

OFFICE CONSOLIDATION

MANITOBA WHEAT AND BARLEY GROWERS ASSOCIATION INC.

All persons making use of this consolidation are reminded that it has no official status. Amendments have been inserted into By-law No. 1/2013 for convenience of reference only. The original By-laws should be consulted for purposes of interpreting and applying the By-laws. This consolidation includes By-law No. 1/2013 passed by the Board on June 13, 2013 and confirmed by the Members on June 13, 2013 as amended by By-law No. 1/2016 passed by the Board on December 29, 2015 and confirmed by the Members on February 11, 2016.

Note: This Office Consolidation was prepared on September 19, 2016.

BY-LAW NO. 1/2013

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

MANITOBA WHEAT AND BARLEY 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 restated;

"Association" means the corporation incorporated under the Act and named Manitoba Wheat and Barley 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 the designated representative of a Member which is a partnership or a corporation;

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

"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; and words importing persons include individuals, bodies corporate, partnerships, trusts and unincorporated organizations.

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 donations 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 chair and the vice-chair 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.

Section Three

BORROWING, SECURITIES AND INVESTMENTS

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.

3.02 Delegation. The board may from time to time delegate to such one or more of the directors and officers of the Association as may be designated by the board all or any of the powers conferred on the board by section 3.01 or by the Act to such extent and in such manner as the board shall determine at the time of each such delegation.

3.03 Safe Keeping of Securities. All securities owned by, or belonging to, the Association, shall be lodged (in the name of the Association) with a Chartered Bank or a Trust Company, or in safety deposit box or, if so authorized by resolution of the board, with such other depositories, or in such other manner as may be determined from time to time by the board.

Section Four

MEMBERSHIPS

4.01 Membership. The individuals who are Members of the Association on the date of this By-law is passed shall continue as Members until the expiry of their term of office as a director of the Association at the conclusion of the first annual meeting of Members held after July 31, 2014.

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

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.

A former Member may apply for reinstatement as a Member by paying to the Association an amount equal to the amount refunded to that Member in the two (2) immediately preceding refund periods set out in the Funding Act.

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 spring wheat or barley 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 spring wheat or barley industries, 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 spring wheat and barley pursuant to the Funding Act and must be paid on all marketing of spring wheat and barley 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, either personally or by or with an agent or counsel, to make submissions at the meeting.

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, or the chair 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, electing directors, appointing auditors and for the transaction of such other business as may properly be brought before the meeting.

5.02 Special Meetings. The board, or the chair shall have the power to call a special meeting of Members at any time.

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

5.04 Notice of Meetings. Notice of the time and place of each meeting of Members shall be given in the manner provided in section 10.01 not less than 21 nor more than 50 days before the date of the meeting to each director, to the auditor and to each Member who at the close of business on the record date, if any, for notice is entered in the Members' register. 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 Member may in any manner waive notice of or otherwise consent to a meeting of Members.

5.05 List of Members Entitled to Notice. For every meeting of Members, the Association shall prepare a list of Members entitled to receive notice of the meeting, arranged in alphabetical order. Eligible Persons appointed by partnerships which are members and by corporations which are members shall be included on such list and will be treated as "Members" for the purpose of paragraphs 5.08 to 5.12 inclusive. The Members listed shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting is given. The list shall be available for examination by any Member during usual business hours at the registered office of the Association or at the place where the meeting is held.

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 chair, or the vice-chair. 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 of the meeting 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 partnerships and corporations 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. Any other person may be admitted only on the invitation of the chair of the meeting or with the consent of the meeting.

5.08 Quorum. A quorum for the transaction of business at any meeting of Members shall be those persons present in person, from time to time, each being a Member entitled to vote thereat.

5.09 Right to Vote. At any meeting of Members every individual present who is named in the list referred to in section 5.05, shall be entitled to one vote.

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, any question at a meeting of Members shall be decided by a show of hands unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands every individual who is present and entitled to vote at the meeting 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 or demanded, 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.

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, any individual who is present and entitled to vote at the meeting may require or demand a ballot. A ballot so required or demanded shall be taken in such manner as the chair shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. 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 Adjournment. If a meeting of Members is adjourned for less than 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.

