

CHICKEN FARMERS OF ONTARIO

BY-LAW NO. 27

a By-law relating generally to the  
transaction of the business and affairs

of

Chicken Farmers of Ontario (the “CFO”)

BE IT ENACTED as a by-law of CFO as follows:

INTERPRETATION

Rules

1. In the interpretation of this by-law, unless the context otherwise requires, the following rules shall apply:
  - (a) In this by-law and all other by-laws and resolutions of CFO, expressions used, unless the contra intention appears, shall have the same meaning as similar expressions in the Act;
  - (b) Words importing the singular include the plural and vice versa;
  - (c) Words importing the masculine gender shall include the feminine and neuter genders; and
  - (d) Words importing a person include an individual, sole proprietorship, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in her/his capacity as trustee, executor, administrator or another legal representative.

Definitions

2. In this by-law and all other by-laws and resolutions of CFO unless the context otherwise requires:

“Act” means the *Farm Products Marketing Act*, R.S.O. 1990, c.F.9 and amendments thereto, including the regulations made pursuant thereto, and any statute or regulation substituted therefor, as amended from time to time;

“appoint” includes “elect” and vice versa;

“Board” means the Board of directors of CFO and “director” means a member of the Board;

“by-laws” means this by-law and all other by-laws, including special by-laws of the CFO, as amended from time to time and which are, from time to time, in force and effect;

“CFO” means Chicken Farmers of Ontario;

“district” means a territorial district in which a group of farmers-members each own property on which chickens are produced;

The “Plan” shall have the same meaning as defined in Ontario Regulation 403 made under the *Farm Products Marketing Act*; and

“producer” or “producer-member” or “farmer” or “farmer-member” means a person to whom quota is fixed and allotted for the producing of chickens.

### **MANDATE**

3. In addition to the powers delegated to CFO pursuant to the Act, CFO has the following duties and responsibilities:

(a) Strategy

- (i) Adopting a strategic planning process;
- (ii) Participating directly in developing, reviewing, assessing and approving CFO’s vision and mission statements, objectives and goals, taking into account the business strategies, opportunities and risks for CFO;
- (iii) Reviewing the effectiveness of the strategic and operational planning processes and annually reviewing and approving business objectives and strategic plans; and
- (iv) Approving the annual budget, annual operating plan, capital expenditure plan and investment plan.

(b) Regulatory Responsibilities

- (i) Establishing and administering the farmer-member quota system;
- (ii) Establishing and administering the processor supply allocation systems;
- (iii) Setting allocation;
- (iv) Price negotiation;
- (v) Farmer-member and processor relations;
- (vi) Compliance and Enforcement;
- (vii) Development of CFO regulations and policies; and
- (viii) Regulatory and policy-based decision making.

(c) Executive Management

- (i) Selecting and evaluating a well-qualified Chief Executive Officer and approving the hiring of other members of the Senior Leadership Team;

- (ii) Delegating to management powers to manage CFO;
  - (iii) Overseeing succession planning for key and senior management positions;
  - (iv) Approving the compensation of senior management; and
  - (v) Advising and counseling the Chief Executive Officer.
- (d) Business and Financial Performance
- (i) Monitoring the Vice President of Finance's performance against its strategic objectives and annual business plans; and
  - (ii) Ensuring management is taking appropriate action to ensure that objectives and plans are achieved.
- (e) Industry Relations
- (i) Working collaboratively with Ontario chicken industry value chain stakeholders to achieve mutually advantageous, continuous improvements in industry growth, profitability and sustainability;
  - (ii) Participating directly in building positive and productive relationships with key industry stakeholders, particularly primary processors; and
  - (iii) Ensuring the development and deployment of proactive consultation and communications strategies and programs.
- (f) Ethics and Integrity
- (i) Setting an ethical tone within CFO;
  - (ii) Satisfying itself that senior management is sustaining a culture of integrity throughout CFO;
  - (iii) Developing and maintaining CFO's code of conduct and ensuring adherence to it by directors, district committee representatives and staff; and
  - (iv) Approving policies and procedures developed to ensure CFO operates at all times within the applicable laws and regulations.
- (g) Risk Management
- (i) Identifying, evaluating and responding to the principal strategic, operational and reputational risks that might jeopardize the health and continuity of CFO's business;
  - (ii) Ensuring responsibilities are assigned for monitoring and acting upon all relevant risks and opportunities;
  - (iii) Ensuring the development and implementation of appropriate systems to effectively manage such risks; and
  - (iv) Approving and reviewing compliance with policies and procedures for the management and control of risk, including capital management.
- (h) Communication and Reporting

- (i) Approving CFO's communication strategy and spokespeople;
  - (ii) Reviewing and approving annual and interim financial statements; and
  - (iii) Ensuring timely, appropriate communication with key internal and external stakeholders, CFO farmers, District Committee Representatives, employees, industry, government and the general public.
- (i) Board of Directors: Corporate Governance
- (i) Upon commencement of the term and annually thereafter, signing and executing the CFO Board Director Code of Business Conduct and Confidentiality Agreement and such other documents and commitments as are then required by this by-law or any successor by-law thereto;
  - (ii) Developing and implementing CFO's overall approach to corporate governance as reflected in the Board Charter, various committee charters and role of the Board of directors;
  - (iii) Reviewing the Board Charter annually and recommending revisions as appropriate;
  - (iv) Planning Board size and composition, determining the position description for directors and communicating this to all farmer-members, establishing committees of the Board and determining director compensation;
  - (v) Maintaining a formal orientation program for new directors, and ongoing education programs for all directors;
  - (vi) Assessing the effectiveness of the Board, Board committees, the Board chair and individual directors on an annual basis;
  - (vii) Engaging any special advisors, it deems necessary to provide independent advice; and
  - (viii) Performing such other functions as prescribed by the Act, regulations, by-laws or as assigned to the Board in CFO's governing documents.

