

AGRICULTURE FINANCIAL SERVICES CORPORATION
BYLAW AND BOARD CHARTER
(EFFECTIVE April 1, 2015)

A Bylaw and Board Charter relating generally to the conduct of the business affairs of the Corporation

BE IT ENACTED as the Bylaw and Board Charter as follows:

1. DEFINITIONS

- 1.1 Any Term defined in the *Agriculture Financial Services Act*, the *Agriculture Financial Services Regulation* and the *Code of Conduct and Ethics* uses the same definition in this bylaw unless this bylaw states otherwise;
- 1.2 “Code of Conduct of Ethics” means the Code of Conduct of Ethics for the Corporation.
- 1.3 “Chief Executive Officer” means an individual who has been duly appointed to such a position.

2. PURPOSE

The Board of Directors oversees the management of the business and affairs of the Corporation.

3. KEY RESPONSIBILITIES

- 3.1 The Board shall, either directly or through its Committees, be responsible for performing the duties set out in the Mandate and Roles Document with the Minister of Agriculture and Forestry of the Government of Alberta under Section 5.2 and 5.3 of Section 5 entitled Roles and Responsibilities.
- 3.2 The Board shall also perform such duties as may be required from time to time to discharge its stewardship responsibilities as contemplated under the enabling legislation and regulations governing the Corporation.
- 3.3 The Board of Directors is responsible for setting the strategic direction for the corporation.

4. BOARD MEETINGS

- 4.1 The Board may by resolution decide to hold regular meetings of the Board and shall by the resolution fix the date, hour and place of each regular meeting and, so long as the resolution is in effect, the regular meetings shall be held accordingly and may be held without further notice.
- 4.2 The Chair or any two Board Members may call a meeting of the Board at any time.
- 4.3 Notice of any meeting of the Board stating the day, date, hour and place of the meeting must be given to each Board Member no less than 24 hours before the scheduled meeting, but a meeting of the Board may be held at any time without formal notice if all the Board Members are present or if, prior to the meeting all the Board Members who are absent waive notice or signify their consent, in writing or by any means of electronic communication, including facsimile or email, to the meeting being held in their absence.

4.4 A Board Member may at any time waive:

- a) a notice of any meeting;
- b) an irregularity in any meeting; and
- c) an irregularity in the notice of any meeting.

4.5 Notice of a meeting is sufficiently given if the notice is:

- a) Delivered personally to a Board Member or delivered to the Board Member's address shown in the Corporation's records or made available to the Board Member by any means of electronic communication, including facsimile or email, not less than 24 hours before the meeting, or
- b) Sent by ordinary mail or by courier or other delivery service to the Board Member at the Board Member's address not less than 5 days before the meeting, unless regular service is disrupted or may be disrupted by a strike or threatened strike.

4.6 A Board Member who is not present at a meeting of the Board may, with the prior approval of the Chair, participate in the meeting by means of telephone or other communications facilities which permit the Board member and all other persons participating in the meeting to hear each other.

4.7 A meeting of the Board may be held by means of telephone conference call or other communications facilities which permit all persons participating in the meeting to hear each other.

4.8 A Board Member who participates in a meeting by means of telephone or other communications facilities which permit the Board member and all other persons participating in the meeting to hear each other is deemed to be present. At every Board meeting, all questions proposed for the consideration of Board Members are to be decided by the majority of the votes of the Board Members present or participating by way of telephone or other communications facilities, excluding the Chair. In the case of a tie vote, the Chair has the deciding vote.

4.9 Voting is to be by show of hands except voting by secret ballot is to be done under the following circumstances:

- a) In respect of a private interest declared by a member as contemplated under section 5.1 below; or
- b) At the request of a member on any other matter.

Voting by secret ballot shall be conducted by the Chair in a meeting where the members are physically present. If a request by a member for a secret ballot on a matter is made in a meeting held by conference call, a decision on the subject matter shall be deferred to a meeting of the Board in person. While one or more members may join that subsequent meeting by telephone where such a vote by secret ballot is held only the members physically present shall be entitled to vote.

4.10 Subject to the *Agriculture Financial Services Act* and the bylaws, the Chair shall determine the procedure at meetings.

