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BY-LAWS OF THE SMALL SCALE FOOD PROCESSOR ASSOCIATION

CORPORATE SEAL

1. The seal, an impression whereof is stamped in the margin hereof, shall be the seal of the corporation.

HEAD OFFICE

2. Until changed in accordance with the Act, the Head Office of the corporation shall be in the city of Victoria, British Columbia.

CONDITIONS OF MEMBERSHIP

3. Membership in the corporation shall be limited to individuals and organizations interested in furthering the objects of the corporation, and shall consist of anyone and any organization whose application for admission as a member has received the approval of the board of directors of the corporation. The board of directors will approve the membership of an applicant upon the recommendation of the Membership Committee of the board of directors where the applicant has
 - 3.1. paid of the appropriate subscription fee, or annual dues fee,
 - 3.2. in the case of organizational applicants, satisfied the board of directors that it is a bona fide organization,
 - 3.3. met any other requirements recommended by the Membership Committee and approved by the board of directors.
4. For the purpose of electing directors, amongst other things, applicants will choose to be designated as part of one of the following two constituencies.

- 4.1. The primary member constituency is the Small Scale Food Processor. The definition of a small-scale food processor is an individual or organization that adds value to primary food products, and has fewer than twenty-five full time equivalent employees. The board of directors will set the annual subscription fee for the Small Scale Food Processor from time to time.
- 4.2. The second member constituency is the Supporter. The Supporter is a group that includes: linked associations, technical service providers, mentors, educational planners, economic development groups, and does not exclude any interested party. The board of directors will set the annual subscription fee for the Supporter from time to time.
5. A member may change the constituency to which it is designated by notifying in writing and receiving the approval of the Membership Committee.
6. Each member will have one vote, regardless of constituency.
7. An organizational member will notify the board of directors in writing of the name of its delegate who will be vested with the voting rights of the organization.
8. An organizational member will change its delegate by notifying the board of directors of the change in writing.
9. The list of voters for the annual general meeting will close following the meeting of the board of directors prior to the annual general meeting of the corporation. Organizational members must submit the names of their delegates to the board of directors prior to that board meeting.
10. In the event that the board of directors becomes aware of a dispute regarding a delegate of an organization member, or that the board of directors is uncertain regarding the identity of the delegate of an organizational member, the board of directors may take actions to resolve the dispute or uncertainty, including but not limited to suspending the member and/or the member's voting rights until the dispute or uncertainty is resolved, or dismissing the member from the corporation.
11. 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.
12. Any member may be required to resign by a vote of three-quarters (3/4) of the members at an annual meeting.

MEMBERS' MEETINGS

13. The annual or any other general meeting of the members shall be held within 90 days after the end of the corporation's fiscal year, and will rotate through the seven regions in BC defined from time to time by directors.
14. At every annual meeting, in addition to any other business that may be transacted, the report of the directors, the financial statement and the report of the auditors shall be presented and auditors appointed for the ensuing year. The members may consider and transact any business either special or general at any meeting of the members. The board of directors or the president or vice-president 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 general meeting of members on written requisition of members carrying not less than 5% of the voting rights. A quorum will be thirty three percent (33%) of the membership and can be changed by a majority vote at any special or annual meeting.

15. Fourteen (14) days' written or electronic notice shall be given to each voting member of any annual or special general 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 judgement on the decision to be taken. Notice of each meeting of members must remind the member if he has the right to vote by proxy.
16. Each voting member present at a meeting, either in person or electronically recorded as being present, 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 member of the corporation.
17. A majority of the votes cast by the members, either in person or electronically recorded as being 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.
18. 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 purpose of sending notice to any member, director or officer for any meeting or otherwise, the address (electronic or street) of the member, director or officer shall be his last address recorded on the books of the corporation.

BOARD OF DIRECTORS

19. The property and business of the corporation shall be managed by a board of directors, comprised of a minimum of eleven directors. The number of directors shall be determined from time to time by a majority of the directors at a meeting of the board of directors and sanctioned by an affirmative vote of at least two-thirds (2/3) of the members at a meeting duly called for the purpose of determining the number of directors to be elected to the board of directors. Directors must be individuals, 18 years of age, with power under law to contract. Directors must be members of the corporation.
20. The applicants for incorporation shall become the first directors of the corporation whose term of office on the board of directors shall continue until their successors are elected.
21. At the first meeting of members, the board of directors then elected shall replace the provisional directors named in the Letters Patent of the corporation. The then board of directors will be composed of the following classes.
 - 21.1. There are Eight Small Scale Food Processors on the board of directors. Seven Small Scale Food Processors are voted and or appointed from each of seven corresponding described geographical regions, and One Small Scale Food Processor from the membership at large. The geographical regions are to be defined from time to time by a

resolution of the directors. The voting and appointments are to be conducted regionally at least 30 days prior to the annual general meeting. The Small Scale Food Processors will subsequently occupy their position at the end of the annual general meeting. The seven regions for representation are:

- 21.1.1 Lower Mainland
 - 21.1.2 Frazer Valley
 - 21.1.3 Central Interior
 - 21.1.4 Kootenays
 - 21.1.5 Vancouver Island & Gulf Islands
 - 21.1.6 Coastal Communities
 - 21.1.7 Peace Region
 - 21.2. There are three Supporters on the board of directors. The three Supporters are nominated from the membership at large and are voted on at the annual general meeting.
22. The first Board of directors elected are to decide which constituency will have a 2-year term or a 1-year term. This corresponds to the first elected officers that will hold a 2 year term.
23. The office of director shall be automatically vacated:
- 23.1.1 if at a special general meeting of members, a resolution is passed by of the members present at the meeting that he be removed from office;
 - 23.1.2 if a director has resigned his office by delivering a written resignation to the secretary of the corporation;
 - 23.1.3 if he is found by a court to be of unsound mind;
 - 23.1.4 if he becomes bankrupt or suspends payment or compounds with his creditors;
 - 23.1.5 on death;
 - 23.1.6 Provided that if any vacancy shall occur for any reason in this paragraph contained, the board of directors by majority vote, may, by appointment, fill the vacancy with a member of the corporation.
24. The directors shall serve as such without remuneration and 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.
- 24.1. 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 therefore.
25. 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

26. 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.
27. 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.

