eligible to vote at the meeting that the Director be removed from office, same being in accordance with the rules required for removal of a director under *The Corporations Act (Manitoba)*, sections 104 and 105.

In the event that a Director resigns, or is unable or unwilling to continue active, or in the event that a full slate of officers is not elected, the vacant position(s) may be filled by appointment(s) by the majority vote of the remaining Board members.

12. Directors retiring from office at the expiry of their term shall be deemed to hold office until the completion of MPGA's annual meeting. Incoming directors and officers shall assume office at the completion of the annual meeting of the MPGA. In the event a director becomes ineligible for office, other than pursuant to s.100 of *The Corporations Act (Manitoba)*, the director will remain in office until the end of their current term.

13. The Directors may exercise all powers of the Corporation as are not by these by-laws or by *The Corporations Act (Manitoba)* required to be exercised by the members at a general meeting. Without limiting the generality of the foregoing, it shall be the duty of the Board of Directors:
- a) To direct the operation of the Corporation;
 - b) To develop and execute the policy of the Corporation;
 - c) To appoint members and officers of such committees of the Corporation as may from time to time appear necessary and desirable;
 - d) To make recommendations to the Corporation regarding such revisions of the by-laws as may from time to time be necessary;
 - e) To take such action as may from time to time seem advisable in promoting the work of the Corporation toward fulfilment of its declared objectives;
 - f) To put into place any processes as deemed necessary to protect the financial interests of the Corporation.
 - g) To implement all resolutions passed at any annual or any special meeting of members.

14. All directors will have an equal vote. A simple majority of votes cast will determine questions at meetings unless *The Corporations Act (Manitoba)* requires otherwise.

15. The Board of Directors shall also have the power to authorize expenditures on behalf of the Corporation from time to time and may delegate by resolution to an officer or officers of the Corporation the right to employ and to pay salaries to employees. The Board of Directors shall have the power to make expenditures for the purpose of furthering the objectives of the Corporation. The MPGA may provide a per diem for any directors as stipulated by the membership and reimburse that Director for all reasonable expenses incurred in the performance of duties on behalf of the MPGA.

16. The Board of Directors may delegate by resolution to an officer or officers of the Corporation the

right to:

- a) Employ and pay salaries to employees.
- b) Sign on behalf of the Corporation any contracts, documents and any instrument in writing requiring the signature of the Corporation.
- c) Sign cheques, bills of exchange or other evidence of indebtedness issued in the name of the Corporation.
- d) Endorse notes and drafts for collection on account of the Corporation through its bankers.
- e) Endorse notes and cheques for deposit with the Corporation's bankers for the credit of the Corporation.
- f) The Board of Directors shall be responsible for dealing with all matters relating to the SR & ED Investment Tax Credit Program.

MEETINGS OF THE BOARD OF DIRECTORS

17. Meetings of the Board of Directors shall be called by the president as frequently as deemed necessary by him/her, or at the request of three directors, specifying the issue to be considered.

18. The directors shall receive notice of such meeting not less than 48 hours before the meeting is to take place including notice of the time and place that the said meeting shall be held. Such notice may be communicated by letter or by telephone, email or other form of instant communication. No formal notice shall be necessary if all directors are present at the meeting, or if those directors not present waive notice thereof before or after the date of such meeting. No error or omission to give notice for a meeting of directors shall invalidate, or make void any proceedings taken or had at such meeting.

19. The meetings of the Executive Committee or other committee shall be called by the Chairman of these committees, as frequently as deemed necessary by him/her. Notice requirements for committee meetings shall be identical to those required for the Board of Directors, as set out in Section 18 thereof.

20. Directors meetings may take place by telephone or other electronic means provided each director has access to the technology. All votes will be counted by signifying verbally "for or against the motion" and each director shall identify themselves to establish quorum.

21. The transaction of business at any meeting of the Board of Directors or any committee of the Board of Directors shall require the presence of one-third of the directors making up the Board of Directors or any committee at any given time, and of the number present a majority shall be active members of the Corporation. Members of the Board of Directors or any committee of the Board of Directors may not hold the proxy of any director.

BORROWING

22. The Board of Directors may from time to time:
- a) Borrow money on the credit of the Corporation; or
 - b) Issue, sell or pledge securities of the Corporation; or
 - c) Charge, mortgage, hypothecate or pledge all of or any of the real or personal property of the

Corporation, including book debts, rights, powers, franchises and undertaking, to secure any securities or any money borrowed, or other debt, or any other obligation or liability of the Corporation.

