

FORM 3

SOCIETY ACT

CONSTITUTION

1. The name of the Society is the “Vancouver Grain Exchange Society”, herein referred to as the society.
2. The purposes of the Society are:
 - a) To encourage and promote the shipment of grain via the West Coast of Canada.
 - b) To organize, establish and maintain an association related to the grain industry, not for financial profit or gain, but for the purpose of promoting objects and measures for the advancement of trade and commerce and to disseminate information to its membership.
 - c) To promote the development of businesses capable of providing services, facilities and equipment required by or which will benefit the interests of persons, firms and corporations which are involved in the grain industry.
 - d) To issue an event of delay when warranted, as defined by the accompanying by-laws
 - e) To further co-operation among persons, firms, and corporations in Western Canada, engaged in the grain industry.
 - f) To undertake the study of issues and opportunities relating to the grain industry and to exchange information among members and others.
 - g) To recommend legislation and regulations on matters which shall or may affect the grain industry, to Federal, Provincial and Municipal Governments.
 - h) To do all things necessary of incidental to the attainment of the objects of the Society.
 - i) To do all things as are necessarily incidental to or that are reasonable ancillary to any of the foregoing or of the same general nature.
3. The operations of the Society will be carried on chiefly in the City of Vancouver, British Columbia, and in various other ports in the Province of British Columbia. This provision is alterable.

BY-LAWS

By-Law 1 – Application for Membership

- 1.01 Any person, firm or corporation engaged in the grain industry and having a place of business in Western Canada may apply for membership in the Society as provided for in these By-Laws.
- 1.02 Every application for membership in the Society shall be on a form approved by the Council. All applicants shall be proposed by at least one member of the Society, entitled to vote.
- 1.03 Every application for membership shall be accompanied by payment of the membership fee in such amount as may be determined from time to time by the Council.
- 1.04 Every application for membership shall be delivered to the Secretary/Treasurer of the Society who shall place such applications before Council for vote in accordance with By-Law 5.03
- 1.05 The Council, in its sole discretion, shall accept or refuse an application for membership by a simple majority of Council members in person or by written vote.

By-Law 2 – Representative

- 2.01 Every member being a firm or corporation shall, annually, designate in writing to the Secretary/Treasurer, a representative or one or more alternate representatives, for such member, for the ensuing year.
- 2.02 Every member being a firm or corporation may from time to time change its representative by notice in writing to the Secretary/Treasurer.
- 2.03 The vote of every member entitled to vote, shall be exercised by its representative, or by proxy as provided for in By-Law 4.03.

By-Law 3 – Obligations of Membership

- 3.01 Every member shall:
 - a) Be bound by,
 - i) The Constitution and By-Laws of the Society
 - ii) All of its rules and regulations which may from time to time be in force
 - b) Discharge all obligations assumed by the Society
- 3.02 The Society may by resolution with a majority of ninety percent (90%) of those members entitled to vote, present at a Special General Meeting called for the purpose, suspend or expel any member for conduct which may be considered against the best interests of the Society. The member concerned shall be given at least seven day's notice in writing by the Secretary/Treasurer, of the time and place of the Meeting, and such notice shall contain a short statement of the allegations to be considered at such Meeting. The member against whom allegations have been stipulated, shall not be entitled to vote.
- 3.03 The Council may by resolution, suspend or expel any member for non-observance of this Constitution or these By-Laws, or any regulation or rule of the Society or its Council, or for failure

to discharge any obligation made or assumed by the Society or its Council or for non-payment of any sums owing by such member to the Society.

- 3.04 Any person, firm, or corporation being dissatisfied with any decision made pursuant to By-Law 3.03, may appeal to the voting members of the Society by a single notice in writing, setting out grounds of appeal, which notice shall be delivered to the office of the Society within one week of the date the decision is communicated to the member. The decision of the members of the Society, made by a simple majority vote at a Special General Meeting to be convened within one month from the filing of the notice of appeal, shall be final and binding upon such person, firm or corporation.
- 3.05 Any member, who has been expelled pursuant to By-Law 3, may re-apply for membership after the expiration of three (3) months from the date of expulsion.
- 3.06 Any member may resign from the Society by delivering to it a written notice to that effect, but no resignation shall become effective until the expiration of sixty (60) days after the receipt of such notice; provided that any such resignation may be revoked by the member within the said sixty (60) days. In the event of any member tendering his resignation, he shall not be able to vote on any question until such resignation has been revoked.

