

BY-LAW NO. 2

A by-law relating generally to the conduct of the affairs of

NATIONAL FARMED ANIMAL HEALTH AND WELFARE COUNCIL /CONSEIL NATIONAL SUR LA SANTÉ ET LE BIEN-ÊTRE DES ANIMAUX D'ÉLEVAGE

(the "Corporation")

BE IT ENACTED as a by-law of the Corporation as follows:

DEFINITIONS

- 1) In these by-laws and in all other by-laws of the Corporation hereafter passed unless the context otherwise requires:
 - (a) "Act" means the *Canada Not-For-Profit Corporations Act* S.C. 2009, c.23 including the Regulations made pursuant to the Act, and any statute or regulations that may be substituted, as amended from time to time;
 - (b) "articles" means the original or restated articles of incorporation, or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation;
 - (c) "board of directors" and "board" means the board of directors of the Corporation and "director" means a member of the board;
 - (d) "by-law" means this by-law and any other by-law of the Corporation as amended and which are, from time to time, in force and effect;
 - (e) "Council" means an advisory group whose members are designated by federal, provincial and industry/non-government stakeholders interested in animal health and welfare in Canada;
 - (f) "Corporation" means the National Farmed Animal Health and Welfare Council continued under the Act by Articles of Continuance filed October 14, 2014 and is the incorporated legal entity overseen by the elected industry board of directors;
 - (g) "Division" means any such Divisions as may be established by the board of directors;
 - (h) "Members" means Primary Member or Associate Member who contribute a membership fee and have the authority to vote, make motions and submit proposals for a meeting of the members.
 - (i) "meeting of members" includes an annual meeting of members or a special meeting of members; "special meeting of members" includes a meeting of any class or classes of members and a special meeting of all members entitled to vote at an annual meeting of members;
 - (j) "ordinary resolution" means a resolution passed by a majority of not less than 50% plus 1 of the votes cast on that resolution;
 - (k) "proposal" means a proposal submitted by a member of the Corporation that meets the requirements of section 163 (Member Proposals) of the Act;
 - (l) "Regulations" means the regulations under the Act, as amended, restated or in effect from time to time; and
 - (m) "special resolution" means a resolution passed by a majority of not less than two-thirds (2/3) of the votes cast on that resolution.

CORPORATE SEAL

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

HEAD OFFICE

- 3) The head office of the Corporation shall at all times be situated in the province specified in the articles, at such address as the board may, by resolution, determine. Subject to the Act, the Corporation may, by a by-law, change the place or municipality and the province in which the registered office of the Corporation shall be situated and send a notice of registered office in the prescribed form as required by the Act.

CONDITIONS OF MEMBERSHIP

- 4) Membership in the Corporation shall be available only to individuals, corporations or a body corporate interested in furthering the Corporations' purposes and who have applied for and been accepted into membership in the Corporation by resolution of the board or in such other manner as may be determined by the board.
- 5) The membership fees or dues shall be determined annually by resolution of the board of directors.
- 6) all membership fees paid by the Members are non-refundable;
- 7) The Corporation shall have two classes of membership
 - a) Primary Members
 - b) Associate Members

A Primary Member:

- a) must contribute funds to the Corporation at or above a minimum level established by the board of directors.
- b) is entitled to receive notice of, attend, participate, engage in discussions, make motions, submit proposals and vote at all meeting of members and each such Primary Member shall be entitled to one (1) vote at such meeting.
- c) has the exclusive right to nominate a director for election to the board of directors of the Corporation.

Associate Members

- a) Must pay an annual membership fee, in such amount as may be established by the board of directors from time to time;
- b) is entitled to receive notice of, attend, participate, engage in discussions, make motions, submit proposals and vote at all meetings of the Members and each such Associate Member shall be entitled to one (1) vote at such meeting. engage in discussion and participate in all matters relating to meeting activities including:

- (i) Associate Members as a class or group, have an exclusive right to nominate three (3) directors for election to the board of directors of the Corporation.
- (ii) Any member may withdraw from the Corporation by delivering to the Corporation a written resignation and lodging a copy of the same with the secretary of the Corporation.
- (iii) Any member may be required to resign by a vote of three-quarters (3/4) of the members at an annual meeting.

