

BY-LAW NO. 1

THE ONTARIO SHEEP MARKETING AGENCY Established under O.Reg. 430 Under The Ontario Farm Products Marketing Act

Interpretation

In this By-law,

- (a) "Agency" means Ontario Sheep Marketing Agency (OSMA);
- (b) "Board" means the Directors when they meet as a group either face-to-face or by electronic means.
- (c) "Commission" means the Ontario Farm Products Marketing Commission;
- (d) "Act" means the Farm Products Marketing Act
- (e) "Registered Delegates" are persons elected each year in a district to act as the voice of those producers in the district that are not present.

Head Office

- 2. The Head Office of OSMA shall be located in the City of Guelph, or as otherwise determined by the Agency By-law from time to time.

Fiscal Year

- 3. The fiscal year of the Agency shall commence on the 1st day of September each year.

Chair and Vice-Chair

- 4. (1) The Agency shall at the first meeting after every general election or appointment of its Directors elect from its Directors a Chair and a Vice-Chair unless same have been otherwise appointed.
- (2) The chair shall, when present, preside at all meetings of the Agency.
- (3) During the absence of the Chair or his/her inability to Act, his/her duties may be performed by the Vice-Chair.
- (4) Where the Chair and Vice-Chair are absent from a meeting, the Agency may elect a Chair for the purpose of that meeting from among the Directors present at the meeting.
- (5) The Chair and the Vice-Chair of the Agency shall hold office until their successors are elected.

Quorum

- 5. A majority of the Directors of the Agency constitutes a quorum for the transaction of business.

Secretary and Treasurer

6. (1) The Agency shall appoint a Secretary and a Treasurer. "Secretary" means an officer appointed to perform the functions of a Secretary and "Treasurer" means an officer appointed to perform the functions of a treasurer.
- (2) The same person may be appointed Secretary and Treasurer. The Secretary-Treasurer may also be referred to as the OSMA General-Manager.
- (3) The Agency may appoint such officers and employees as it considers necessary.
- (4) If the interim General Manager is a current Board member, they must abstain from their Directorship duties while filling the role of General Manager of the Agency. Once a new General Manager is on staff, the individual would resume their Directorship role.

Duties of the Secretary

7. Secretary of the Agency shall,
 - (a) attend all meetings of the Agency and keep true minutes thereof and shall send a copy of the minutes to every Director of the Agency within ten days, excluding Saturday and holidays after the meeting.
 - (b) conduct the correspondence of the Agency;
 - (c) keep a record of,
 - (i) all business transactions of the Agency;
 - (ii) all orders, directions of the Agency;
 - (iii) all reports of committees that are from time to time appointed by the Agency; and
 - (iv) all annual statements and financial auditor's reports;
 - (d) maintain at the head office of the Agency true copies of all regulations, orders and policy statements of the agency and an index identifying all regulations, including amendments by subject matter and shall during the normal business hours of the Agency,
 - (i) permit any person to inspect the copies and index (as per Reg 400) without charge; and
 - (ii) provide to any person upon request copies of the regulations, orders and policy statements within 10 days; and
 - (iii) perform such other duties as may be prescribed from time to time by the Agency
 - (e) maintain at the head office of the Agency true copies of all minutes of meetings of the Board of Directors and Committees of the Board, and may
 - (i) permit any member to inspect the approved minutes, without charge, during the normal business hours of the Agency; and

provide to any member, upon written request, ten (10) days in advance, to the Agency, copies of the approved minutes, which may be subject to an administration fee, which the Agency shall determine by policy from time to time.

Duties of the Treasurer

8. The Treasurer of the Agency shall,
 - (a) under the direction of the Agency, provide for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Agency;
 - (b) maintain separate accounts for the deposit of,
 - (i) monies received by the Agency in trust for any other person and,
 - (ii) levies or charges imposed by the Agency 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 Agency;
 - (d) prepare reports showing the financial position of the Agency as the Agency may direct from time to time; and
 - (e) perform such other duties as may be prescribed from time to time by the Agency

Assistance

9. (1) 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
- (2) The Board may add to or limit the powers and duties of an officer or his/her assistant.

