

**CLEANFARMS INC.**  
(the "Corporation")

**Amended and Restated By-Law No. 1 being the  
General By-Laws of the Corporation**

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**CLEANFARMS INC.**  
(the “**Corporation**”)

**1. Name**

As provided in the Articles, the name of the Corporation is CleanFARMS Inc.

**2. Definitions and Interpretation**

(a) **Definitions**

- (i) “**Act**” means the *Canada Not-for-profit Corporations Act*, and any statute that may be substituted for it, as from time to time amended.
- (ii) “**Active Member**” has the meaning given to it in Section 4(b)(i).
- (iii) “**Articles**” means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation.
- (iv) “**Associate Member**” has the meaning given it in Section 4(b)(ii).
- (v) “**Authorized Representative**” means an employee or designate of a Member duly authorized by the Member in writing from time to time to exercise the Member’s rights of membership in the Corporation.
- (vi) “**Board**” means the board of directors of the Corporation.
- (vii) “**By-Laws**” means the bylaws of the Corporation.
- (viii) “**CNCA Director**” means the individual appointed as such under section 281 of the Act.
- (ix) “**Code of Conduct**” means the Corporation’s code of conduct for its Employees and Members, as amended by the Board from time to time.
- (x) “**Corporation**” means CleanFARMS Inc..
- (xi) “**Corporations Canada**” means the corporations directorate of Industry Canada that helps administer the Act.
- (xii) “**CropLife-Affiliated Directors**” has the meaning given it in Section 5(d)(ii).
- (xiii) “**CropLife Member**” has the meaning given it in Section 5(d)(ii).
- (xiv) “**Director**” means a director of the Corporation.
- (xv) “**Employee**” means an employee of the Corporation.

- (xvi) **“Executive”** means the Executive Committee of the Corporation.
- (xvii) **“Fees”** include Member’s fees, dues, stewardship levies, other levies and special assessments.
- (xviii) **“Member”** means a member of the Corporation, and for clarity includes Active Members, Associate Members and other members appointed pursuant to Section 4(b)(iii).
- (xix) **“Officer”** means an officer of the Corporation.
- (xx) **“Robert’s Rules”** means *Robert’s Rules of Order, Newly Revised, 11<sup>th</sup> Edition*.

(b) **Interpretation**

In these By-Laws, unless the context otherwise requires, words importing the singular number or the masculine gender shall include the plural number or the feminine gender, as the case may be and vice versa; references to persons shall include individuals, partnerships, firms and corporations; and a reference to “Section” means a section of these By-Laws.

**3. Head Office**

- (a) The head office of the Corporation shall be located in the Municipality of Toronto, in the Province of Ontario, Canada.
- (b) The Directors may change the location of the head office of the Corporation to any location in the Province of Ontario which they nominate. In the event that such a change is effected, the Directors will give notice to the CNCA Director in the form prescribed in the Act.

**4. Members**

(a) **Eligibility**

The Corporation’s membership shall consist of persons who are (i) qualified for membership and (ii) accepted by the Board.

(b) **Classes**

Membership in the Corporation shall be divided into the following classes:

(i) **Active Members**

An Active Member is any partnership, firm, corporation or other entity carrying on in Canada and/or outside of Canada the business of manufacture, formulation, development, sale and/or distribution of products and technologies derived from any aspect of plant sciences for applications in agriculture, forestry and pest management as accepted by the Board or any association (incorporated or not)

representing persons carrying on such business or substantively similar business as accepted by the Board, in its discretion.

(ii) **Associate Members**

An Associate Member is any partnership, firm, corporation or other entity carrying on in Canada and/or outside of Canada the business of supplying equipment, devices, containers, materials, applications or other services for the manufacture, formulation, development, sale and/or distribution of products or technologies enumerated in Section 4(b)(i), or substantively similar products or technologies, as accepted by the Board, in its discretion.

(iii) **Other**

The Board may introduce other classes of membership and their corresponding admission criteria only by an amendment to these By-Laws sanctioned by two-thirds of the Members.