#### HEAD OFFICE

4. The head office of CFO shall be in the City of Burlington, in the Regional Municipality of Halton and at such place therein as the Board may, from time to time, determine.

#### SEAL

5. The seal, an impression whereof is stamped in the margin hereof, shall be the corporate seal of CFO.

The Chief Executive Officer and Secretary shall have custody of the seal.

Where the seal is used it shall be attested by anyone of the Chair, 1<sup>st</sup> Vice Chair, 2<sup>nd</sup> Vice Chair, Chief Executive Officer or Secretary.

## BOARD

6. The affairs of CFO shall be managed by a Board composed of nine farmer-members.
7. Directors shall be elected and retired in rotation in the manner set out in Ontario Regulation 403 of the Act, each of whom, shall hold office until the later of the 2<sup>nd</sup> annual meeting after election to office and the day her/his successor has been elected and qualified.
8. No person is eligible for election from any district to the Board unless such person:
  - (a) resides in the district for which the farmer-member is appointed;
  - (b) is at the date of, or becomes within ten (10) days after her/his election, and thereafter remains throughout her/his term, a farmer-member who is qualified to hold office;
  - (c) is at least eighteen (18) years of age; and
  - (d) is not an undischarged bankrupt nor a mentally incompetent person.
9. If a person ceases to be a farmer-member of CFO, or becomes bankrupt or a mentally incompetent person, s/he thereupon ceases to be a director.

### Vacancies

10. Subject to subsection (d), the office of a director shall automatically be vacated:
  - (a) if a director does not within ten (10) days after election or appointment as a director become a farmer-member, or ceases to be a farmer-member of CFO;
  - (b) if the director becomes bankrupt or suspends payment of debts generally or makes an authorized assignment or is declared insolvent;
  - (c) if the director is found to be a mentally incompetent person or becomes of unsound mind;
  - (d) if the director by notice in writing to CFO resigns office which resignation shall be effective at the time it is received by the Secretary of CFO or at the time specified in the notice, whichever is later; or
  - (e) if the director dies.

### Filling Vacancies

11. Subject to the provisions of the Act, so long as a quorum of the directors remain in office, a vacancy on the Board may be filled for the remainder of the term by the directors then in office. If no quorum of directors exists, the remaining directors shall forthwith call a general meeting of farmer-members to fill the vacancies on the Board. If the number of directors is increased between the terms, a vacancy or vacancies, to the number of the authorized increase, shall thereby be deemed to have occurred, which may be filled in the manner herein provided.

12. Where the Board fails to appoint a person for the unexpired term of a director within seven (7) days from the vacancy, the Commission may appoint a farmer-member for the unexpired term.

#### Quorum

13. A majority of the Board shall form a quorum for the transaction of business at meetings of the Board. Notwithstanding vacancies, the remaining directors may exercise all the powers of the Board so long as a quorum of the Board remains in office.

### **MEETINGS OF THE BOARD**

14. The first meeting of the newly elected Board after every election of the members thereof shall be held within thirty days after the election of the members thereof is completed.

15. Meetings of the Board shall be held from time to time at such place, at such time and on such day as the Chair or Vice-Chair or any two directors may determine and the Secretary, when directed or authorized by either of the said officers or by any directors, shall give or cause to be given notice of the meeting.

Unless otherwise stated in the notice calling the meeting, meetings of the Board shall be held at the head office.

Notice of a Board meeting shall include the date and time of the meeting and be delivered digitally, orally or telephoned to each director not less than two (2) days before the meeting is to take place.

Notwithstanding the foregoing, notice of a Board meeting, if given digitally or by telephone, shall be given not less than 8 hours before the time at which the meeting is to be held.

The declaration of the Secretary or Chair that notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of such notice.

No formal notice of a meeting is necessary if all the directors are present or if those absent have signified their consent to the meeting being held without notice or in their absence.

No error or accidental omission in giving notice of any meeting of directors shall invalidate such meeting or make void any proceedings taken at such meeting.

Digital notice shall be sufficiently given if submitted to a director at his or her last e-mail address as recorded in the digital books of CFO.

#### Telephone Participation

16. If all the directors of CFO consent, a meeting of directors may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to hear each other simultaneously and instantaneously, and a director participating in such meeting by such means is deemed to be present at that meeting.

### Regular Meetings

17. The Board may appoint one or more days in each year for regular meetings for the Board at a place and time named; no further notice of the regular meetings need be given. The Board shall hold a meeting within thirty (30) days following the annual meeting of the farmer-members for the purpose of organization, the election and appointment of officers and the transaction of any other business.