Meetings of the Agency

10. (1) Meetings of the Agency 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 of the Agency may determine and the Secretary, when directed or authorized by either of the said officers or by any two Directors of the Agency, shall give or cause to be given notice of the meeting.
- (2) Unless otherwise stated in the notice calling the meeting, meetings of the Agency shall be held at the head office.
- (3) Notice of a meeting shall,
 - (a) include the date and time of the meeting; and
 - (b) be given,
 - (i) in writing, by mail, by Facsimile, or electronic transmission
 - (ii) orally or by telephone.
- (4) Notice of a meeting shall be given at least 14 days in advance of the meeting when the notice is provided by mail and at least 7 days in

advance of the meeting when notice is provided by facsimile or electronic transmission.

- (5) No notice of a meeting is required to be given, where, in addition to the Directors of the Agency present those absent waive notice of the meeting either before or after the meeting.
- (6) Notice in writing, by mail, by facsimile or electronic transmission shall be sufficiently given if mailed to a Director at his/her last address as recorded in the books of the Agency.

11. All questions arising at a meeting of the Agency shall be decided by the majority of the votes of the Directors present. The Chair of the Agency meeting is also the representative of a District. The Chair can therefore vote on any question arising at a meeting. In the event of a tie vote, the Chair shall have a second or deciding vote.

All decisions of the Board are binding on Directors and the Board speaks as one voice on Board decisions.

12. Any meeting of the Agency Board may be held in camera if the majority of the Board decides it should be for discussion of issues relating to personnel, property, finances, legal matters or performance of the Agency or member of the Board.

Transaction of Business other Than at a Meeting

13. (1) The Agency may transact business matters other than at a meeting called and conducted in accordance with sections 10 and 11 upon condition that,
 - (a) the Chair of the Agency 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 of the Agency,
 - (c) the Chair or the Secretary submits the matter for decision to at least two-thirds of the Directors of the Agency,
 - (i) by mail, routing document, facsimile, or electronic transmission
 - (ii) followed in 24 hours by telephone if there has been no response
 - (iii) orally; and
 - (d) the secretary makes a record in the minute book of the Agency of the matter to be decided and the decision of each Director.
- (2) Where the conditions prescribed in subsection (1) 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.
- (3) Where the Secretary of the Agency makes a record in the minute book under subsection (1), the record shall be read and confirmed at the next meeting of the Agency.

Finances

14. (1) A By-law passed by the Agency,
 - (a) for borrowing money on the credit of the Agency;
 - (b) for issuing, selling or pledging securities of the Agency;
 - (c) for charging, mortgaging, hypothecating or pledging all or any of the real or personal property of the Agency including book debts and unpaid calls, rights, powers, franchises and undertakings; or
 - (d) to negotiate for any securities or any money borrowed, or other debt, or any other obligation or liability of the Agency, shall state the purpose or purposes for which the money, credit, debt or liability are to be used.
- (2) No by-law referred to in subsection (1) is effective unless it is passed at a meeting of the Directors of the Agency called for the purpose of considering the by-law and not less than two-thirds of the Directors are present and vote in favour thereof.

Bonding

15. (1) The Agency requires the Treasurer to furnish a bond for the faithful discharge of his/her duties in such form and with such security as the Agency may from time to time prescribe.
- (2) The Agency may require such other officers and such employees and agents as the Agency considers advisable to furnish bonds for the faithful discharge of their duties in such form and with such security as the Agency may from time to time prescribe.
- (3) The Agency shall pay the cost of any bond required under subsection (1) or (2).