5.14 Resolution in Writing. A resolution in writing signed by all the Members entitled to vote on that resolution at a meeting of Members is as valid as if it had been passed at a meeting of the Members unless a written statement with respect to the subject matter of the resolution is submitted by a director or the auditors in accordance with the Act.

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.

Section Six

DIRECTORS

6.01 Number of Directors and Quorum. Until changed in accordance with the Act, the board shall consist of the number of directors elected in accordance with paragraph 6.03. 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 No. 1/2016]

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

6.03 Election and Term.

- (A) Upon these by-laws coming into force, the Members shall elect three (3) directors to hold office until the conclusion of the annual meeting of the Members to be held after July 31, 2014 and three (3) directors to hold office until the conclusion of the annual meeting of the Members to be held after July 31, 2015. At such annual meetings of Members, directors shall be elected to replace those whose term of office has expired and directors so elected shall hold office for a term of two (2) years until their successor takes office.
- (B) When the term of office of the three (3) directors elected to hold office until the conclusion of the annual meeting of the Members to be held after July 31, 2016 is to expire, the Members shall elect four (4) directors to hold office until the conclusion of the annual meeting of the Members to be held after July 31, 2019.

When the term of office of the three (3) directors elected to hold office until the conclusion of the annual meeting of Members to be held after July 31, 2017, the Members shall elect three (3) directors to hold office until the conclusion of the annual meeting to be held after July 31, 2021.

- (C) Commencing with the expiry of the terms of office of directors elected for the terms described in clause (B), the term of office of directors shall be four (4) years with such term commencing at the conclusion of the annual meeting of Members at which they were elected, and continuing until their successor takes office.

Prior to the annual meeting of the Members to be held after July 31, 2016, and prior to each annual meeting of Members thereafter at which the election of a director is required, directors shall be elected to replace those directors whose term of office is to expire in accordance with the following process:

- (a) Prior to September 30th 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.

Prior to October 31st of each such year the secretary of the Association shall provide to the returning officer a list of individual Members and Eligible Persons as of July 31st of that year and that list shall conclusively determine the eligibility of those entitled to hold office of a director and to vote in the election.

- (b) Retiring directors, if qualified, shall be eligible for re-election, provided however that no individual who has been a director for two (2) consecutive four (4) year terms shall be eligible for re-election.
- (c) Nominations for the office of director shall be submitted to the main business office of the Association on or after the 1st day of November and not later than 4:30 p.m. C.S.T. on the 30th day of November in that year.

All such nominations shall be delivered by the Association to the returning officer conducting the election.

- (d) The returning officer conducting an election shall not accept a nomination unless:
 - (i) the nominee is an individual Member or 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 and mailing address of at least five (5) individual Members or Eligible Persons;
 - (iv) the nomination bears the signature and mailing address 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, not later than the time specified in this section.

- (e) 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.
- (f) A nominee may withdraw the nominee's nomination by Notice in writing to the returning officer delivered 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.
- (g) 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.
- (h) 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.
- (i) 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.
- (j) Any person listed on the list of individual Members and Eligible Persons referred to in clause (a) may, not later than 4:30 p.m. C.S.T. on the 10th day of January prior to the annual meeting of Members, present to the returning officer a request for an advance ballot in connection with the election which request must comply with the voting instructions and procedures established by the returning officer and approved by the board.

Upon receipt of such a request the returning officer must forward an advance ballot accompanied by voting instructions on the casting of the ballot to such person by pre-paid ordinary mail or by fax or e-mail if the recipient asks or agrees to receive it electronically, not later than the 15th day of January.

The advance ballot and voting instructions and procedures shall be in such form as may be established by the returning officer and approved by a resolution of the board.

Each person casting an advance ballot shall be entitled to vote for a number of the nominees equal to the number of directors to be elected.

The returning officer must ensure that all methods of advance voting preserve the anonymity of voters and the secrecy of their vote.

An advance ballot may be cast by returning the ballot to the returning officer or by the use of electronic processes, including the internet. In each instance an advance ballot must be cast in accordance with voting instructions and procedures established by the returning officer and approved by the board.