MEMBERS' MEETINGS

- 8) The annual or any other general meeting of the members shall be held at the head office of the Corporation or at any place in Canada as the board of directors may determine and on such day as the said directors shall appoint. The members may resolve that a particular meeting of members be held outside of Canada.
- 9) The Corporation may, instead of sending copies of the annual financial statements and other documents referred to in subsection 172(1) of the Act to the members, publish a notice to its members stating that the annual financial statements and documents provided in subsection 172(1) of the Act are available at the registered office of the Corporation and any member may, on request, obtain a copy free of charge at the registered office or by prepaid or electronic mail, on-line, or other acceptable means. At every annual meeting, there shall be a report of the board of directors of the affairs of the Corporation for the previous year, financial statements of the Corporation as required by the Act, and such other information or reports relating to the Corporation's affairs as the board may determine. The members may consider and transact any business either special or general at any meeting of the members. The board of directors or the Chair or Vice Chair of the corporation shall have power to call, at any time, a general meeting of the members of the Corporation. The board of directors shall call a special meeting of members on written requisition of members carrying not less than 25% of the voting rights. A minimum of five (5) members participating or represented by proxy at a meeting will constitute a quorum.
- 10) Twenty-One (21) days' written or electronic notice shall be given to each voting member of any meeting of members. Notice of any meeting where special business will be transacted shall contain sufficient information to permit the member to form a reasoned judgment on the decision to be taken. Notice of each meeting of members must remind the member if the member has the right to vote by proxy.

Each voting member present at a meeting shall have the right to exercise one vote. A member may, by means of a written proxy, appoint a proxy holder to attend and act at a specific meeting of members, in the manner and to the extent authorized by the proxy. A proxy holder must be a person designated by resolution of the member for such purpose.

- 11) A majority of the votes cast by the members present and carrying voting rights shall determine the questions in meetings except where the vote or consent of a greater number of members is required by the Act or these by-laws.

12) No error or omission in giving notice of any annual or general meeting or any adjourned meeting, whether annual or general, of the members of the Corporation shall invalidate such meeting or make void any proceedings taken thereat and any member may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. For the purpose of sending notice to any member, director or officer for any meeting or otherwise, the address of the member, director or officer shall be his last address recorded on the books of the Corporation.

BOARD OF DIRECTORS

13) The property and business of the Corporation shall be managed by a board of directors. The board of directors shall consist of the number of directors specified in the articles. If the articles provide for a minimum and maximum number of directors, the board shall be comprised of the fixed number as determined from time to time by the members by ordinary resolution or, if the ordinary resolution empowers the directors to determine the number, by resolution of the board. In the case of a soliciting corporation the minimum number of directors may not be fewer than three (3), at least two of them are not officers or employees of the Corporation or its affiliates.

Directors must be individuals, at least 18 years of age, not be an undischarged bankrupt or person who is incapable.

14) Each Primary Member shall have an exclusive right to nominate one (1) director for election to the board of directors of the Corporation and the Associate Members as a class or group, have an exclusive right to nominate three (3) directors for election to the board of directors of the Corporation, The nomination process shall be a transparent and inclusive nomination process.

15) The Chief Veterinary Officer of Canada shall be entitled to attend all meetings of the board of directors and meetings of members but shall not be entitled to vote at such meetings.

16) Directors shall be elected for a four (4) year term by the members and shall retire in rotation. At each annual meeting, directors whose term of office has expired and each director so elected shall hold office until the fourth (4th) annual meeting after his or her election.

17) The office of director shall be automatically vacated:

- a) if at a meeting of members, an ordinary resolution is passed in favor of the removal of the director;
- b) if a director has resigned by delivering a written resignation to the secretary of the Corporation;
- c) if a director is found by a court to be of unsound mind;
- d) if a director becomes bankrupt or suspends payment or compounds with the director's creditors;
- e) on death;

provided that a vacancy created by the removal of a director may be filled at the meeting of the members at which the director is removed or, if not so, filled, may be filled at a meeting of

directors where a quorum is present. A quorum of directors may fill a vacancy among the directors, except a vacancy resulting from an increase in the number or the minimum or maximum number of directors provided for in the articles or a failure to elect the number or minimum number of directors provided for in the articles.

- 18) The directors may receive reasonable remuneration for serving as a director of the Corporation in such amounts as fixed by the board of directors. No director shall directly or indirectly receive any profit from his position as such; provided that a director may be paid reasonable expenses incurred by him in the performance of his duties. Nothing herein contained shall be construed to preclude any director from serving the Corporation as an officer or in any other capacity and receiving compensation therefor.
- 19) A retiring director shall remain in office until the dissolution or adjournment of the meeting at which his retirement is accepted and his successor is elected.