(c) **Application and Admission**

The Board may establish rules and procedures for membership applications by persons interested in becoming Members. Every application for membership shall be submitted in the form prescribed by the Board. The Board or its designate must approve all applications for membership.

(d) **Rights**

Any Member in good standing is entitled to receive notice of Member meetings, attend Member meetings, speak at Member meetings, and exercise other rights and privileges given to Members in these By-Laws. For clarity, only Active Members may vote at Member meetings.

(e) **Responsibilities**

All Members must pay the Fees assessed for them to remain Members in good standing. All Members must comply with the Code of Conduct.

(f) **Fees**

- (i) The level, structure and methods of assessment of Fees shall be determined from time to time by the Board, so as to ensure sufficient revenues for the operation of the Corporation.
- (ii) The Board shall establish, and revise as appropriate, from time to time, the Fees, including, for greater clarity, the fees for each class of membership, dues, stewardship levies, other levies and special assessments.

(g) **Termination/Resignation/Re-instatement**

- (i) Membership in the Corporation is terminated when:
  - (A) the Member resigns or , if an individual, dies;
  - (B) the Member is expelled or their membership is otherwise terminated in accordance with the By-Laws;
  - (C) the Member's term of membership expires; or
  - (D) the Corporation is liquidated and dissolved pursuant to the Act.

Unless the By-Laws otherwise provide, the rights of a Member, including any rights in the property of the Corporation, cease to exist on termination of their membership.

- (ii) Any Member may resign by delivering to the General Manager or Chair, a written letter of resignation. Fees already paid to the Corporation will not be reimbursed.
- (iii) Membership may be terminated by the Corporation, due to non-payment of Fees or other amounts owing to the Corporation but only after:
  - (A) the Member has been given at least thirty days' written notice by mail of such default; and
  - (B) the Board has determined that such Member should be suspended or expelled.
- (iv) If the Board shall determine that any Member has discontinued activities which qualified them for membership, the membership of that Member shall automatically terminate at that time.
- (v) Termination of membership, whether by resignation, expulsion or otherwise, shall terminate forthwith all the membership rights of the Member concerned, but shall not operate to discharge any financial obligation of the Member to the Corporation accrued prior to the date of such termination and not then fulfilled.
- (vi) Any person who used to be a Member may apply to be reinstated. If the Member complies with all current requirements of membership and pays any outstanding monies owing to the Corporation, reinstatement shall be made upon favourable recommendation by the Executive and approval by the Board.

(h) **Sanctions and Discipline**

Members may be censured, suspended or expelled for breach of the Articles, By-Laws, Code of Conduct, rules or policies (including stewardship policies) adopted by the Board, or for any act, omission or conduct which the Board deems to be prejudicial to the welfare of the Corporation; provided that a Member may only be censured, suspended or expelled for any of these reasons:



- (A) after they have received at least thirty days' written notice of the charges and been given an opportunity to be heard before the Board; and
- (B) upon the affirmative vote of at least two-thirds of the Board.

All matters respecting censure, suspension and expulsion of Members and termination of membership shall be within the exclusive control and discretion of the Board.

(i) **Meetings**

(i) **Types and Calling**

- (A) **Annual:** The annual meeting of Members shall be held in such place in Canada and on such day in the year as may be determined by the Board.
- (B) **Special:** A special meeting of Members shall be convened by the Board if the Board passes a resolution calling for such a meeting or if the Board receives a requisition in writing signed by five percent of the Active Members calling for such a meeting.

(ii) **Notice**

Notice of a meeting of Members may be given in one or more of the following manners:

- (A) by mail, courier or personal delivery to each Member, during a period of 21 to 60 days before the day on which the meeting is to be held; or
- (B) by telephonic, electronic or other communication facility to each Member, during a period of 21 to 35 days before the day on which the meeting is to be held.

Notice of any meeting of Members shall contain sufficient information to permit the Member to form a reasoned judgment on whether to attend the meeting and the decisions to be made at the meeting. The notice shall also contain a reminder of the right of Active Members to vote by proxy at the meeting.