The returning officer shall not accept an advance ballot unless it is received by the returning officer in the manner, at the place, and within the time specified in the voting instructions and procedures established by the returning officer and approved by the board.

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.

- (k) At the annual meeting of Members at which the election of a director is required, the returning officer shall distribute ballots to each person in attendance who is listed on the list of individual Members and Eligible Persons referred to in clause (a) and who has not been provided with an advance ballot under clause (j) above. Each person casting a ballot shall be entitled to vote for a number of the nominees equal to the number of directors to be elected. Voting shall be by secret ballot.
- (l) All ballots cast by individual Members and Eligible Persons (both advance ballots and ballots cast during the annual meeting) shall be counted by the returning officer in accordance with a procedure acceptable to the returning officer and approved by a resolution of the board.
- (m) Each candidate may designate a scrutineer, who must not be a candidate, to be present at the place where the ballots are counted.
- (n) The returning officer shall declare those candidates receiving the greatest number of votes, up to the number of director positions to be filled, to be elected and shall notify the candidates and the annual meeting of Members on of such results.
- (o) In the case of a tie between or among candidates to be elected, the deadlock shall be broken by a second ballot conducted at that meeting. Only those individual Members and Eligible Persons in attendance at that meeting will be eligible to vote to break the deadlock. The returning officer shall be responsible for conducting such election.

- (p) The proceedings in any election shall not be invalidated by reason of any omission or failure unless it can be shown that omission or failure could have reversed the result of such election.
- (q) Each director elected as provided in this section shall take office at the conclusion of the annual meeting of the Members following the holding of the election and shall hold office until the director's successor takes office.

[All of section 6.03 see By-law No. 1/2016]

6.04 Removal of Directors. Subject to the provisions of the Act, the Members of the Association may by ordinary resolution passed at a special meeting of the Members called for the purpose of considering same, remove any director from office and the vacancy created by such removal may be filled at the same meeting.

6.05 Vacation of Office. A director ceases to hold office when such individual dies; is removed from office by the Members of the Association; is absent from two (2) consecutive meetings of the board, unless individual's absence is due to illness or other emergency which prevented such individual from attending or unless such absence is excused or consented to by the board; ceases to be qualified for election as a director; or such individual's 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.

6.06 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 6.20 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 6.21 of this by-law dealing with confidentiality, or that the director has failed to provide a satisfactory Undertaking as required by subsection 6.21(b) or has breached such Undertaking, or
- (iii) failed to adhere to the provisions of section 6.22 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".

6.07 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 whose cessation of office caused the vacancy.

6.08 Action by the Board. The board shall manage the business and affairs of the Association. Subject to sections 6.09 and 6.10, 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.

6.09 Canadian Majority. The board shall not transact business at a meeting unless a majority of the directors present are residents of Canada, except where

- (a) a director who is a resident of Canada and who is unable to be present approves in writing or by telephone or other communications facilities the business transacted at the meeting; and
- (b) a majority of directors who are residents of Canada would have been present had that director been present at the meeting.

6.10 Meetings by Telephone. If all the directors consent, a director may participate in a meeting of the board or of a committee of the board by means of such telephone or other communications 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 and may be given with respect to all meetings of the board and of committees of the board held while a director holds office.

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

6.12 Callings of Meetings. Meetings of the board shall be held from time to time and at such place as the board, the chair, or any two directors may determine.

6.13 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 48 hours 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 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.

6.14 First Meeting of New Board. Provided a quorum of directors is present, the board may without notice hold its first meeting immediately following an annual meeting of Members of the Association.

6.15 Adjourned Meeting. Notice of an adjourned meeting of the board to be held within 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.

6.16 Regular Meetings. The board shall meet at least once every three (3) months. 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.

6.17 Chair. The chair of any meeting of the board shall be the chair, or in that director's absence the vice-chair. If no such officer is present, the directors present shall choose one of their number to be chair.

6.18 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.

6.19 Per Diem Honorariums and Reimbursement for Expenses. The directors may by resolution of the Members receive per diem honorariums for attending meetings of the board or any committee thereof, or any 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 meetings of the board or any committee thereof or otherwise associated with representing the Association.