### TRANSACTION OF BUSINESS OTHER THAN AT A MEETING

18. The Board may transact a matter of business other than at a meeting called and conducted in accordance with section 15 upon the condition that:

- (a) the Chair is of the opinion that the matter of business should be decided sooner than a meeting can be called;
- (b) the Chair submits the matter to be decided to the Secretary;
- (c) the Chair or the Secretary submits the matter for decision to at least two-thirds (2/3) of the directors digitally or orally; and
- (d) the Secretary makes a record in the minute book of the Board of the matter to be decided and the decision of each director.

Where the conditions prescribed in section 18 have been complied with and the record shows a majority of directors in favour of, or against, the matter of business, it shall be decided accordingly.

Where the Secretary makes a record in the minute book under section 18, the record shall be read and confirmed at the next meeting of the Board.

### VOTES TO GOVERN

19. Each director is authorized to exercise one vote. Questions arising at any meeting of the Board shall be decided by the majority vote. In the case of an equality of votes, the Chair of the meeting shall have a second or casting vote; and

Except in the case of the Board's annual elections of officers, at all meetings of the Board, every question shall be decided by a show of hands unless poll on the question is required by the Chair or requested by any director. A declaration by the Chair that a resolution has been carried and an entry to that effect in the minutes is conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the resolution.

### MINUTES

20. Minutes of each meeting of the Board shall be kept by the Secretary and approved at the next regular meeting of the Board.

## **PROTECTION OF DIRECTORS, OFFICERS AND OTHERS**

### **Standard of Care**

21. Every director and officer of CFO in exercising her/his power and discharging her/his duties shall act honestly and in good faith with a view to the best interests of CFO and shall exercise the care, diligence and skill that a reasonable prudent person would exercise in comparable circumstances. Every director and officer of CFO shall comply with the Act, the regulations and by-laws of CFO.

### **Limitation of Liability**

22. Provided that the standard of care required by her/him has been satisfied, no director or officer shall be liable for the acts, receipts, neglects or defaults of any other director, officer or employee, or for joining in any receipt or other act of conformity, or for any loss, damage or expense happening to CFO through the insufficiency or deficiency of any security in or upon which any of the monies of CFO shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous acts of any person with whom any of the monies, securities, or effects of CFO shall be deposited or for any loss occasioned by any error of judgment or oversight on her/his part, or for any other loss, damage or misfortune which shall happen in the execution of her/his duties of her/his office or in relation thereto, unless the same are occasioned by her/his own willful neglect or default.

### **Responsibility for Acts**

23. The directors for the time being of CFO shall not be under any duty or any responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name of or on behalf of CFO, except such as shall have been submitted to and authorized or approved by the Board.

### **Indemnification of Directors**

24. Every director or officer of CFO or other person who has undertaken or is about to undertake any liability on behalf of CFO and their heirs, executors and administrators and estates and effects respectively shall from time to time and at all times be indemnified and saved harmless out of the funds of CFO from and against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment reasonably incurred by such director, officer or other person in respect of any civil, criminal or administrative action or proceeding to which s/he is made a party by reason of being or having been a director or officer of CFO, if: (a) he acted honestly and in good faith with a view to the best interests of CFO; and (b) in the case of a criminal or administrative action or proceeding that is enforced



by a monetary penalty, s/he had reasonable grounds for believing that her/his conduct was lawful.

25. CFO shall also indemnify any such person in such other circumstances as the Act or the law permits or requires. Nothing in this by-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this by-law to the extent permitted by the Act or the law.

#### Insurance

26. Subject to the Act, CFO may purchase and maintain such insurance for the benefit of any person entitled to be indemnified by CFO pursuant to the immediately preceding section as the Board may from time to time determine.

#### **CONFLICT OF INTEREST**

27. This part shall apply, notwithstanding any other provision contained in these by-laws to the contrary and where a conflict exists between this part and any other part of these by-laws or amendments thereto, this part shall govern.

In this part, "Conflict of Interest" shall refer to a real, potential or apparent conflict of interest and shall include the following:

- (a) A contract or other financial arrangement entered into between the Board and any other person where that person:
  - (i) is a director; or
  - (ii) is a corporation, partnership or association in which a director has a direct or indirect financial interest.
- (b) Participating in Board deliberations or decisions concerning a corporation, partnership or association, in which the member has a direct or indirect financial interest; and
- (c) Being placed or appearing to be placed under a personal obligation to any person or organization with whom the Board has any dealings.

In this part, "Conflict Management Plan" means an arrangement or process designed to address, manage and resolve a Conflict of Interest of a director.

#### Requirement for Annual Disclosure

All directors are required to complete, sign and submit to the Board's General Counsel, the Annual Disclosure Form on the day of the annual meeting of the Board in each and every year. General Counsel will review the completed Annual Disclosure Forms and, if there is a Declaration of Interest disclosed by a director that requires a Conflict Management Plan, General Counsel will consult with the director and devise a Conflict Management Plan for approval by the disinterested directors.