From time to time the Board of Directors may authorize any director, officer or employee of the Corporations or any other person to make arrangements with reference to the moneys borrowed or to be borrowed as aforesaid and as to the terms and conditions of the loan thereof, and as to the securities to be given therefore, with power to vary or modify such arrangements, terms and conditions and to give such additional securities for any moneys borrowed or remaining due by the Corporation as the Board of Directors may authorize and generally to manage, transact and settle the borrowing of money by the Corporation.

EXECUTIVE COMMITTEE

23. The Executive Committee shall consist of the immediate past president, the president, and the vice-president, who shall be responsible to carry into effect and arrange the details for such policies and actions as the Board has previously decided or advised. In addition, the Executive Committee shall manage the affairs of the Corporation between the meetings of the Board of Directors.

24. The Directors shall elect from among the active members in good standing among their number the president of the Corporation, who shall hold office for one year or until his/her successor is appointed. This election shall occur at a directors meeting held as soon as possible after the annual meeting of the members of the Corporation. The president shall not be re-elected for more than three consecutive years.

25. The Directors shall elect from among the active members in good standing among their number the vice-president who shall hold office for one year. This election shall occur at a directors meeting held as soon as possible after the annual meeting of members of the Corporation.

26. The Board of Directors may appoint an Executive Manager or other such staff as an officer of the Corporation, and delegate to the Executive-Manager to hire other staff, as the Board of Directors deems appropriate. All staff will report to the Executive-Manager unless otherwise determined by the Board. The President shall solely be responsible for all supervision and/or disciplining of staff of MPGA unless otherwise determined by the Board of Directors.

27. Vacancies in any position on the Executive Committee may be filled by a majority vote of the members of the Board of Directors present at any meeting thereof. Such election shall be effective only until the meeting of the Board of Directors immediately following the next Annual Meeting of the members of the Corporation.

28. Officers of the Executive Committee shall be subject to removal by resolution of the Board of Directors at any time.

29. The transaction of business at a meeting of the Executive Committee shall require the presence of two members of the committee.

DUTIES OF OFFICERS

30. The duties of the officers shall be to carry out the duties assigned to them by the Corporation. At each annual meeting of the members of the Corporation, the officers shall present a full report of the

preceding years' proceedings to all annual meeting. In particular:

- a) The president shall, when present, preside at all meetings of the members of the Corporation, of the Board of Directors, and of all meetings of the Executive Committee. The president shall be an ex officio member of all committees. The president shall also be charged with the general management and supervision of affairs and operations of the Corporation.
- b) During the absence or inability of the president, his/her duties and powers shall be exercised by the vice-president, or in the absence of the vice-president, any such other director as the Board may from time to time appoint for the purpose.
- c) The Executive-manager or such other officer appointed in his/her stead shall in his/her capacity as Executive-manager attend all sessions of the Board and all meetings of the members and act as clerk thereof and record all decisions and minutes of proceedings in the books to be kept for that purpose. He/she shall give or cause to be given notice of all meetings to the members and the Board of Directors and shall perform other duties as may be prescribed by the Board of Directors. In his/her capacity as treasurer, the Executive Manager, or such officer as shall be appointed in his/her stead shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation, and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation, and in such depositories as may be designated by the Board of Directors from time to time. He/she shall render to the President and to the directors and to the members at the regular meeting of the Board or the members of the Corporation an account of all his/her transactions as treasurer and of the financial position of the Corporation.
- d) The duties of all other officers of the Corporation shall be such as the terms of their engagement call for, or the Board of Directors requires of them.

PROTECTION OF DIRECTORS AND OFFICERS

31. A director and officer of the Corporation in exercising his/her powers and discharging his/her duties shall act honestly and in good faith with a view to the best interest of the Corporation and shall 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 Corporation which shall in the execution of the duties of his/her office or in relation thereto provided that nothing herein shall relieve any director or officer from the duty to act in accordance with *The Corporations Act (Manitoba)*, and the regulations hereunder.

32. Subject to the limitations contained in *The Corporations Act (Manitoba)*, the Corporation shall indemnify a director or officer, a former director or officer or a person who acts or acted at the Corporation's request as a director or officer, against all costs, charges and expenses including those paid to settle an action or satisfy a judgment, reasonably incurred by him/her in respect of any civil, criminal or administrative action or proceeding to which he/she is made a party by reason of being or having been a director or officer of the Corporation or such body corporate if:

- a) He/she acted honestly and in good faith with a view to the best interest of the Corporation; and
- b) In the case of a criminal or administrative action or proceeding that is enforced by a monetary

penalty, he/she had reasonable grounds for believing that his/her conduct was lawful.