6.20 Conflict of Interest.

- (a) The Guidelines annexed hereto and marked Schedule "A" shall govern the interpretation and application of this section.
- (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 6.06 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.

6.21 Confidentiality.

- (a) The Guidelines annexed hereto and marked Schedule "B" 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 "B".
- (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 6.06 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.

6.22 Miscellaneous Duties and Obligations of Directors.

- (a) The Guidelines annexed hereto and marked Schedule "C" shall be adhered to by each director.
- (b) The failure to adhere to the Guidelines set out in Schedule "C" shall be grounds for the passage of a resolution by the board under section 6.06 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.

6.23 Report. The board shall submit or cause to be submitted to the annual meeting of Members and any other general meeting of the 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 by presenting periodic reports to the Members as to the affairs of the Association and its activities.

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 chair, vice-chair, secretary and 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 and ensure that the members of the board have sufficient information and alternatives available to them in order to deal with the 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 committees shall be advisory only.

7.03 Transaction of Business. Subject to the provisions of section 6.10, 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 at such other place as may be determined by the board.

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 chair, a vice-chair, 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 Chair. The chair 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 chair shall be an ex officio member of all committees appointed by the board. The chair shall perform such other duties as are incident to the office of chair of the Association or as may be required from time to time by the board.

8.03 Vice-Chair. The vice-chair shall, in the absence of the chair or the chair's inability from any cause to act, discharge the duties of the chair. Should the office of the chair become vacant, the vice-chair shall act until such time as the directors may appoint a successor. The vice-chair shall carry out such duties as the board may assign to that 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; that director 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; the secretary shall be the custodian of all books, papers, records, documents and instruments belonging to the Association, except when some other officer or agent has been appointed for that purpose; and 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 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 audited 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 semi-annual meeting or any other general or special meeting of Members of the Association; and 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. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board otherwise directs.

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. The board, in its discretion, may remove any officer of the Association, without prejudice to that officer's rights under any employment contract. Otherwise each officer appointed by the board shall hold office until that officer's successor is appointed.

8.09 Conflict of Interest. An officer shall disclose that officer's interest in any material contract or proposed material contract with the Association in accordance with section 6.20.

8.10 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.

8.11 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 such person's part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of such person'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) such 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, such person had reasonable grounds for believing that such person's 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 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 or by fax or e-mail if the recipient asks or agrees to receive it electronically and the method of sending or giving permits the individual to have easy access to the notice and to retain it in a permanent form. 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 transmitted. 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.

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 (3) 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, after payment of all debts and liabilities of the Association, shall be distributed as provided in its articles.

Section Twelve

EFFECTIVE DATE AND AMENDMENT

12.01 Effective Date. These by-laws shall come into force when confirmed by an ordinary resolution of the Members of the Association.

12.02 Amendment, Repeal and Replacement. These by-laws may be amended, repealed and replaced in accordance with the Act.

SCHEDULE "A" TO BY-LAW NO. 1/2013

Guidelines established pursuant to section 6.20 of By-law No. 1/2013.

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 spring wheat or barley in Manitoba and the marketing of such spring wheat or barley 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 spring wheat or barley 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.

A director or officer who is a party to, or who is a director or officer of or who has a material interest in any person who is a party to, a material contract or proposed material contract with the Association shall disclose the nature and extent of that director's or officer's interest at the time and in the manner provided by the Act. Any such contract or proposed contract shall be referred to the board or the Members of the Association for approval even if such contract is one that in the ordinary course of the Association's business would not require approval by the board or Members of the Association, and a 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 Act.

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 "B" TO BY-LAW 1/2013

Guidelines established pursuant to section 6.21 of By-law No. 1/2013.

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 Chair or the Executive Manager (or such other person as may be designated by the Association) after due authorization by the Board of Directors.

The Chair and the Executive Manager 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 spring wheat or barley producers and persons doing business with spring wheat or barley 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 Manager) 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 "C" TO BY-LAW 1/2013

Guidelines established pursuant to section 6.22 of By-law No. 1/2013.

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.