A Conflict Management Plan may require recusal by the director from participating in any capacity associated with discussions or decision making of the Board that involves the director's interest, or a requirement that the director abstain from any Board decisions relating to the director's interest. A Conflict Management Plan may provide that a director's recusal or abstention be recorded in the Board's minutes.

The disinterested directors may review and amend the Conflict Management Plan as required from time to time.

### Conflict of Interest and On-Going Disclosure at Board Meetings

Prior to the directors dealing with any matter properly brought before them at a meeting of the Board, each director shall declare any real, potential or apparent conflict of interest with respect to the matter to be considered at such meeting. This declaration must be recorded in the minutes of the meeting and the disinterested directors shall determine by the vote of a simple majority whether a conflict of interest exists. As well, in the event that a director is perceived by any other director to be in a real, potential or apparent conflict of interest with respect to the matter to be considered, the disinterested directors shall then determine by the vote of a simple majority whether a conflict of interest exists, having reference to the meaning of conflict of interest as set out herein. The director who declares or is perceived to be in a conflict of interest shall be recused from participating in debates and voting respecting whether a conflict of interest exists.

In the event that a director declares or is determined to be in a conflict of interest, that director shall forthwith excuse himself or herself from the meeting until the matter in question has been dealt with by the remaining directors.

### ORDER OF BUSINESS AT MEETING

28. The order of business at a meeting of the Board shall be:

- (a) Roll call;
- (b) Approving of minutes of last meeting;
- (c) Conflict of Interest Declaration;
- (d) Business arising out of minutes;
- (e) Reports;
- (f) Dealing with correspondence;
- (g) Unfinished business; and
- (h) New business

The order of business may be varied by the Chair.

### APPOINTMENT OF OFFICERS

29. At the first meeting after every election of the directors thereof, the Board shall appoint such farmer-members as are necessary to complete the Board under the provisions of

Regulation 403 of the Act.

At the aforementioned meeting the Board shall, after appointment of any farmer-members necessary to complete the Board, conduct its annual Board elections of officers, committees and representatives in accordance with the “Rules of Procedure” identified as Schedule 1 & 2 attached hereto, or as otherwise approved by a majority vote of the Board at a meeting without the necessity of prior notice of proposed changes.

The Board shall not appoint a director as an officer or employee thereof except for the positions of Chair, first Vice-Chair or second Vice-Chair which shall be filled by directors.

### OFFICERS

#### Chair

30. The Chair shall, when present, preside at all meetings of the Board.

The Chair, when present, shall preside at any annual or special general meeting of farmer-members.

The Chair shall act a liaison with the Chief Executive Officer of CFO who shall be charged with the general supervision of the business and affairs of CFO.

The Chair shall also perform such duties and exercise such powers as the Board may prescribe.

#### Vice-Chair

31. During the absence of the Chair or her/his inability to act, the Vice-Chair or the second Vice-Chair in that order may exercise the Chair’s duties and powers.

The first Vice-Chair or the second Vice-Chair, as the case may be, shall also perform such duties and exercise such powers as the Board may prescribe.

Where the Chair and first Vice-Chair and the second Vice-Chair are absent from a meeting, the Board may elect a chair for the purpose of that meeting from among the directors present at the meeting.

The Chair and first Vice-Chair and the second Vice-Chair of the Board shall hold office until their successors are elected.

#### Chief Executive Officer

32. The Board shall appoint a Chief Executive Officer and may delegate to the Chief Executive Officer the full authority to manage and direct the business and affairs of CFO (except such matters and duties as by law must be transacted or performed by the directors) or may delegate to him or her any lesser power. The Chief Executive Officer shall liaison with the Chair and shall at all reasonable times give the Board all information it may require

regarding the affairs of CFO. The position of Chief Executive Officer, Secretary and Treasurer may be held by the same person.

### Secretary

33. The Board shall appoint a Secretary of the Board. The Secretary of the Board shall:

- (a) attend all meetings of the Board and keep true minutes thereof and shall send a copy of the minutes to every director within ten (10) days, excluding Sunday and holidays, after the meeting;
- (b) conduct the correspondence of the Board;
- (c) keep a record of,
  - (i) all business transaction of the Board;
  - (ii) all orders, directions or determinations of the Board;
  - (iii) all reports of committees that are from time to time appointed by the Board; and
  - (iv) all annual statements and financial auditor reports;
- (d) maintain at the head office of the Board true copies of all regulations, orders and policy statements of the Board and an index identifying all regulations, including amendments, by subject matters and shall during the normal business hours of the Board,
  - (i) permit any person to inspect the copies and index without charge; and
  - (ii) provide to any person upon request copies of the regulations, orders and policy statements;
- (e) file with the Commission such minutes, orders, directions, regulations, policy statements, reports, financial statements, appointments of agents and special statements, as may be required from time to time by the Commission through regulations; and
- (f) perform such other duties as may be prescribed from time to time by the Board.

### Treasurer

34. The Board shall appoint a Treasurer of the Board. The Treasurer of the Board shall:

- (a) under the direction of the Board, provide for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Board;
- (b) maintain separate accounts for the deposit of,
  - (i) money received by the Board in trust for any other person; and
  - (ii) levies or charges imposed by the Board pursuant to powers exercised under authority granted under the *Agricultural Products Marketing Act (Canada)*;
- (c) keep full and accurate books of account in which shall be recorded all receipts and disbursements of the Board;
- (d) prepare reports showing the financial position of CFO as the Board may direct from time to time; and
- (e) perform such duties as may be prescribed from time to time by the Board.