COMMITTEES

35. The Board of Directors shall appoint a Resolutions Committee and a Nominating Committee at least one month prior to the annual meeting of members of the Corporation. The Board of Directors may appoint such other committees, as it deems necessary.

36. All duly appointed committees, the majority of which shall consist of active members of the Corporation, shall report to the Board of Directors with the exception of the Resolutions and Nominating Committees, which shall report to the annual meeting of members of the Corporation.

CONFLICT OF INTEREST

37. At any meeting of the Board of Directors or committee of the Board of Directors, a director is required to disclose any conflict of interest. Conflict of interest shall be defined as outlined in *The Municipal Council Conflict of Interest Act*, and this act shall be used as guidance in deciding whether a conflict of interest exists. In particular, without limiting the generality of the foregoing, the following shall be required:

Disclosure during meetings:

Where during any meeting there arises

- (a) a matter in which a director or any of his dependants has a direct or indirect pecuniary interest; or
- (b) A matter involving the direct or indirect pecuniary interest of any person, corporation, subsidiary of a corporation, partnership, or organization to whom or which a director or any of his dependants has a direct or indirect pecuniary interest or liability;

The Director shall

- (c) Disclose the general nature of the direct or indirect pecuniary interest or liability;
- (d) withdraw from the meeting without voting or participating in the discussion; and
- (e) refrain at all times from attempting to influence the matter.

"direct pecuniary interest" includes a fee, commission or other compensation paid or payable to any person for representing the interests of another person or a corporation, partnership, or organization in a matter;

"indirect pecuniary interest"- a person shall be presumed to have an indirect pecuniary interest in a matter where

- a) the person, or a nominee of the person,
 - (i) holds a beneficial interest or purchase option of 5% or more; or
 - (ii) is a director or officer, of a corporation which, or a subsidiary of which, has a direct pecuniary interest in the matter; or
- b) the person is
 - (i) a partner of or employed by, or

- (ii) a guarantor or surety for, or
- (iii) a creditor of,

a person, corporation, partnership, or organization who or which, or (in the case of a corporation) a subsidiary of which, has a direct pecuniary interest in the matter, except for any indemnity, remuneration or expenses payable to directors in their role as director of MPGA.

VOTING RIGHTS IN OTHER ASSOCIATIONS OR CORPORATIONS

38. The Board of Directors may from time to time direct the manner in which and the person or persons by whom any particular voting rights shall be exercised when such voting rights are held by the Corporation in any other association or corporation.

BOOKS AND RECORDS

39. The Directors shall see that all necessary books and records of the Corporation required by the by-laws of the Corporation or by any applicable statute or law are regularly and properly kept. All members in good standing shall have a right to review these books and records at all reasonable times.

- 40. The members shall at each annual meeting of the members of the Corporation appoint an auditor to audit the accounts of the Corporation to hold office until the next annual meeting provided that the Directors may fill any vacancy in the office of auditor. The Board of Directors shall fix the remuneration of the auditor.

FINANCIAL YEAR

41. The financial year of the Corporation shall end on the 31st day of December in each year.

FINANCIAL STATUS

42. The Corporation shall carry on its operations and business without pecuniary gain to its members, and any profits or other accretions to the Corporation shall be used solely in promoting its purposes and objectives as stated herein.

RULES OF ORDER

43. Rules of order for MPGA Annual General Meeting and any Special Meetings shall follow those as listed in Schedule A "Rules of the Manitoba Pulse Growers Association Annual General Meetings and any Special Meetings"

AMENDMENT

45. The by-laws of the Corporation may be amended by calling a special meeting as set out herein. Such amendments shall be passed by a two-thirds majority of active members attending a special or annual meeting of the Corporation.

DISSOLUTION

46. Subject to the *Agricultural Producers Funding Act*, on dissolution of the Corporation, its property and assets shall after the payment of all liabilities shall be:
a) Refunded to the members on a proportionate basis, or

- b) Donated to a non-profit organization whose goals are to promote pulse crops research or pulse related education, or
- c) Any combination of the (a) or (b)

As determined by the Board of Directors.

INTERPRETATION

47. In these by-laws and in all other by-laws of the Corporation hereafter passed unless the context otherwise requires, words importing the singular number or the masculine gender shall include the plural number or the feminine gender as the case may be and vice versa and reference to persons shall include firms and corporations.

PASSED by the Board of Directors as a recommendation to the members for consideration at the annual meeting dated this 29th day of December, 2003.

Motion

B. Coates – D. Penner that the draft by-laws, as circulated to the membership on January 6, 2004 be adopted.

Carried

PASSED by the membership at the 2004 Annual General Meeting, February 10, 2004, Southport Aerospace Centre, Portage La Prairie, Manitoba.