Investments

16. (1) Subject to section 8, the Agency shall not invest any surplus funds of the Agency other than in,
 - (a) bonds, debentures or other evidences of indebtedness,
 - (i) of or guaranteed by the Government of Canada,
 - (ii) of or guaranteed by the government of any province of Canada,
 - (iii) of or guaranteed by the Government of the United Kingdom,
 - (iv) of any municipal corporation in Canada, including debentures issued for public, separate, secondary or vocational school purposes, or guaranteed by any municipal corporation in Ontario, or secured by or payable out of rates or taxes levied under the law of any province of Canada on

property in that province and collectible by or through the municipality in which the property is situated;

- (a.1) bonds, debentures or other evidences of indebtedness of a corporation that are secured by the assignment to a trustee of payments that the Government of Canada has agreed to make, if those payments are sufficient to meet the interest as it falls due on the bonds, debentures or other evidences of indebtedness outstanding and to meet the principal amount of the bonds, debentures or other evidences of indebtedness upon maturity;
 - (a.2) debentures of any loan corporation that is registered under the *Loan and Trust Corporations Act*;
 - (a.3) guaranteed investment certificates of any trust corporation that is registered under the *Loan and Trust Corporations Act*;
 - (a.4) deposit receipts, deposit notes, certificates of deposits, acceptances and other similar instruments issued or endorsed by any bank listed in Schedule I or II to the *Bank Act* (Canada) or by any authorized foreign bank within the meaning of section 2 of the *Bank Act* (Canada);
 - (a.5) term deposits accepted by a credit union as defined in the *Credit Unions and Caisses Populaires Act, 1994*;
 - (b) investment certificates of a bank listed in Schedule I or II to the *Bank Act* (Canada) or of an authorized foreign bank within the meaning of section 2 of the *Bank Act* (Canada); and
 - (c) paid up shares of,
 - (i) any credit union league to which the *Credit Unions and Caisses Populaires Act, 1994* applies, and
 - (ii) The Ontario Co-operative Credit Society. R.R.O. 1990, Reg. 400, s. 16 (1); O. Reg. 618/99, s. 2 (1, 2).
- (1.1) Despite subsection (1), the Agency shall not invest its surplus funds in the investments listed in that subsection unless the investment is in other respects reasonable and proper. O. Reg. 618/99, s. 2 (3).
- (2) The Agency may lend money to a fund established under the *Farm Products Payments Act*. R.R.O. 1990, Reg. 400, s. 16 (2).

Auditors

17. (1) The Agency shall cause its accounts to be audited annually by one or more auditors within three months after the end of the fiscal year of the Agency.

- (2) The auditor shall make a report to the Agency based on the accounts examined by him/her and on every balance sheet laid before the Agency at a general meeting and in the report shall state whether, in his/her 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 Agency's affairs as shown by its books and the Treasurer's financial statement.
- (3) The Secretary of the Agency shall file the report of the auditor.

Seal

18. (1) The Agency shall have a corporate seal.
- (2) The seal shall be in the form of two concentric circles with the name of the Agency inserted in the space between the two circles.
- (3) The Secretary shall have custody of the seal.

Annual Meetings of Producers

19. (1) The Agency shall call annual district meetings of producers under each of the districts under the Plan in each district and an annual meeting of delegates from all annual district meetings.
- (2) The boundaries of every district for the purpose of the annual district meetings and the method of electing or appointing delegates from the district area meetings to the annual meetings of delegates shall be as set out in the Plan.
- (3) The annual district meetings and the annual meetings of delegates to the Agency shall be held at such time and at such place in every year as the Agency determines.
- (4) At every annual meeting of delegates the Agency shall present at the meeting the auditor's report referred to in Section 17(2) and shall announce the appointment of auditors for the next succeeding annual meeting.

Special Meetings of Producers

20. (1) Where the Agency receives a petition or request from at least ten percent of the producers under the Plan requesting that a special meeting of the producers be held for discussion of matters respecting the operation of the Plan or of the Agency, provided the Agency has jurisdiction in the matter, the Agency shall call a special meeting, within thirty days of receipt of the petition or request.

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

Notice of Meetings

21. (1) Any meeting of producers whether annual or special maybe called,
 - (a) by giving notice thereof to each producer or delegate who is entitled to attend; or
 - (b) by publication of a notice in at least one newspaper or magazine having a general circulation among the producers.
- (2) Notice of an annual meeting shall be given or published at least 14 days before the date of the meeting if sent by mail, or at least 7 days if sent by electronic transmission or by facsimile before the date of the meeting.