POWERS OF DIRECTORS

- 20) The directors of the Corporation may administer the affairs of the Corporation in all things and make or cause to be made for the Corporation, in its name, any kind of contract which the Corporation may lawfully enter into and, save as hereinafter provided, generally, may exercise all such other powers and do all such other acts and things as the Corporation is by its charter or otherwise authorized to exercise and do.
- 21) The directors shall have power to authorize expenditures on behalf of the Corporation from time to time and may delegate by resolution to an officer or officers of the Corporation the right to employ and pay salaries to employees. The directors shall have the power to enter into a trust arrangement with a trust company for the purpose of creating a trust fund in which the capital and interest may be made available for the benefit of promoting the interest of the Corporation in accordance with such terms as the board of directors may prescribe.

The board of directors is hereby authorized, from time to time:

- a. to borrow money upon the credit of the Corporation, from any bank, corporation, firm or person, upon such terms, covenants and conditions at such times, in such sums, to such an extent and in such manner as the board of directors in its discretion may deem expedient;
- b. to limit or increase the amount to be borrowed;
- c. to issue or cause to be issued bonds, debentures or other securities of the Corporation and to pledge or sell the same for such sums, upon such terms, covenants and conditions and at such prices as may be deemed expedient by the board of directors;
- d. to secure any such bond, debentures or other securities, or any other present or future borrowing or 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.

- 22) The board of directors shall take such steps as they may deem requisite to enable the Corporation to acquire, accept, solicit or receive legacies, gifts, grants, settlements, bequests, endowments and donations of any kind whatsoever for the purpose of furthering the objects of the Corporation.
- 23) The board of directors may appoint such agents and engage such employees as it shall deem necessary from time to time and such persons shall have such authority and shall perform such duties as shall be prescribed by the board of directors at the time of such appointment.
- 24) Remuneration for all officers, agents and employees and committee members shall be fixed by the board of directors by resolution.

DIRECTORS' MEETINGS

- 25) Meetings of the board of directors may be held at any time and place to be determined by the directors provided that written notice of such meeting by electronic mail or other acceptable means is given to each director. Notice by electronic mail shall be sent at least 14 days prior to the meeting. There shall be at least two (2) meetings per year of the board of directors. The board of directors may conduct special meetings if circumstances warrant or the nature of the business is urgent, provided that 48 hours written notice of such meeting by electronic mail is given to each director. No error or omission in giving notice of any meeting of the board of directors or any adjourned meeting of the board of directors of the Corporation shall invalidate such meeting or make void any proceedings taken thereat and any director may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. Each director is authorized to exercise one (1) vote.
- 26) Attendance of at least one of the chairs, and a majority of directors in office, from time to time, but no less than 50% plus one, shall constitute a quorum for meetings of the board of directors. Any meeting of the board of directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the by-laws of the Corporation.
- 27) If all of the directors consent, a director may participate in a meeting of the board or a committee of the board by means of such telephone or other communication facilities that permit all persons participating in the meeting to adequately communicate with each other during the meeting. A director participating in such a meeting is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the board and its committees.
- 28) The directors of the Corporation may meet by other electronic means that permits each director to communicate adequately with each other during the meeting, provided that:
 - a) the directors of the Corporation have passed a resolution addressing the mechanics of holding such a meeting and dealing specifically with the procedures for establishing quorum, and recording votes;

- b) each director has equal access to the specific means of communication to be used;
- c) each director has consented in advance to meeting by electronic means using the specific means of communication proposed for the meeting.

INDEMNITIES TO DIRECTORS AND OTHERS

- 29) Every director or officer or committee member of the Corporation and their heirs, executors and administrators, and estate and effects, respectively, shall from time to time and at all times, be indemnified and saved harmless out of the funds of the Corporation, from and against;
- a. all costs, charges and expenses which such director or officer, sustains or incurs in or about any action, suit or proceedings which is brought, commenced or prosecuted against him, or in respect of any act, deed, matter of thing whatsoever, made, done or permitted by him, in or about the execution of the duties of his office or in respect of any such liability if;
 - (i) the director or officer or committee member acted honestly and in good faith with a view to the best interests of the Corporation, and
 - (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the director or officer or committee member had reasonable grounds for believing that the director's or officer's or committee member's conduct was lawful.
 - b. all other costs, charges and expenses which he sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his own willful neglect or default.
 - c. The Corporation may advance funds to a person in order to defray the costs, charges and expenses of a proceeding referred to in Article 28(a), but if the person does not meet the conditions of 28(a), he shall repay the funds advanced.
 - d. The Corporation may purchase and maintain insurance for the benefit of any person referred to in 28 and any member of the boards of the Divisions against any liability incurred by the person in the person's capacity as a director or officer or committee member of the Corporation or as a member of the board of the Divisions, except when the liability relates to the person's failure to act honestly and in good faith with a view to the best interests of the Corporation.