The Corporation may, instead of sending copies of the annual financial statements and other documents referred to in section 172(1) (Annual Financial Statements) of the Act to the Members, publish a notice to the Members providing that the annual financial statements and documents referred to in section 172(1) are available at the registered office to the Corporation and any Member may, on request, obtain a copy free of charge at the registered office or by prepaid mail.

(iii) **Quorum**

Quorum at any meeting of Members shall consist of ten Active Members, or one-third of the total Active Members, whichever is less.

(iv) **Participation in Meeting by Electronic Means**

Any person entitled to attend a meeting of Members may participate in the meeting by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each during the meeting, if the Corporation makes available such a communication facility. In the case of meetings by electronic means other than telephonic, (a) all of the persons entitled to attend such a meeting must consent in advance to the method of communication and have equal access to it and (b) the Chair shall establish procedures for establishing quorum and recording votes. A person participating in a meeting by electronic means (whether telephonic or other than telephonic) is deemed to be present at the meeting. A meeting of the Members' may be held entirely by electronic means.

(v) **Communication Facilities for Meeting**

When a vote is to be taken at a meeting of Members, the voting may be carried out by means of a telephonic, electronic or other communication facility if the facility:

- (A) enables the votes to be gathered in a manner that permits their subsequent verification; and
- (B) permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each Member or group of Members voted.

(j) **Voting**

- (i) Each Active Member through its Authorized Representative shall be entitled to one vote at any meeting of Members.
- (ii) Subject to any other requirements which may be contained in the Act, the Articles or these By-Laws, all questions arising at any meeting of Members shall be decided by a majority of votes. In the case of an equality of votes, the Chair, in addition to their original vote, may cast a second vote.

(k) **Absentee Voting**

The methods of absentee voting are:

- (i) voting by proxy;
- (ii) voting by mailed-in ballot provided the Corporation has a system that:
  - (A) enables the votes to be gathered in a manner that permits their subsequent verification; and

- (B) permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each Member voted;
- (iii) voting by means of a telephonic, electronic or other communication facility that:
  - (A) enables the votes to be gathered in a manner that permits their subsequent verification; and
  - (B) permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each Member voted.

Pursuant to section 197(1) (Fundamental Changes) of the Act, a special resolution of the Members is required to make any amendment to the By-Laws to change this method of voting by Members not in attendance at a meeting of Members.

(l) **Voting by Proxy**

An Authorized Representative not in attendance at a meeting of Members may vote by appointing in writing a proxyholder or one or more alternate proxyholders, who must be another Authorized Representative or Member, to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by the proxy subject to the following requirements:

- (i) a proxy is valid only at the meeting in respect of which it is given or at a continuation of the meeting after an adjournment;
- (ii) an Authorized Representative may revoke a proxy by depositing an instrument in writing executed by the Authorized Representative:
  - (A) at the registered office of the Corporation at any time up to and including the last business day preceding the date of the meeting, or an adjournment of that meeting, at which the proxy is to be used; or
  - (B) with the Chair on the day of the meeting or an adjournment of that meeting;
- (iii) a proxyholder or an alternate proxyholder has the same rights as the Authorized Representative by whom they were appointed including the right to speak at the meeting of Members in respect of any matter, to vote by way of ballot at the meeting, to demand a ballot at the meeting, and, except where a proxyholder or an alternate proxyholder has conflicting instructions from more than one Member, to vote at the meeting by way of a show of hands;
- (iv) if a form of proxy is created by a person other than the Authorized Representative, the form of proxy shall
  - (A) indicate, in bold-face type,