Indemnification of Directors and Officers

22. (1) Every Director or officer of the Agency and his 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 the Agency, from and against any action, suit or proceeding that is brought, commenced or prosecuted against him/her in respect of any matter to which subsection 3(6) of the Act applies.
- (2) Where any Director or officer of the Agency or his/her heirs, executors or administrators or estate and effects receives any money from any person on account of any matter with respect to which he/she has already received money from the Agency under subsection (1), he/she shall forthwith pay to the Agency the amount of money that he/she received respecting that matter from the Agency or the amount of money that he/she received respecting that matter from the other person, whichever is the lesser amount.

Filings with the Ontario Farm Products Marketing Commission

23. An agenda for each meeting of the Agency shall be filed with the Commission.
24. Where the Agency issues a direction or makes an order or a regulation or policy statement, the Agency shall, within five days of issuance or making, excluding weekends and holidays, file with the Commission a true copy of the direction, order or regulation.
25. The Agency shall file with the Ontario Farm Products Marketing Commission a true copy of the index to the Agency's regulations and where the agency amends a regulation the agency shall within five days of amendment,

excluding weekends and holidays, file with the Commission a true copy of the amended page or pages of the index.

26. Within four months after the close of the fiscal year of the Agency, the Agency shall file with the Commission a true copy of all reports of its operations the fiscal year.
27. (1) The Agency shall file with the Commission a true copy of the annual financial statement and audited reports for each fiscal year of the Agency within ten days, excluding weekends and holidays, after the Agency receives the audited report.
 - (2) The annual financial statement of the Agency shall include
 - (a) the threshold reporting amount established by the Agency in its by-laws;
 - (b) the amount of each grant or other like payment of money made by the Agency to any person or association or body of persons during the fiscal year that is greater than or equal to the threshold reporting amount
 - (c) the amount of each grant or other like payment of money that is less than the threshold reporting amount and was made by the Agency to any person or association or body of persons during the fiscal year and before the by-law establishing the threshold reporting amount is passed by an annual meeting of delegates of the Agency;
 - (d) the name of the person or association or body of persons to whom each grant or other like payment of money described in clause (b) or (c) was made;
 - (e) the total number of grants and other like payments of money that are each less than the threshold reporting amount and were made by the Agency to any persons, associations and bodies of persons during the fiscal year and after the by-law establishing the threshold reporting amount is passed by an annual meeting of delegates; and
 - (f) the total amount of the grants and other like payments described in clause (e). O. Reg. 617/99, s. 2.
 - (3) On request, the Agency shall provide to the Commission or to a sheep or wool producer registered with the Agency, any information respecting the grants or other like payments of money that are included in the total amount reported under clause (2) (f). O. Reg. 617/99, s. 2.
28. Where the Agency appoints an agent under Regulation 1, the Agency shall file with the Commission a true copy of the appointment and the terms thereof within twenty-one days after the appointment is made.

29. Where the Commission requires from the Agency true copies of statements and reports other than those provided for in Sections 24, 25, 26, 27, 28 and 29, the Agency shall, as soon as is practical, but not later than thirty days, from the date that the request is received from the Commission, file with the Commission true copies of the statements and reports.
30. Subject to section 9, within four months after the end of its fiscal year, the Agency shall furnish to the producers of the regulated product during the fiscal year copies of the annual statement of operations and the financial report of the Agency. R.R.O. 1990, Reg. 421, s. 8.
31. Where, within four months of the close of its fiscal year the Agency publishes in one issue of at least one edition of a newspaper or magazine having a general circulation among its producers, its annual statement of operations and its financial report the Agency is not required to comply with Section 31.

THIS BY-LAW ADOPTED BY THE AGENCY, May 29, 2013

Chair

(Replaces by-law # 1, adopted September 12, 1985) (Further replaces by-law #1, adopted February 4, 1997)

Secretary