By-Law 4 – Meetings

4.01 Annual General Meetings

The Annual General Meeting shall be held within one hundred and eighty (180) days of the Society's fiscal year end (July 31st) and shall be convened at such time and place as may be decided upon by the Council to receive reports from Officers and/or Committees, to elect or advise on the election of or appointment of Council members for the ensuing year, and for such other general or special purposes as may be necessary. The Secretary shall send notices of the Annual General Meeting to each member at least fifteen (15) days prior to the date of such Meeting.

4.02 Special General Meetings

Members shall be given a minimum of fifteen (15) days notice of special general meetings and the Secretary/Treasurer shall send an agenda to each member at least 7 days prior to the date of any such special general meeting.

4.03 Votes

- a) Every member entitled to vote shall be permitted only one (1) vote.
- b) All motions, resolutions and election of Council Members shall be passed by a simple majority of those present and entitled to vote at any meeting or by proxy, unless by law or these By-Laws, a greater majority is required. All motions and resolutions placed before the membership and voted upon by mail, email, or fax, shall be passed by a simple majority of the total membership eligible to vote, subject to scrutiny and approval by Council. Except for the election of Council members, votes need not be by ballot but a vote by ballot shall be taken on any question, if demanded by at least 10 per cent (10%) of the members present or represented at any meeting, or if directed by the President of the Society. All votes by ballot shall be taken in such manner as the Chairman shall direct.
- c) Voting at meetings will be direct or by proxy. A member may instruct a person in writing, to vote by proxy at an Annual General Meeting or Special Meeting. Additionally, voting

may be conducted by indirect means through mail, email or fax. Indirect voting may be carried out for the election of Council and approval of membership applications. Where voting is conducted by mail, email, or fax, motions or resolutions will be circulated to the membership 21 days in advance of the date set for the vote.

- d) Any member having failed to pay any fees or dues upon demand within the time limited by such demand, shall ipso facto lose his/her right to vote until such arrears are fully paid.

4.04 Quorum

Except as otherwise provided for in these By-Laws, at all meetings of the Society, a quorum shall consist of at least ten (10) members who are entitled to vote, who are either present or represented by proxy.

4.05 Proxies

The Council, in their sole discretion shall declare the rules respecting proxies, which may include prescription as to form, revocation, and manner of delivery.

4.06 Adjournment

Any meeting may be adjourned, including a Meeting at which no quorum is present.

By-Law 5 - Council

5.01 Management & Composition

- a) The affairs, business and concerns of the Association shall be managed by a President, Vice-President and Secretary/Treasurer as Executive Council. The total number of council members shall be a minimum of 5 and a maximum of 9.
- a) Only members or their alternate representative shall be eligible for election as a Council member. The Council members of the Society shall, by resolution, determine the manner of nomination and election. No member, being a firm or corporation shall be permitted to allow more than one person representing it, to stand for election. The Council shall hold an election annually.
- b) Any Council member shall, ipso facto, vacate office if:
 - i) He or the member whom he is representing becomes bankrupt or makes an assignment for the benefit of creditors; or
 - ii) He ceases to be a representative or alternate of a member; or
 - iii) By notice in writing to the Society he resigns his office.
- c) Council members shall serve without remuneration but shall be reimbursed for reasonable out of pocket expenses.
- d) The Council shall appoint the Chamber of Shipping of British Columbia to act in an administrative capacity for the Society in exchange for a fee to be determined from time to time.

5.02 Quorum

Over 50% of Council Members shall constitute a quorum. A Council member who is directly or indirectly interested in an existing or proposed contract or transaction with the Society shall

disclose fully and properly the nature and extent of his interest but may be counted in the quorum present at the meeting at which any vote on such contract or transaction is taken.

5.03 Voting of Council

All matters, questions, motions and resolutions shall be decided by simple majority of those present in person.

5.04 Meetings & Duties of Council

The Council shall meet from time to time as required for the despatch of business. Council meetings shall be called, adjourned, and regulated in such manner as the President, or in his absence, Vice President, or in the absence of both the President and Vice President, the Secretary/Treasurer, shall see fit. The Secretariat shall call a meeting of Council upon the request of a quorum of Council members.

5.05 Powers

The Council shall from time to time fix the amount of fees and assessments as they see fit.