- (I) the meeting at which it is to be used,
  - (II) that the Authorized Representative may appoint a proxyholder, other than a person designated in the form of proxy, to attend and act on their behalf at the meeting, and
  - (III) instructions on the manner in which the Authorized Representative may appoint the proxyholder,
- (B) contain a designated blank space for the date of the signature,
  - (C) provide a means for the Member to designate some other person as proxyholder, if the form of proxy designates a person as proxyholder,
  - (D) provide a means for the Member to specify that the membership registered in their name is to be voted for or against each matter or group of related matters identified in the notice of meeting, other than the appointment of a public accountant and the election of Directors,
  - (E) provide a means for the Member to specify that the membership registered in their name is to be voted or withheld from voting in respect of the appointment of a public accountant or the election of Directors, and
  - (F) state that the membership represented by the proxy will be voted or withheld from voting, in accordance with the instructions of the Member on any ballot that may be called for and that, if the Member specified a choice under Sections 4(l)(iv)(D) or 4(l)(iv)(E) with respect to any matter to be acted on, the membership will be voted accordingly;
- (v) a form of proxy may confer authority with respect to matters for which a choice is not provided in accordance with Section 4(l)(iv)(D) if the form of proxy states, in bold face type, how the proxyholder will vote the membership in respect of each matter or group of related matters;
  - (vi) if a form of proxy is sent in an electronic form, the requirements that certain information be set out in bold-face type are satisfied if the information in question is set out in some other manner so as to draw the addressee's attention to the information; and
  - (vii) a form of proxy may confer discretionary authority in respect of amendments to matters identified in the notice of meeting or other matters that may properly come before the meeting if the form of proxy specifically confers discretionary authority.

(m) **Signed Resolutions**

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 the Act requires a meeting to approve that type of matter.

## 5. Board

### (a) Capacity and Powers of Corporation and Board

The Corporation has the capacity and, subject to the Act, the rights, powers and privileges of a natural person. It is not necessary for a Bylaw to be passed to confer any particular power on the Corporation or the Board.

### (b) Duty to Manage or Supervise Management

The Board shall manage or supervise management of the activities and affairs of the Corporation.

### (c) Eligibility and Qualifications

All Authorized Representatives shall be eligible for election to the Board and, if so elected, appointment as an Officer and member of the Executive.

The following persons are disqualified from being a Director:

- (i) anyone who is less than 18 years of age;
- (ii) anyone who has been declared incapable by a court in Canada or in another country;
- (iii) a person who is not an individual; and
- (iv) a person who has the status of a bankrupt.

### (d) Number

- (i) The number of Directors on the Board shall be a minimum of six and a maximum of fifteen.
- (ii) For the purposes of this Section, a “**CropLife Member**” is a Member that also demonstrates to the satisfaction of the Board that it is a member of CropLife Canada. Subject to Section 5(d)(iii) below, at any given time the majority of Directors of the Board shall be Authorized Representatives of CropLife Members (“**CropLife-Affiliated Directors**”).
- (iii) If CropLife Canada notifies its members that it has dissolved, wound up or otherwise ceased to carry on business, or that it intends to do any of the foregoing, then the requirement set out in Section 5(d)(ii) will cease to apply as of the date of such notice.

### (e) Term

A Director shall be elected for a term of one year or until their successor is elected. The term of office of a Director shall commence immediately following the annual meeting of

the Members at which they are elected, and shall conclude upon the election of their successor or upon earlier withdrawal from the Board. A Director's term of office may be renewed and there are no limits on the number of successive terms.

(f) **Nomination and Election**

The recommendations of the Executive of nominees for election to the Board shall be submitted to the Members by the Secretary or such person as the Board may designate, at least thirty days prior to the annual meeting of Members. Further nominations for election to the Board may be made by an Active Member by submitting in writing to the General Manager not less than 10 days prior to the annual meeting of Members the name and acceptance signature of the nominee and the signatures of the Authorized Representatives of two other Active Members. The Directors shall be elected at the annual meeting of Members by vote of the Active Members through their Authorized Representatives.

(g) **General Manager**

The General Manager is an Officer and is permitted to attend and speak at all meetings of the Board, but is not a Director and is not permitted to vote at meetings of the Board. The General Manager may be removed from office by resolution of the Board.

(h) **Removal**

Any Director may at any time be removed from office by resolution of Members at a special meeting of Members called for that purpose. A vacancy created by the removal of a Director may be filled at the meeting of Members at which the Director is removed or, if not so filled, may be filled by the Board.