CONFLICT OF INTEREST AT BOARD OF DIRECTORS' MEETINGS

- 30) 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.
- 31) Prior to the directors dealing with any matter properly brought before them at a meeting of the board of directors, each director shall declare any real, potential or apparent conflict of interest with respect to the matter to be considered at such meeting. As well, in the event that a

director is perceived by another director to be in a real, potential or apparent conflict of interest with respect to the matter to be considered, the directors shall thereupon 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.

- 32) 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.
- 33) 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 Corporation and any other person where that person is a director or is a corporation, partnership or association in which a director has a direct or indirect financial interest;
 - b) participating in Corporation’s deliberations or decisions concerning a corporation, partnership or association, in which the director 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 which the Corporation has any dealings.

OFFICERS

- 34) The officers of the Corporation shall be the Chair and Vice Chair both of which shall be directors under the corporation, and any such other officers as the board of directors may by by-law determine. Officers need not be directors, nor members.
- 35) Officers of the Corporation shall be appointed by resolution of the board of directors at the first meeting of the board of directors following an annual meeting of members.
- 36) The officers of the Corporation shall hold office for 1 year from the date of appointment or election or until their successors are elected or appointed in their stead. Officers shall be subject to removal by resolution of the board of directors at any time.

DUTIES OF OFFICERS

- 37) The Chair and Vice Chair shall be the chief executive officers of the Corporation. They shall preside at all meetings of the Corporation and of the board of directors. They shall have the general and active management of the affairs of the Corporation. They shall see that all orders and resolutions of the board of directors are carried into effect.
- 38) The Vice Chair shall, in the absence or disability of the Chair, perform the duties and exercise the powers of a Chair and shall perform such other duties as shall from time to time be imposed upon him by the board of directors.
- 39) An officer appointed by the board of directors (the “appointed officer”) shall have the custody of the funds and securities of the Corporation and shall keep full and accurate accounts of all assets,

liabilities, receipts and disbursements of the Corporation in the books belonging to the Corporation and shall deposit all monies, 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 of directors from time to time. The appointed officer shall disburse the funds of the Corporation as may be directed by proper authority taking proper vouchers for such disbursements, and shall render to the Chair and the Vice-Chair and directors at the regular meeting of the board of directors, or whenever they may require it, an accounting of all the transactions and a statement of the financial position, of the Corporation. The appointed officer shall also perform such other duties as may from time to time be directed by the board of directors.

- 40) The appointed officer shall attend all meetings and act as clerk thereof and record all votes and minutes of all proceedings in the books to be kept for that purpose. The appointed officer shall give or cause to be given notice of all meetings of the members and of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or the Chair or the Vice Chair, under whose supervision the secretary shall be. The appointed officer shall be the custodian of the seal of the Corporation.
- 41) The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the board of directors requires of them.

COMMITTEES

- 42) The board of directors may appoint committees whose members will hold their offices at the will of the board of directors. The directors shall determine the duties of such committees and may fix by resolution, any remuneration to be paid.

ADVISORY COMMITTEE

- 43) There shall be an advisory committee composed of a minimum of seven (7) individuals, three (3) of whom shall be appointed from the federal government of Canada and four (4) of whom shall be appointed from the provincial and territorial governments. Additional members may be appointed upon agreement of the Advisory Committee and the Corporation.
- 44) The mandate of the advisory committee is to advise the board of directors on all matters relating to legislation, finances, regulations, program activities, new initiatives and other Council related activities that affect animal health and welfare.
- 45) The advisory committee shall exercise such powers as are authorized by the board of directors.
- 46) The advisory committee members shall receive no remuneration for serving as such, but are entitled to expenses incurred in the exercise of their duty in accordance with Council financial policy.
- 47) The members of the advisory committee shall attend all board of directors' meetings.

- 48) The members of the advisory committee are not entitled to vote at board of directors' meetings and are not directors.
- 49) The advisory committee may direct the board of directors to conduct a special meeting if circumstances warrant or the nature of the business is urgent.

