

CONSTITUTION AND BYLAWS OF THE NATIONAL SUNFLOWER ASSOCIATION OF CANADA

BY-LAW NO. 1

A By-law relating, generally, to the transaction of the affairs of THE NATIONAL SUNFLOWER ASSOCIATION OF CANADA, INC.

BE IT ENACTED, as a By-law of THE NATIONAL SUNFLOWER ASSOCIATION OF CANADA, Inc., THAT:

NAME

1. The name of this non-share capital corporation shall be THE NATIONAL SUNFLOWER ASSOCIATION OF CANADA, INC., unless changed by the Board of Directors in accordance with the Manitoba Corporations Act

SEAL

2. The seal, an impression whereof is stamped in the margin hereof, shall be the Corporate Seal of the Corporation.

HEAD OFFICE

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

OBJECT

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

- (a) Holding an annual meeting for consideration of questions relating to the production and marketing of sunflowers;
- (b) Collecting, and making available to its members, useful scientific and general information on producing, storing, packaging, processing, transporting, marketing, and utilizing of sunflowers.
- (c) Improving trade relationships, and promoting consumption of Canadian grown sunflowers;
- (d) Merchandising practices
- (e) Co-operating with other agricultural groups in the promotion for the benefit of sunflower producers;
and
- (f) Using such other means as may, from time to time, seem desirable.

MEMBERSHIP

- (a) Active Members - Any persons resident in Canada and engaged in the growing and selling of sunflowers who pays the levy as described in Schedule A of the Agricultural Producers' Organization Funding Act and has not obtained an exemption authorization number shall be an active member. This entitles the active members to full membership privileges as set out herein for the calendar year.
- (b) Associate Members - Any person or firm interested in the sunflower crop industry who is not eligible for active membership may be admitted as an Associate Member upon application to the Secretary, payment of the prescribed

membership fee and approval of his 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 who is not eligible for active membership or associate membership may be admitted as a patron member upon application to the Secretary, payment of the prescribed annual membership fee and approval of his 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 who has rendered meritorious service to the sunflower crop industry in Canada 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.

6. Any member may withdraw from the Corporation at any time by written notice to the secretary. The withdrawing member shall not be entitled to a refund of any portion of the fees that he may have paid to the Corporation on account of his membership.

MEMBERSHIP FEES

7. The membership fees for active members, associate members and patron members shall be prescribed annually at the annual meeting of members of the Corporation.

MEMBERSHIP PRIVILEGES

8. 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, and shall further be entitled to any other services and privileges for which the Corporation may provide or arrange.

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) Provincial agriculture departments
- (b) Canadian Grain Commission
- (c) Research Branch, Agriculture and Agri-Food Canada
- (d) Sunflower crop processing companies (confectionery, oilseed and birdfeed)
- (e) Seed industry
- (f) Chemical industry
- (g) Producers

10. Active members on the Board of Directors shall, as far as possible, represent all sunflowers grown in Canada, as far as possible be 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 office by delivering a written resignation to the secretary 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 general meeting of the members of the Corporation a resolution is passed by two thirds of the members present and eligible to vote at the meeting that he is removed from office.

A vacancy occurring in the term of any member of the Board of directors may be filled until the next annual meeting of the members of the Corporation by a majority vote of the Board of Directors present at any meeting thereof. Such election shall be effective only until the next annual meeting of the members of the Corporation.

12. The Directors may exercise all powers of the Corporation as are not by these by-laws or by the Manitoba Corporations Act 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 be 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 fulfillment of its declared objectives;

(f) to appoint an auditor to annually audit the accounts of the Corporation.

13. 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 Board of Directors shall also be entitled to reimburse directors and officers for travelling and other expenses properly incurred in attending meetings of the board or any committee thereof.

EXECUTIVE COMMITTEE

14. The Executive Committee shall consist of the immediate past president, the president, the vice-president and secretary-treasurer, 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.

15. 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 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.

16. 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.

17. The Directors shall appoint the Secretary-Treasurer who shall hold office at the will of the directors.

18. Vacancies in any position on the Executive Committee may be filled until the Board meeting immediately following the

next annual meeting of the members of the Corporation 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.

DUTIES OF OFFICERS

19. 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 the 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. He 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 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 secretary-treasurer or such other officer appointed in his stead shall in his capacity as secretary 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 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 capacity as treasurer, the secretary-treasurer or such officer as shall be appointed in his stead shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursement 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 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 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

20. A director and officer of the Corporation in exercising his powers and discharging his 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 office or in relation thereto provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Manitoba Corporations Act and the regulations thereunder.