(i) **Vacation of Office and Filling Vacancies**

(i) The office of a Director shall be automatically vacated if the Director:

- (A) resigns their office by delivering a written resignation to the General Manager or Chair (such resignation to be effective at the time the written resignation is sent to the Corporation or at the time specified in the resignation, whichever is later);
- (B) ceases to be a full time employee of a Member or otherwise ceases to be an Authorized Representative;
- (C) is a CropLife-Affiliated Director and either: (x) the Director ceases to be an employee or Authorized Representative of the applicable CropLife Member; or (y) the applicable Active Member ceases to be a CropLife Member;
- (D) becomes bankrupt or suspends payment or compounds with their creditors;

(E) dies; or

(F) is declared incapable by a court in Canada or in another country.

(ii) If the office of any Director becomes vacant for any of the reasons set forth in Section 5(i)(i), a successor may be elected by the Board to hold office for the balance of the unexpired term, provided that if such vacancy results in the requirements of Section 5(d)(ii) no longer being met, a successor shall be elected by the Board to hold office for the balance of the unexpired term.

(j) **Meetings**

(i) **Calling**

The Board shall hold regular meetings at such time and place as they may by resolution determine. Special meetings of the Board may be called by the Chair at any time and shall be called by the Chair, General Manager or Secretary upon the written request of any three Directors. Notice of any meeting of the Board, shall be given or sent by the Secretary to each Director and, subject to Section (k)(iii), the General Manager, at least fourteen days before the meeting is to take place; provided that the meeting may be held without notice if all the Directors and if applicable, the General Manager (or his or her designate) are present at the meeting, or if a quorum is present and, either before or after the meeting the absent Director or Directors sign a written waiver of notice, a consent to the holding of the meeting or an approval of the minutes of the meeting.

(ii) **Quorum**

A majority of Directors shall constitute a quorum. Provided a quorum is present at the beginning of a meeting, the meeting may continue or adjourn even though Directors leaving reduce the number to less than a quorum. Directors who have declared a conflict of interest shall be counted in determining a quorum. No proxies are permitted. For clarity, the General Manager shall not be counted for quorum purposes.

(iii) **Voting**

Except where a greater vote is required by the By-Laws, all questions arising at any meeting of Directors shall be decided by a majority of the votes cast. In the case of an equality of votes, the Chair, in addition to their original vote, may cast a second vote.

(iv) **Participation in Electronic Meetings**

A Director or the General Manager may, if all the Directors consent, participate in a meeting of the Board by means of a telephonic, an electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting. In the case of meetings by electronic means other

than telephonic, (a) all of the persons entitled to attend such a meeting must consent in advance to the method of communication and have equal access to it and (b) the Chair shall establish procedures for establishing quorum and recording votes. A Director participating in a meeting by electronic means (whether telephonic or other than telephonic) is deemed to be present at the meeting.

(v) **Validity of Actions**

Any action taken by the Board, which requires approval of the membership, shall be valid until the next annual or special meeting of Members. If the action is not approved by the membership, the Board shall take no further action.

(vi) **Meetings in Person**

While these By-Laws permit Directors to participate in electronic meetings and pass signed resolutions in writing, the Corporation's preference is to have Directors attend and participate in meetings in person.

(k) **Responsibilities**

The responsibilities of the Board include:

- (i) strategic planning for the Corporation;
- (ii) approving the Corporation's annual budget and operating plan;
- (iii) hiring/terminating the General Manager (in which case, the General Manager shall not be invited to attend the meeting(s) of the Board in question);
- (iv) developing the Corporation's positions on policy/regulatory issues;
- (v) setting Fees; and
- (vi) establishing and maintaining the Corporation's vision and mission within the objects prescribed by the Articles.

**6. Officers**

(a) **Eligibility and Composition**

- (i) The Officers, with the exception of the General Manager, must be Directors. The following offices must be determined by the Board: the Chair, Vice-Chair, General Manager, Secretary, Treasurer and such other Officers as the Board may determine.