28. The board of directors is hereby authorized, from time to time
 - 28.1.1 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;
 - 28.1.2 to limit or increase the amount to be borrowed;
 - 28.1.3 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;
 - 28.1.4 to secure any such bond, debentures or other securities, or any other present or future borrowing or liability of the company, 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.
29. 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.
30. 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.
31. The board of directors shall fix remuneration for all officers, agents and employees and committee members by resolution. Such resolution shall have force and effect only until the next meeting of members when such resolution shall be confirmed by resolution of the members, or in the absence of such confirmation by the members, then the remuneration to such officers, agents or employees and committee members shall cease to be payable from the date of such meeting of members.

DIRECTORS' MEETINGS

32. Meetings of the board of directors may be held at any time and place to be determined by the directors provided that 48 hours written notice of such meeting shall be given, by e-mail, to each director. Notice by mail, or electronic means, shall be sent at least 14 days prior to the meeting. There shall be at least two meetings per year of the board of directors. 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.

33. A majority of directors in office, from time to time, but no less than seven directors, 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. A meeting held by teleconference or other electronic means will be deemed to be properly constituted. Meetings by teleconference or other electronic means may be constituted if all directors indicate their ability to so participate. The directors will agree by resolution on standards for security required for meetings held through electronic means. The standards must permit all members participating in the meeting to communicate adequately with each other, and each director consents in advance to method of communication and has equal access.

INDEMNITIES TO DIRECTORS AND OTHERS

34. Every director or officer of the corporation or other person who has undertaken or is about to undertake any liability on behalf of the corporation or any company controlled by it 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;
- 34.1.1 all costs, charges and expenses which such director, officer or other person 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;
- 34.1.2 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 wilful neglect or default.

OFFICERS

35. The officers of the corporation shall be a president, vice-president, secretary and treasurer and any such other officers as the board of directors may by by-law determine. All officers must be directors.
36. The president must be a small scale food processor and shall be elected by the board of directors. Officers other than president 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.
37. The officers of the corporation shall hold office for a two year term, with a maximum of two consecutive terms 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

38. The president shall be the chief executive officer of the corporation. He shall preside at all meetings of the corporation and of the board of directors. He shall have the general and active management of the affairs of the corporation. He shall see that all orders and resolutions of the board of directors are carried into effect.
39. The vice-president shall, in the absence or disability of the president, perform the duties and exercise the powers of the president and shall perform such other duties as shall from time to time be imposed upon him by the board of directors.
40. The treasurer 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 of trust company or credit union, 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. He 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 president 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. He shall also perform such other duties as may from time to time be directed by the board of directors.
41. The secretary may be empowered by the board of directors, upon resolution of the board of directors, to carry out his affairs of the corporation generally under the supervision of the officers thereof and 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. He 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 president, under whose supervision he shall be. He shall be custodian of the seal of the corporation, which he shall deliver only when authorized by a resolution of the board of directors to do so and to such person or persons as may be named in the resolution.
42. 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

43. 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.

EXECUTIVE COMMITTEE

44. There shall be an executive committee composed of directors who shall be appointed by the board of directors. The executive committee shall exercise such powers as are authorized by the board of directors. Any executive committee member may be removed by a majority vote of the board of directors. Executive committee members shall receive

no remuneration for serving as such, but are entitled to reasonable expenses incurred in the exercise of their duty.

45. Meetings of the executive committee shall be held at any time and place to be determined by the members of such committee provided that forty-eight (48) hours written notice of such meeting shall be given, by e-mail, to each member of the committee. Notice by mail shall be sent at least 14 days prior to the meeting. Two members of such committee shall constitute a quorum. No error or omission in giving notice of any meeting of the executive committee or any adjourned meeting of the executive committee of the corporation shall invalidate such meeting or make void any proceedings taken thereat and any member of such committee may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat.

EXECUTION OF DOCUMENTS

46. Any two officers shall sign contracts, documents or any instruments in writing requiring the signature of the corporation, 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 AND EXECUTIVE COMMITTEE

47. The minutes of the board of directors, and the minutes of the executive committee, shall be available to the general membership of the corporation at their request and expense but shall be made available to the board of directors, each of whom shall receive a copy of such minutes.

FINANCIAL YEAR

48. Unless otherwise ordered by the board of directors, the fiscal year end of the corporation shall be December 31.

AMENDMENT OF BY-LAWS

49. The by-laws of the corporation not embodied in the letters patent may be repealed or amended by by-law, or a new by-law relating to the requirements of subsection 155(2) of the Canada Corporations Act, may be enacted by a majority of the directors at a meeting of the board of directors and sanctioned by an affirmative vote of at least two-thirds (2/3) of the members at a meeting duly called for the purpose of considering the said by-law,

provided that the repeal or amendment of such by-laws shall not be enforced or acted upon until the approval of the Minister of Industry has been obtained.

AUDITORS

50. 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 board of directors shall fix the remuneration of the auditor.

BOOKS AND RECORDS

51. 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

52. 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

53. In these by-laws and in all other by-laws of the corporation hereafter passed 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, and references to persons shall include firms and corporations.