5.06 Resolutions

A resolution signed under the hands of all of the Council members, though not passed at a Council meeting, shall have the same force and effect as if it had been passed at a Council meeting.

5.07 Committees

The Council shall establish such committees as they shall from time to time determine.

5.08 Protective Clause for Council

No Council member shall be held personally responsible for any act of his own as a Council member, save and except a personal act of wilful neglect; nor shall he be held personally responsible for the act of any other Council member or Executive Council.

By-Law 6 Disclosure of Interest of Council

6.01 In this By-Law 6, the word “transaction” shall mean any arrangement, other than a gift under which the Society and another person agree to exchange value or services, or the Society confers a benefit on another person, or the Society receives a benefit from another person.

6.02 Each Council member shall act honestly and in good faith and in the best interests of the Society. A Council member shall avoid conflicts of interest, so that the Council member gains no benefit from his or her position, but acts solely for the benefit of the Society.

6.03 Any Council member who is, in any way, directly or indirectly interested in an existing or proposed contract or transaction with the Society, shall disclose fully and promptly the nature and extent of his interest in such contract or transaction in accordance with the provisions of the *Society Act*.

6.04 The Council may authorize an existing or proposed contract or transaction with the Society in which a Council member is interested if it is in the best interests of the Society. A Council member may not vote in respect of any such contract or transaction with the Society in which he

or she is interested, but he or she shall be counted in the quorum present at the meeting at which such vote is taken.

- 6.05 A Council member who holds any office or possesses any property whereby, directly or indirectly, a duty or interest might be created to conflict with his or her duty or interest as a Council member shall disclose fully and promptly the nature and extend of the conflict or potential conflict with his or her duty and interest as a Council member.
- 6.06 Subject to compliance with the provisions of the *Society Act*, a Council member or his or her firm may act in a professional capacity for the Society (except as Auditor of the Society) and such Council member or his or her firm shall be entitled to remuneration for professional services as if he or she were not a Council member.
- 6.07 A Council member may be or become a director or officer or employee of, or otherwise interested in, any corporation or firm in which the Society may be interested, and, subject to compliance with the provisions of the *Society Act*, such Council member shall not be accountable to the Society for any remuneration or other benefits received by him or her as a director, officer or employee of, or from his interest in, such other corporation or firm, unless the Society in a General meeting otherwise directs.

By-Law 7 Borrowing Powers

Subject to the provisions of the Societies Act, the Council may borrow or raise and secure payment or repayment of monies in order to meet the expenses of the Society, and in furtherance of the objects of the Society.

By-Law 8 External Audit/Review

The accounts and books of the Society shall be examined by a qualified third-party at least every third year, and their correctness ascertained.

By-Law 9 The Seal

The President of the Society shall have custody of the Seal, which shall not be affixed to any instrument except by authority of a resolution of the Council, and in the presence of such council members and/or officers of the Society, as may be prescribed by such resolution.

By-Law 10 Events of Delay

- 10.01 An Event of Delay is defined as an event which includes any labour action AND which prevents or delays the movement of goods to and/or from British Columbia port(s) as to the method of conveyance.
- 10.02 Should the shipment of goods or any part thereof be prevented or delayed at any time during the last 28 days of the guaranteed time of shipment, or at any time during the guaranteed contract period if less than 28 days, by reason of an Event of Delay, the seller shall be entitled upon termination of such Event of Delay to as much additional time, not exceeding 28 days, for shipment from such port or ports as was left for shipment under the contract before the beginning of the Event of Delay, and if the time for shipment under the contract is 21 days or less, a minimum extension of 21 days shall be allowed. If a further Event of Delay or further Events of Delay should occur before the expiration of the time by which the guaranteed time of shipment was first extended pursuant to this By-Law 10, the seller shall be entitled to an additional extension, but such extension shall be limited to a period equal to the period of duration of the further Event of Delay (or the aggregate of the periods of duration of the further events of Delay,

as the case may be), and shall commence to run on the day following the day of expiration of the time by which the guaranteed time of shipment was first extended. In the case of non-shipment under such circumstances, and if the seller has claimed an extension or extensions pursuant to this By-Law 10, the date of default shall be similarly deferred.