(b) **Appointment**

- (i) The Executive shall recommend to the Board Directors for appointment as Officers. The Officers shall be appointed annually by the Board.



- (ii) The General Manager is *ex officio* a member of the Executive, without voting powers.
- (iii) The offices of General Manager, Secretary and Treasurer may be combined.

(c) **Term**

Officers, with the exception of the General Manager, shall hold office for a period of one year from the date of appointment or until their successors are appointed. Officers shall be appointed by resolution at the first meeting of the Board following the annual meeting of Members. The General Manager shall hold office until the General Manager resigns or is removed by resolution of the Board.

(d) **Responsibilities**

(i) **Chair**

The Chair shall preside at all meetings of Members, the Board and the Executive. The Chair shall be the public face of, and communicate to the Corporation's stakeholders on behalf of, the Board as directed by the Board.

(ii) **Vice Chair**

The Vice-Chair shall, in the absence or inability of the Chair, perform the duties and exercise the powers of the Chair and shall perform such other duties as may be conferred upon the Vice Chair by the Board.

(iii) **General Manager**

The Board may appoint a General Manager as the Corporation's chief executive officer and may delegate to the General Manager full authority to manage and direct the affairs of the Corporation (except such matters and duties as by law must be transacted or performed by the Board or by the Members). Such authority may include the power to employ and terminate Employees and retain and discharge consultants or agents. The General Manager shall comply with all the lawful orders given by the Board and shall at all reasonable times give to the Directors all information they may require regarding the affairs of the Corporation.

(iv) **Secretary**

The Secretary shall be responsible for the proper conduct of the Corporation's administrative affairs. The Secretary shall attend all meetings of the Board, Executive and Members and shall keep or cause to be kept the minutes of all proceedings in the books to be kept for that purpose. The Secretary shall give or cause to be given notice of all meetings of the Board, Executive and Members and shall perform such other duties as may be prescribed by the By-Laws or by the Board. The Secretary shall have custody of the corporate seal of the Corporation, which shall be kept at the Corporation's head office. The Secretary shall also notify

or cause to be notified new Members of their admission to membership. The function of Secretary may be delegated to such person upon such terms as the Board, or if the Board has delegated such authority to the General Manager, as the General Manager may determine.

(v) **Treasurer**

The Treasurer shall have custody of the funds and securities of the Corporation and shall cause to be kept, full books and financial records for the Corporation and shall deposit all moneys, securities and other valuable effects in the name and to the credit of the Corporation, in such chartered bank or trust company, or in the case of securities, in such registered dealer in securities as may be designated by the Board from time to time. The function of Treasurer may be delegated to such person upon such terms as the Board, or if the Board has delegated such authority to the General Manager, as the General Manager may determine.

(e) **Removal**

Any Officer may be removed from office by a resolution of the Board.

(f) **Vacancies**

If the office of any Officer becomes vacant, a successor may be appointed by the Board to hold office for the balance of the unexpired term.

**7. Executive**

(a) **Composition**

The Executive shall be composed of the Officers.

(b) **Responsibilities**

In the intervals between meetings of the Board, the Executive shall be responsible for managing or supervising management of the activities and affairs of the Corporation. The Executive shall oversee the Corporation's management, subject to such directions, restrictions and limitations as may be determined by the Board. Decisions of the Executive are subject to ratification by the Board at the Board's next regularly scheduled meeting. The Executive or such persons as it may designate shall also nominate Directors for election at the next annual meeting of the Members.

(c) **Meetings**

(i) **Calling, Notice and Frequency**

The Chair, or in the Chair's absence, the Vice Chair, may call an Executive meeting by giving two days' notice in writing to each Executive member. Meetings of the Executive may also be held without formal notice if all of the members of the

Executive are present in person or if those absent waive their right to formal notice and consent to the holding of the meeting. The Executive shall meet at least three times a year.