### Other Officers

35. The Board may appoint such other officers and employees as it deems necessary and all officers shall have the authority and perform the duties from time to time prescribed by the Board. The Board may also remove at its pleasure any such officer of CFO. The duties of all other officers of CFO appointed by the Board shall be such as the terms of their engagement call for or the Board prescribes.

#### Assistants

36. Any of the powers and duties of an officer to whom an assistant has been appointed by the Board may be exercised and performed by the assistant.

#### Variations of Duties

37. The Board may add to or limit the powers and duties of an officer or his or her assistant.

### **REMOVAL OF OFFICERS AND REPRESENTATIVES**

38. The Board shall on receipt of a written petition in accordance with subsections (b), (c) and (d) hereof entertain a motion that any named director holding a position as an officer, member of the executive or as a representative of the Board be removed from any such position.

Any such petition must set out:

- (a) the name of the director;
- (b) the position(s) from which that person is to be removed;
- (c) the reason(s) advanced from the request; and
- (d) the date; the names and signatures of not less than five directors in support of the petition.

An original signed copy of any such petition must be filed with:

- (a) each member of the Boards' executive committee;
- (b) the Chief Executive Officer;
- (c) CFO's General Counsel; and
- (d) the director named in the petition.

within fifteen days of the date of signing the petition.

Such petition shall be placed on the next regularly scheduled meeting of the Board as a motion to be dealt with in camera by the Board.

Any such motion shall require not less than seven votes in favour to carry.

In the event the motion is carried it shall take effect immediately and the Board shall forthwith appoint a replacement to fill the vacancy created.

In the event the motion is lost the member in question is confirmed and no such petition

can be brought to the Board again until after the next ensuing annual Board elections.

### **DISTRICT COMMITTEE REPRESENTATIVES**

39. There shall be a committee of farmer-members in each district to be known as the District Committee Representatives, the members of which are to be elected and retired in rotation in the manner set out in Ontario Regulation 403 of the Act. District Committee Representatives may also be referred to as a District Committee.
40. The exercise of a power by a District Committee is subject to the approval of the directors of CFO.
41. The mandate of a District Committee is to act in a consultative capacity with the directors of CFO and with the farmers within the districts which duties and responsibilities are as follows:
- (a) understand the policy development process and provide input to the development of new CFO policies that affect farmers;
  - (b) provide input to the creation of provincial District Committee meeting agendas;
  - (c) participate as members of sub-committees or working groups at the request of the directors of CFO or its committees;
  - (d) develop meaningful agendas, in conjunction with the director of the district for the quarterly district meetings;
  - (e) proactively reach out to local farmers to ensure they are aware of CFO information and services;
  - (f) represent farmers within the local community;
  - (g) listen to farmers issues and assist with resolving them;
  - (h) understand and visibly support the achievement of CFO's vision, strategies and operating plan, as laid out in CFO's strategic and annual plans;
  - (i) support CFO Board of director policies and decision;
  - (j) understand Ontario's chicken industry, the supply management system and CFO's role in increasing the effectiveness of the value chain; and
  - (k) Upon commencement of the term and annually thereafter, to sign and execute the District Committee Representatives Code of Business Conduct and District Committee Representatives Confidentiality Agreement and such other documents and commitments as are then required by this by-law or any successor by-law thereto.
42. In addition to the duties provided in section 41 hereof, the chair of each District Committee is responsible for:
- (a) providing overall leadership to enhance the effectiveness of the district committee and act as the liaison between it and the director of the district;
  - (b) reviewing and approving the agenda for meetings of the district committee in consultation with the director of that district, other district committee representatives or other advisors as part of the agenda and meeting preparation process;

- (c) chairing the district committee meetings, ensuring that there is adequate time at meetings for the discussion of relevant issues;
- (d) ensuring that the district committee is aware of local issues that may affect chicken farmers; and
- (e) participating in the development of quarterly provincial district committee representative meetings.

43. The Secretary of each District Committee is responsible for:

- (a) providing administrative and communication support to enhance effective and independent functioning of the district committee in order that the district committee may fulfill its duties and responsibilities;
- (b) attending all committee meetings, documenting accurate minutes and sending a copy of all minutes to district committee members;
- (c) conducting the correspondence of the district committee;
- (d) keeping a record of all business transactions and financial reports of the district committee; and
- (e) maintaining copies of all regulations, orders and policy statements of the CFO.

44. The members of the District Committee are to be referred to as District Committee Representatives. The District Committee Representatives' duties and responsibilities include:

- (a) reading reports and materials sent by CFO;
- (b) preparing thoroughly for all CFO related meetings;
- (c) providing input to provincial District Committee Representative meeting agendas;
- (d) attending and participating in all CFO, District Committee and district meetings;
- (e) committing to access CFO information electronically or arranging for hard copies;
- (f) participating in CFO offered training for District Committee Representatives, taking initiative for own development and keeping up to date about industry issues;
- (g) adhering to District Committee Representative protocols (i.e. meeting agendas, minutes, etc.);
- (h) maintaining contact with director of the district;
- (i) providing input to local District Committee Representative/regional meeting agendas; and
- (j) considering leveraging District Committee Representative experience by becoming a director of CFO.