- 10.03 The seller shall give notice in writing or by cable, telefax, or electronically to the purchaser not later than two (2) days (Saturdays, Sundays and Holidays excepted) after the last day of guaranteed time of shipment (and similarly after the day of expiration of the time by which the guaranteed time of shipment was first extended in the case of a further Event of Delay or further Events of Delay), if they intend to claim any extension of time for shipment under this By-Law 10. Such notice shall state the port or ports from which the shipment is intended to be from, and if such extension is claimed, the shipment, after expiry of the contract period, shall only be made from such port or ports. All such notices shall be passed on in due course.
- 10.04 In furtherance of the purposes of the Society, the Council may issue confirmation of the existence of an Event of Delay upon receipt of written request from a VGE member in accordance with section 10.05 below.
- 10.05 If the seller gives the notice or notices as referred to above, the seller shall forthwith make a written request to the Society to confirm immediately the existence of such an Event of Delay or Events of Delay and in due course, the date or dates of commencement and termination thereof.
- 10.06 A Notice issued by the Society certifying the existence and duration of the Event of Delay or Events of Delay causing the delay and/or prevention of shipment shall be accepted as final.
- 10.07 If any extension of time for the shipment is claimed by the seller, then carrying charges shall be deemed not earned during the extension period.
- 10.08 An Event of Delay can only be issued by a majority vote by a committee comprised of three (3) Vancouver Grain Exchange Council members and two (2) members nominated by the Western Grain Elevator Association. No Vancouver Grain Exchange member company can be represented by more than one (1) representative within the combined committee.
- 10.09 The President of the Society may request a conference call to discuss the potential for an issuance of an Event of Delay.

By-Law 11 Arbitration

- 11.01 All Arbitrations shall be heard by a Committee of Arbitration through the Vancouver Maritime Arbitrators Association (hereinafter referred to as the VMAA).
- 11.02 All parties who request for Arbitration shall be bound by the rules of the VMAA.

By-Law 12 Amendments to Constitution and By-Laws

The Constitution and By-Laws of the Society may be altered or amended at any Annual, or Special Meeting of the Society. Notice of such proposed alteration or amendment shall be mailed, faxed, or emailed to each voting member with the notice calling the said meeting at which it is to be considered.

By-Law 13 Minutes, Books and Records

The President, or some other officer specially charged by the Council members with that duty, shall maintain and have charge of the Minute Book of the Society, and shall record or cause to be

recorded therein, Minutes of proceedings of all meetings of members and/or Council. The books and records of the Society may be inspected by the members of the Society at such time and place as may be fixed from time to time by the Council.

By-Law 14 Winding Up

No member of the Society shall be entitled to any property or assets of the Society and in the event that the Society shall be wound up or dissolved, any surplus assets remaining after such winding up or dissolution, shall be distributed to such charity or charities as the Council members in their sole discretion may determine.

By-Law 15 Notice

- 15.01 A notice may be given to a member, either personally or by post, email, or telefax to the address shown in the Society member listings as confirmed by the member during the renewal of annual dues. Where notice is sent by post, service of the notice shall be deemed to have been given by properly addressing, prepaying and posting the letter containing the notice and such notice shall be deemed in effect on the day following the date of posting. If notices are sent by telefax or email transmittal they shall be deemed to have been given on the day sent and if delivered personally, they will be deemed to be received when delivered.
- 15.02 The failure by the Society to give notice of any Meeting to any member or his representative, or the failure of any member or his representative to receive any such notice, shall not in any way invalidate any of the proceedings or actions taken at any Meeting.
- 15.03 Fifteen (15) days written notice of a General Meeting of the Society shall be given to the members entitled to receive such notice.

By-Law 16 Interpretation Clauses

- 16.01 “*Society Act*” means the *Society Act* of the Province of British Columbia from time to time in force and all amendments to it.
- 16.02 “Council” means the “Council of the society”.
- 16.03 “Applicant” or “Member” means the person, firm or corporation applying for or holding membership, and for the purpose of these By-Laws, their duly accredited representative.
- 16.04 “Grain” in these By-Laws, or any Rule or Regulation of the society, means and includes all grains, as defined under the Canada Grain Act, and the Canadian Grain Regulations, which comes under the jurisdiction of the Canadian Grain Commission.
- 16.05 “Government” means the “Federal Government of Canada”.
- 16.06 The definitions in the *Society Act* apply to these bylaws on the date these bylaws become effective.
- 16.07 Words importing the singular include plural and vice versa; and words importing a female person include a male person and a corporation.
- 16.08 “Seal” means the seal of the society.