(ii) **Quorum**

A majority of members of the Executive shall constitute a quorum. Provided a quorum is present at the beginning of a meeting, the meeting may continue or adjourn even though Executive members leaving reduce the number to less than a quorum. Executive members who have declared a conflict of interest shall be counted in determining a quorum. No proxies are permitted.

(iii) **Voting**

All questions at meetings of the Executive shall be decided by a majority of the votes cast. In the case of an equality of votes, the Chair, in addition to their original vote, may cast a second vote.

(iv) **Rules of Order**

Meetings of the Members shall be governed by Robert's Rules.

(d) **Participation in Electronic Meetings**

An Executive member may, if all the Executive members consent, participate in a meeting of the Executive by means of a telephonic, an electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting. In the case of meetings by electronic means other than telephonic, (a) all of the persons entitled to attend such a meeting must consent in advance to the method of communication and have equal access to it and (b) the Chair shall establish procedures for establishing quorum and recording votes. An Executive member participating in a meeting by electronic means (whether telephonic or other than telephonic) is deemed to be present at the meeting.

(e) **Meetings in Person**

While these By-Laws permit Executive members to participate in electronic meetings, the Corporation's preference is to have Executive members attend and participate in meetings in person.

**8. Audit Committee**

The Corporation may have an audit committee and, if it does, the audit committee shall be composed of not less than three Directors, a majority of whom shall not be Officers or Employees.

## 9. Other Committees

The Board may establish and terminate such committees (including regional and/or provincial councils, a nominating committee and an audit committee) with such mandates and operating procedures as the Board may determine.

## 10. Indemnification, Insurance and Liability of Directors and Officers

- (i) The Corporation shall indemnify a present or former Director or Officer or another individual who acts or acted at the Corporation's request as a Director or Officer or in a similar capacity of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity. The Corporation may advance money to a Director, an Officer or other individual for the costs, charges and expenses of such a proceeding. The individual shall repay the money if the individual does not fulfil the following conditions:
  - (A) the individual has not acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the Corporation's request; and
  - (B) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that their conduct was lawful.

The Corporation may enter into indemnity agreements with Directors and Officers for the benefit of such Directors and Officers on such terms as the Board determines, acting reasonably.

- (ii) The Corporation may purchase and maintain directors' and officers' liability insurance for the benefit of Directors and Officers upon terms satisfactory to the Board.
- (iii) No Director or Officer shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for any loss, damage or expense incurred by the Corporation through the insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on the part of the Director or Officer or for any other loss, damage or expense whatever that shall happen in the execution of, or in relation to, the Director's or Officer's duties of office, unless the same shall happen

through the Director's or Officer's wilful neglect or default or dishonest, fraudulent, criminal or quasi-criminal act or omission.

## **11. Interests of Directors in Contracts and Declarations of Interests**

No Director shall be disqualified from office by contracting with the Corporation; nor shall any contract entered into by or on behalf of the Corporation with any Director or in which any Director is in any way interested, be liable to be voided nor, subject to the provisions of the Act, shall any Director so contracting or being so interested be liable to account to the Corporation or the Members for any profit realized by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship established by that office.

Every Director who is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed arrangement with the Corporation must (i) declare such interest to the extent, in the manner and at the time required by the Act, (ii) absent themselves from that portion of the meeting at which the contract or arrangement or proposed contract or proposed arrangement is being considered, and (iii) refrain from voting or attempting to influence the vote in respect of the contract or arrangement or proposed contract or proposed arrangement.

## **12. Financial and Contractual Matters**

### **(a) Fiscal Year**

Unless otherwise determined by the Board, the fiscal year of the Corporation shall end on the 31st day of December in each year.

### **(b) Audit and Auditors**

The Members shall appoint an auditor at each annual meeting of Members to audit the Corporation's financial statements, but a casual vacancy in the office of auditor may be filled by the Board. The auditor must be a qualified public accountant. No Director or Officer may act as the Corporation's auditor. The remuneration of the auditor shall be fixed by the Board. The auditor's report shall be presented to the Members at the annual meeting of Members.