45. CFO's duties and responsibilities to the members of the District Committee include:

- (a) preparing and distributing at a minimum monthly reports about CFO issues;
- (b) soliciting relevant District Committee Representative involvement in working groups and sub-committees;
- (c) effectively chairing of provincial District Committee meetings to ensure agendas are respected and District Committee Representatives do not dominate the meetings;
- (d) regular contact with District Committee Representatives;

- (e) increasing the level of District Committee Representative participation in policy development (i.e. discussions at quarterly meetings; District Committee Representative participation in working groups and sub-committees); and
- (f) consulting annually with District Committee Representatives to gain input to the strategic plan.

46. The CFO chair shall have a duty and responsibility to the District Committee to take initiative to consistently gain District Committee Representative input to provincial District Committee Representative agendas.

### **THE CHICKEN INDUSTRY ADVISORY COMMITTEE**

47. There shall be an advisory committee known as The Chicken Industry Advisory Committee, the members of which are to be appointed in the manner set out in Ontario Regulation 402 of the Act.

### **BORROWING**

48. Where authorized by by-law, the directors may,

- (a) borrow money on the credit of CFO;
- (b) issue, sell or pledge securities of CFO;

charge, mortgage, hypothecate or pledge all or any currently owned or subsequently acquired real or personal moveable or immovable property of CFO, including book debts, rights, powers, franchises and undertakings, to secure any debt obligations or any money borrowed or other debt or liability of CFO.

Where authorized by by-law, the directors may from time to time delegate to such one or more directors and officers of CFO as may be designated by the Board all or any of the powers conferred on the Board above to such extent and in such manner as the Board determines at the time of such delegation.

No by-law referred to in subsection (a) is effective unless it (a) limits the amount to be borrowed and states the purpose or purposes for which the money, credit, debt or liability are to be used; and (b) is passed at a meeting of the members of the directors called for the purpose of considering the by-law and not less than two-thirds (2/3) of the directors are present and vote in favour thereof.

### **INVESTMENT OF FUNDS**

49. Subject to the Act, CFO shall not invest any surplus funds of CFO other than in accordance with section 16 of O. Reg. 400 under the Act.

### **ANNUAL AUDITS**



50. CFO shall cause its accounts to be audited annually by one or more auditors within three months after the end of the fiscal year of CFO.

The auditor shall make a report to CFO based on the accounts examined by him or her and on every balance sheet laid before the Board at a general meeting and in the report shall state whether, in the auditors opinion, the balance sheet referred to in the report is properly drawn up so as to exhibit a true and correct view of the state of the CFO's affairs as shown by its books and the treasurers financial statements.

The Secretary shall file the report of the auditor.

The directors shall within four months of the close of the fiscal year publish in one issue of at least one edition of a newsletter or a magazine having general circulation among its farmer-members, its annual statement of operations and the financial report of CFO.

For the purposes of completing the annual financial statements, the threshold reporting amount for grants and other similar payments of money shall be \$1,000.00.

Any grants and other like payments that are less than the threshold reporting amount shall not be set out on an individual basis in the annual financial statements.

### **BONDING**

51. CFO shall require the Treasurer to furnish a bond for the faithful discharge of his or her duties in such form and with such security as CFO may from time to time prescribe.

CFO may require such other officers and such employees and agents as the CFO considers advisable to furnish bonds for the faithful discharge of their duties in such form and with such security as CFO may from time to time prescribe.

CFO shall pay the cost of any bond or bonds required under subsections (a) and (b).

### **INDEMNITY OF MEMBERS AND OFFICERS**

52. Every director or officer and his or her heirs, executors or administrators and estate and effects respectively shall, from time to time and at all times, be indemnified and saved harmless out of the money of CFO, from and against any action, suit or proceeding that is brought, commenced or prosecuted against the director or officer in respect of any matter to which subsection 3(6) of the Act applies.

Where any director or officer or his or her heirs, executors or administrators or estate and effects receives any money from any person on account of any matter with respect to which the director or officer has already received money from CFO under subsection (a), the director or officer shall forthwith pay to CFO the amount of money that he or she received respecting that matter from the other person, whichever is the lesser amount.

53. In addition to the indemnity provided by section 52 and except in respect of an action to

procure a judgment in favour of CFO, every director, officer, clerk or employee of CFO, past, present and future, against whom any action, suit or proceeding has been or may be brought, commenced or prosecuted or who is required by law or otherwise agreed to participate in any investigation, hearing, inquiry, appeal, examination for discovery, trial or any judicial or other proceeding in connection with CFO business, shall:

- (a) receive from CFO such legal counsel and assistance as the directors may reasonably determine;
- (b) in the case of directors, past or present, be paid by CFO per diems at the rate paid to directors at the time;
- (c) in the case of officers, clerks or employees, past or present, be paid by CFO the lower of the equivalent current salary of the person in that or similar position or the per diem paid to directors at the time; and
- (d) be reimbursed for all out-of-pocket expenses including travel and other costs.