MANAGEMENT COMMITTEE OF THE COUNCIL

- 50) The Chair, the Vice Chair or alternate and two advisory committee members shall be members of the management committee of the Council and such individuals will act in the best interest of the Corporation in all cases where specific direction has not been given by the Corporation. Such individuals shall report all actions of the management committee to the Corporation at the board of directors' meeting succeeding the meeting of the management committee.

DIVISIONS

- 51) The board of directors of the Corporation shall have the authority to establish Divisions.
- 52) Each Division shall operate in accordance with its own terms of reference or business plan, as the case may be, and as outlined in an agreement entered into with the Corporation.
- 53) No terms of reference or business plan of a Division and no amendment or repeal of any terms of reference or business plan of a Division has any effect until it is approved by the board of the directors of the Corporation.
- 54) Each Division shall submit an annual budget in respect of the activities of that Division to the Directors of the Corporation for ratification. The budget of each Division shall be in respect of the fiscal period of the Corporation.

EXECUTION OF DOCUMENTS

- 55) Contracts, documents or any instruments in writing requiring the signature of the Corporation, shall be signed by any two (2) officers and all contracts, documents and instruments in writing so signed shall be binding upon the corporation without any further authorization or formality. The directors shall have power from time to time by resolution to appoint an officer or officers on behalf of the corporation to sign specific contracts, documents and instruments in writing. The directors may give the Corporation's power of attorney to any registered dealer in securities for the purposes of the transferring of and dealing with any stocks, bonds, and other securities of the corporation. The seal of the Corporation when required may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any officer or officers appointed by resolution of the board of directors.

MINUTES OF BOARD OF DIRECTORS

- 56) The minutes of the board of directors (or the minutes of the advisory committee) may not be available to the general membership of the corporation but shall be available to the board of directors, each of whom shall receive a copy of such minutes.

FINANCIAL YEAR

57) The financial year of the Corporation shall be determined by the board of directors.

AMENDMENT OF BY-LAWS

58) Subject to the articles, the board of directors may, by resolution, make, amend or repeal any by-laws that regulate the activities or affairs of the Corporation. Any such by-law, amendment or repeal shall be effective from the date of the resolution of the directors until the next meeting of members where it may be confirmed, rejected or amended by the members by ordinary resolution. If the by-law, amendment or repeal is confirmed or confirmed as amended by the members it remains effective in the form in which it was confirmed. The by-law, amendment or repeal ceases to have effect if it is not submitted to the members at the next meeting of members or if it is rejected by the members at the meeting. This section does not apply to a by-law that requires a special resolution of the members according to subsection 197(1) (fundamental change) of the Act because such by-law amendments or repeals are only effective when confirmed by the members.

AUDITORS

59) The members shall, at each annual meeting, appoint an auditor to audit the accounts and annual financial statements of the corporation for report to the members at the next annual meeting. The auditor shall hold office until the next annual meeting provided that the directors may fill any casual vacancy in the office of the auditor. The remuneration of the auditor shall be fixed by the board of directors.

BOOKS AND RECORDS

60) The directors shall see that all necessary books and records of the corporation required by the by-laws of the Corporation or by any applicable statute or law are regularly and properly kept.

RULES AND REGULATIONS

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

INTERPRETATION

62) In the interpretation of this by-law, words in the singular shall include the plural and vice versa, words in one gender include all genders, and persons includes an individual, body corporate, partnership, trust and unincorporated organization.

REPEAL

63) Upon this by-law coming into force, the By-law No. 1 of the Corporation is repealed effective on the date that the Articles of Amendment of the Corporation are filed to provide for the division of the current class of members into two (2) classes of members designated Primary Members and Associate Members provided that such repeal shall not affect the previous operation of such by-law so repealed or affect the validity of any such act done or right, privilege, obligation or liability acquired or incurred under the validity of any contract or agreement made pursuant to any such by-law prior to its repeal.

ENACTED the 15 day of January, 2020.

WITNESS the corporate seal of the Corporation.

R James Fairles

Chair



Secretary

The foregoing By-Law No. 2 as enacted by the directors of the Corporation is hereby ratified, sanctioned, confirmed and approved without variation by the affirmative vote of at least a majority of the votes cast by the members in attendance and entitled to vote at a meeting of members duly called and regularly held, and at which a quorum was present on the 15 day of January, 2020.

R James Fairles

Chair



Secretary

This agreement has been prepared in both English and French. In the event of any inconsistency, the English version shall apply and be binding upon the parties.