21. Subject to the limitations contained in the Manitoba Corporations Act, 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 any costs, charges and expenses including those paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he 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 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 had reasonable grounds for believing that his conduct was lawful

COMMITTEES

22. The Board of Directors shall appoint a Resolutions Committee and a Nominating Committee at best 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.

23. All duly appointed committees 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.

MEETINGS

24. (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) At least fourteen 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 circular letter to all members in good standing and may also be given through the public press.

25. (a) Meetings of the Board of Directors shall be called by the president as frequently as deemed necessary by him.

(b) The directors shall receive at least seven days notice of such meetings, including a notice of the time and place that the said meeting shall be held. Such notice may be communicated by letter or by telephone, facsimile, 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 present waive notice thereof in writing. 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.

26. 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. Notice requirements for committee meetings shall be identical to those required for the Board of Directors, as set out in Section 25. hereof.

27. If all of the directors consent, a director may participate in the meeting of the Board, or of a committee, by means of such telephone or other communication facilities as permit all persons participating in the meeting to hear 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.

QUORUM

28. The transaction of business at any annual or special meeting of members of the Corporation shall require a majority, 50% plus one of the active members present either in person or by proxy. Any active member may appoint, as his proxy, any other active member to vote at any annual or special meeting of the members of the Corporation. In order to be effective, the appointment of proxy shall be in writing, signed by the active member, and submitted to the Secretary-Treasurer prior to the commencement of any annual or special meeting of the members of the Corporation.

29. The transaction of business at any meeting of the Board of Directors or any committee of the Board of Directors shall require the presence in person 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.

VOTING

30. 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 which shall be by secret ballot

CONFLICT OF INTEREST

31. At any meeting of the Board of Directors or committee of the Board of Directors, a director or officer who is a party to, or who is a director or officer of or has a material interest in any corporation that is a party to a material contract or proposed

material contract with the Corporation shall disclose the nature and extent of his interest at that time and in the manner provided by the Manitoba Corporations Act. Any such contract or proposed contract shall be referred to the members of the Corporation for approval even if such contract is one that in the ordinary course of the Corporation's business does not require approval by the members of the Corporation, and the director interested in a contract so referred to the board shall not vote on any resolution to approve the same except as provided by the Manitoba Corporations Act.

VOTING RIGHTS IN OTHER ASSOCIATIONS OR CORPORATIONS

32. 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

33. 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 laws are regularly and properly kept. All members in good standing shall have a right to review these books and records at all reasonable times.

34. The Directors 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 remuneration of the auditor shall be fixed by the Board of Directors.

SIGNATURE AND CERTIFICATION OF DOCUMENTS AND CHEQUES

35. All contracts, documents and any instruments in writing requiring the signature of the Corporation and all cheques, bills of exchange or other evidence of indebtedness issued in the name of the Corporation shall be signed by any two of the president, the vice-president and the secretary-treasurer. Any one of such officers or agents alone may endorse notes and drafts for collection on account of the Corporation through its bankers and endorse notes and cheques for deposit with the Corporation's bankers for the credit of the Corporation. The seal of the Corporation when required may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any officer or officers appointed by resolution of the Board of Directors.

BORROWING

36. 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 undertakings, 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 Corporation 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 therefor, 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.

FINANCIAL YEAR

37. The financial year of the Corporation shall end on the 30th day of September in each year.

FINANCIAL STATUS

38. 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 AND REGULATIONS

39. The Board of Directors may prescribe rules and regulations as they deem expedient not inconsistent with these by-laws relating to the management and operation of the Corporation, provided that such rules and regulations shall have force and effect only until the next annual meeting of the members of the Corporation when they shall be confirmed and in default of confirmation at such annual meeting of members shall at and from that time cease to have force and effect.

AMENDMENT

40. The by-laws of the Corporation may be amended only as set forth in the Manitoba Corporations Act and such amendments shall be passed by a two-thirds majority of active members attending a special or annual meeting of the Corporation. Notice of the proposed amendments shall be given with the usual notice of meeting as required in section 24 hereof.

DISSOLUTION

41. Subject to the Manitoba Corporations Act, on dissolution of the Corporation, its property and assets shall, after the payment of all liabilities, be donated for such charitable, benevolent or educational purposes as may be decided by the members of the Corporation at their general meeting.

INTERPRETATION

42. 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 and sealed with the Corporate Seal this _____ day of

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President

Secretary