Provided however that, in exchange for the presentation of these provisions of indemnity and remuneration and reimbursement such directors, officers, clerk or employee, past, present or future, as the case may be, shall co-operate fully with CFO in the defence of such proceedings and shall be subject to such direction as CFO, its directors or its counsel shall deem appropriate, failing which such provision of the indemnity, remuneration and reimbursement provided hereby shall forthwith lapse and be of no further force and effect.

#### **REMUNERATION OF DIRECTORS**

54. The directors shall be paid such remuneration on a per diem basis as the Board may from time to time determine. In addition, the Board may pay its directors a monthly honorarium and may from time to time award special remuneration to any to any director who performs any special work or service for or undertakes any special mission on behalf of CFO outside the work or services ordinarily required of a director. Subject to approval of the audit committee of CFO, the director shall be paid such sums in respect of their out of pocket expenses incurred in attending meetings of the Board and committees or otherwise in respect of the performance by them of their duties as the Board may from time to time determine.

#### **BANKING ARRANGEMENTS**

55. The banking business of CFO, or any part thereof, shall be transacted with such bank, trust company or other firm or corporation carrying on a banking business as the directors may designate, appoint or authorize from time to time by resolution and all such banking business, or any part thereof, shall be transacted on the CFO's behalf by such one or more officers and other persons that the directors may designate, direct or authorize from time to time by resolution and to the extent therein, provided, including, but without restricting the generality of the foregoing, the operation of CFO's accounts; the making, signing, drawing, accepting, endorsing, negotiating, lodging, depositing, or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders for payment of money; the giving of receipts for and orders relating to any property of CFO; the execution of any agreement relating to any such banking business and defining the rights and powers of the

parties thereto; and the authorizing of any officers of such banker to do any act or thing on CFO's behalf to facilitate such banking business.

### **EXECUTION OF DOCUMENTS**

56. Regulations, orders, contracts, documents or other instruments in writing requiring the signature of CFO may be signed by the Chair, 1<sup>st</sup> Vice-Chair, 2<sup>nd</sup> Vice-Chair and the Secretary and all such regulations, orders, contracts, documents and instruments in writing so signed shall be valid and binding upon CFO, and all others affected thereby without any further authorization or formality. The directors shall have power from time to time by resolution to appoint any officer or officers, person or persons on behalf of CFO, either to sign contracts, documents or instruments in writing.

### **FISCAL YEAR**

57. The fiscal year of CFO shall end on the 31<sup>st</sup> day of December in year.

### **MEETINGS OF FARMER-MEMBERS**

58. The directors shall call an annual meeting of the farmer-members under the Plan.

The annual meeting of the farmer-members shall be held on or before the 31<sup>st</sup> day of March in each year at such date and time and at such place as the directors determine.

At the annual meeting referred to in subsection (a) the directors shall present, at the meeting, the auditors report referred to in subsection 50(b) and shall announce the appointment of auditors for the next succeeding annual meetings.

A meeting referred to in subsection (a) may be called by the directors,

1. by giving written notice thereof to each farmer-member; or
2. by publication of a notice in at least one newspaper, magazine or website having a general circulation among the farmer-members.

59. Where the directors receive a petition or request from at least ten percent of the farmer-members under the Plan requesting that a special meeting of the farmer-members be held for discussion of matters respecting the operation of the Plan or of CFO, the directors shall call a special meeting of the farmer-members within thirty days of receipt of the petition or request.

A petition or request shall contain or be accompanied by a statement of the matters for discussion at the special meeting.

60. A meeting referred to in section 58 or 59 may be called,

- (a) by giving notice thereof to each farmer-member who is entitled to attend; or

(b) by publication of a notice in at least one newspaper, magazine or website having a general circulation among the farmer-members.

Notice of a meeting referred to in section 58 shall be given or published at least two weeks before the date of the meeting.

#### **REVOCATION**

61. By-law No. 23 is hereby revoked.

#### **AMENDMENTS**

62. In accordance with section 3.1 of the Act, CFO may not make by-laws inconsistent with the Act or the Regulations made thereunder or those made under the Plan under which CFO is established as amended from time to time. No changes to by-laws shall be made except at a meeting of CFO at which there is a quorum present and providing the directors have been given prior notice of the proposed changes.

63. Notwithstanding the foregoing, CFO, at a meeting referred to in any of the following Schedules may, by simple majority vote, vary any internal procedural matters not inconsistent with the Act or the Regulations.

#### **EFFECTIVE DATE**

This by-law comes into force on the 27<sup>th</sup> day of August, 2018.

#### **SCHEDULES**

The following schedules form part of this by-law:

*Schedule 1 – Chicken Farmers of Ontario - Annual Board Elections Rules of Procedure*

*Schedule 2 – Chicken Farmers of Ontario – Board Elections*

ENACTED and confirmed by the Directors of Chicken Farmers of Ontario in their respective capacities as directors and members thereof this 7<sup>th</sup> day of March, 2021.