### **(c) Payment Signatures**

Cheques, drafts, or orders for the payment of money, notes, acceptances and bills of exchange may be drawn, accepted, endorsed and signed by such Officers or others and in such manner as the Board may determine.

### **(d) Document Signatures**

Contracts, documents or any instruments in writing requiring the signature of the Corporation may be signed by any one of the Chair, a Vice Chair, the General Manager, the Secretary, the Treasurer or another Director and all contracts, documents and instruments in writing so signed shall be binding on the Corporation without any further authorization or formality. The Board shall have power from time to time by resolution to

appoint any other Officer or Officers, Employees or agents and/or Director or Directors on behalf of the Corporation to sign specific contracts, documents, or instruments in writing generally. Where required, the corporate seal of the Corporation may be affixed to such contracts, documents and instruments in writing.

(e) **Borrowing**

The Board may from time to time:

- (i) borrow money upon the credit of the Corporation;
- (ii) limit or increase the amount to be borrowed;
- (iii) issue debentures or other securities of the Corporation;
- (iv) pledge or sell such debentures or other securities for such sums and at such prices as may be deemed expedient; and
- (v) secure any such debentures and other securities, or any other present or future borrowing liability of the Corporation, by mortgage, hypothec, charge or pledge of all or any currently owned or subsequently acquired real and personal, movable and immovable, property of the Corporation, and the undertaking and rights of the Corporation.

(f) **Remuneration and Expenses**

No Director or Officer or Member shall receive any remuneration or reimbursement of expenses for duties performed on behalf of the Corporation in their capacity as a Director, Officer or Member, with the exception of the General Manager whose payment of remuneration and reimbursement of expenses shall be determined by the Board. The Board may delegate the above powers to such Officers or Directors to such extent and in such manner as the Board may determine. Nothing herein limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

(g) **Corporate Seal**

The corporate seal of the Corporation shall be in such form as the Board determines and shall have the words "CLEANFARMS INC." inscribed on it.

**13. Availability of Minutes**

The minutes of any meetings of the Board or the Executive shall be made available to any Active Member upon request to the General Manager and Chair by that Active Member in such manner as the General Manager and Chair deem fit which may be limited to making the minutes available only for reading by that Active Member (without making a copy) at the Corporation's head office.

#### **14. Corporate Registers**

The Corporation shall maintain at its head office registers of Directors, Officers and Members containing the following information:

- (i) the name of each Director, Officer or Member;
- (ii) the current residential address of each Director and Officer and, for each Member, their current residential or business address;
- (iii) an email address for the receipt of an electronic document if the Director, Officer or Member has consented to receiving information by electronic means; the date on which each person named in the register became a Director, Officer or Member;
- (iv) the date on which each person named in the register ceased to be a Director, Officer or Member; and
- (v) in the case of Members, the class of membership of each Member.

#### **15. Rules and Procedures**

The Board may prescribe rules and procedures for the management and operation of the Corporation which are not inconsistent with the Act, the Articles, and the By-Laws.

#### **16. Assets on Dissolution**

Upon the dissolution or termination of the existence of the Corporation for any reason, any assets remaining after the payment and satisfaction of the debts and liabilities of the Corporation shall be transferred to an organization or organizations in Canada or elsewhere having cognate or similar objects and in no event shall the same be distributed or paid or shall otherwise be available for the personal benefit of any Member.

#### **17. Repeal, Amendment and Restatement of By-Laws**

The By-Laws may be repealed, amended and/or restated only by resolution passed by the Board and sanctioned by an affirmative vote of not less than two-thirds of the Members. After any amendment to the By-Laws has been adopted by the Members, articles of amendment in the form required by the Act shall be sent by the Corporation to the CNCA Director. The amendment(s) will become effective on the date shown on the Certificate of Amendment issued by the CNCA Director.

## Revision History

<b>Action</b>	<b>Date</b>
Original version approved by the Active Members	May 7, 2013
Amended and restated in accordance with Section 17 and approved by the Members	May 5, 2015