Witness the corporate seal of Chicken Farmers of Ontario



Chair

Secretary

**Schedule 1**  
**CHICKEN FARMERS OF ONTARIO**  
**ANNUAL BOARD ELECTIONS**  
**RULES OF PROCEDURE**

Eligibility

1. All Board members are eligible for election to all positions with the exception that the positions of Chair and CFC Representative cannot be held by the same person.
2. An eligible candidate is a Board member who accepts a nomination.

Election Officer

1. Prior to the commencement of the Annual Board Elections, the Board will, by resolution, appoint the Elections Officer, a Scrutineer and the Recording Secretary.
2. Neither the Elections Officer nor the Scrutineer shall be a Board member, or a member of staff.
3. The Elections Officer shall be responsible for conducting the Annual Board Elections.

Prior to Elections

The Elections Officer will review the Election procedure and the Board will approve (by Motion) the Election procedure.

Election Procedure

1. The order of elections will be as follows:
  - (1) CFC Representative - 1
  - (2) Board Chair - 1
  - (3) 1st Vice-Chair - 1
  - (4) 2nd Vice-Chair - 1
  - (5) C.F.C. Alternate Representative – 1
  - (6) Canadian Broiler Council (CBC) Representative – 1
  - (7) Poultry Industry Council (PIC) Representative – 1
  - (8) Farm and Food Care (FFC) Representative – 1
2. Nominations and elections will be carried out by secret ballot.
3. The results of nominations and elections will be announced by the Elections Officer.

4. A valid ballot must contain a full slate.
5. In order to be elected, a candidate must receive at least five votes.
6. Candidates will be identified by name and number.
7. A ballot may be marked by using name, number or name and number.
8. A spoiled ballot is one which contains the name of an ineligible candidate or which, in the opinion of the Elections Officer, is incomplete or unclear.
9. In the event of a tie, voting will continue for three ballots. If the tie is maintained on the third ballot, a fourth ballot will be held and the Elections Officer will remove one ballot and destroy it, after which the remaining ballots will be counted.
10. In the event no one director receives a minimum of five votes for a single position, a second ballot will be held with all nominees listed. If there still is no director with five votes, a third ballot will be held with the Elections officer having removed the name of the nominee with the least votes after the conclusion of the second ballot.
11. Throughout the annual elections process Board members other than eligible candidates, may not address the meeting.
12. Eligible candidates may address the meeting with respect to their candidacy for a maximum of one minute.

#### Following the Elections

1. Following all of the elections, the Board will by resolution, have all ballots destroyed.

## Schedule 2

### CHICKEN FARMERS OF ONTARIO

#### BOARD ELECTIONS

The Chicken Farmers of Ontario annually elects, from among its members, a number of people to hold positions of representation.

The Board exercises these authorities at properly called meetings by decision of a majority of the members of the Board. When the Board makes decisions, it is the responsibility of all members of the Board to support the Board's decisions, including the members elected to these representative positions.

All members of the Board who accept nomination to the following positions should accept the responsibility of representing the position of the Board. If a member of the Board cannot accept this discipline, s/he should not accept a nomination to any of the following positions. If, following election to one of the following positions, a member of the Board feels unable to support a decision of the Board, s/he should resign from that position; failing which the Board may in its discretion remove such member, from such position. All elected positions are at the pleasure of the Board.

#### CFC Representative

The responsibility of this position is to represent the CFO as a member of the CFC, to promote the policies of the CFO at the CFC, to attend all meetings of the CFC, to attend all committee meetings of the CFC on which the representative is elected, to promote the interests of the Ontario chicken industry at the CFC and to report to the Board on all meetings attended at the CFC level.

#### Board Chair

The principal responsibilities of this position are to chair all meetings of the Board, to provide leadership to the Board and to be chief spokesman and representative of the Board.

#### 1st Vice-Chair

The 1st Vice-Chair assumes the responsibilities of the Chair in the absence of the Chair.

#### 2nd Vice-Chair

The 2nd Vice-Chair assumes the responsibilities of the 1st Vice-Chair in her/his absence.



### Executive Committee

The Executive Committee of the Board consists of the Chair, 1st Vice-Chair and 2nd Vice-Chair. The Executive Committee meets at the call of the Chair. The principal functions of the Executive Committee are to review matters of importance and to make recommendations to the Board. The Board may authorize the Executive Committee to attend meetings with outside parties on behalf of the Board. The Executive Committee reports on all of its meetings to the following Board meeting.

### CFC Alternate Representative

The CFC Alternate Representative attends all meetings of the CFC and represents the Chicken Farmers of Ontario at the CFC Board of Directors meetings in the absence of the CFC Representative.

### Canadian Broiler Council Representative

The Canadian Broiler Council consists of representatives of chicken farmers in all provinces of Canada - one from each province. The purpose of this position is to represent the Chicken Farmers of Ontario.

### Poultry Industry Council Director

The Board is a member of the Poultry Industry Council and the purpose of this position is to represent the Board's interests on the Council.

### Farm and Food Care Director Representative

The Board is a member of Farm and Food Care ("FFC") and a financial contributor to this organization. The principal purpose of FFC is to promote the interests of animal agriculture in Ontario and primarily to defend animal agriculture against the attacks of animal welfare activists. FFC meets on approximately a monthly basis and the Board's representative is expected to attend these meetings and to report to the Board.