5. CONFLICTS OF INTEREST

- 5.1 Where a matter for decision in which a Board Member has reasonable grounds to believe that the Board Member or an Associated Person has or an actual or apparent private interest is before the Board, the Board Member must declare that interest and withdraw from the meeting without participating in the consideration of the matter or voting on the matter. The secretary of the meeting shall record the declaration, the general nature of the private interest declared and the Board Member's withdrawal from the meeting. Decisions of the Board involving matters in respect of which a private interest has been declared shall only be made at a meeting at which all members of the Board voting on the matter are present in person, with such voting to be conducted by secret ballot.
- 5.2 Should a Board Member fail to disqualify himself or herself from such matter, the Chair has the right to disqualify the Board Member from that matter.

6. COMMITTEES

- 6.1 The Board, while retaining overall responsibility of overseeing the conduct of the business affairs of the Corporation, has for effective governance delegated specific duties to standing committees consisting of several Board members each. The Board establishes the following Board Committees to assist the Board in carrying out the duties of the Board:
- a) Board Governance Committee;
 - b) Board Audit Committee;
 - c) Board Risk Committee.
- 6.2 The Board Chair shall annually, or more often if required, appoint members of each Board Committee, subject to ratification by the Governance Committee and subsequent Board approval.
- 6.3 The Board shall by resolution establish the Charter specifying the powers and duties of each Board Committee.
- 6.4 Board Committees may meet for the transaction of business, adjourn and otherwise regulate their meetings as they think fit, subject to the following requirements;
- a) A majority of the members of the committee constitutes a quorum for the transaction of business;
 - b) Questions arising at a meeting of a committee shall be decided by the majority of votes; and
 - c) Each member of the committee, including the Chair, has one vote at the committee. In case of a tie vote, the Chair does not have a casting vote and the question shall be referred to the Board for decision.

7. INTERVALS BETWEEN MEETINGS

- 7.1 Subject to any restrictions contained in the *Agriculture Financial Services Act* and the *Agriculture Financial Services Regulation* or imposed from time to time by the Board, during the intervals between Board meetings the Chair of the Board may exercise all the powers of the Board and may do any act or thing required to be done by the Board under the *Agriculture Financial Services Act* except in relation to:

- a) amending, altering or repealing this or any other bylaw or adopting new bylaws;
- b) changing the membership of or filling vacancies in or removing members from any committee appointed by the Board; or
- c) rescinding or materially amending any Board resolution.

7.2 In the absence of the Chair of the Board, the powers in section 7.1 may be exercised by the Chair of the Governance Committee, provided that if the Chair of the Board also serves as the Chair of the Governance, the said powers may be exercised by the Chair of the Risk Committee.

7.3 Anything done by the Chair or the designate herein in accordance with this section is valid and binding on the Corporation and shall, at the earliest opportunity, be presented to the Board for acknowledgement and be recorded in the minutes.

8. SEAL

The Board must, by resolution, adopt the seal of the Corporation.

9. EXECUTION OF CONTRACTS

9.1 The Chair or the Chief Executive Officer may sign any document requiring execution on behalf of the Corporation.

9.2 The Chief Executive Officer may, from time to time, appoint any employee or employees of the Corporation to sign documents on behalf of the Corporation.

9.3 The seal of the Corporation may be affixed to document signed by those authorized pursuant to this section.

10. CORPORATE SECRETARY

The Board may by resolution appoint an officer to act in the capacity of the Corporate Secretary who shall exercise such powers and perform such duties as the Board may designate or, in the absence of Board designations, as the Chief Executive Officer may designate.

11. DELEGATION OF POWERS

11.1 Subject to any conditions set by the Board and other limitations, the Board delegates to the Chief Executive Officer the power on behalf of the Corporation to do any act or thing that may be required or permitted to be done by the Board under the *Agriculture Financial Services Act* for the day to day management of the business of the Corporation, except the power to:

- a) dissolve Board committees; and
- b) appoint Board Members to any committee or body or for any purpose without the approval of the Board.
- c) Subject to the *Agriculture Financial Services Act*, any conditions set by the Board and statutory and other limitations, the Board delegates to the Chief Executive Officer the power to appoint from time to time any employee or non-Board committee to exercise on behalf of the Corporation any of the powers given to the Chief Executive Officer under this section, except the power to

- a) establish appeal committees to hear appeals in respect of matters that are provided for in the Agriculture Financial Services Regulation;
- b) approve acceptance of applications for insurance from individuals in respect of whom the Corporation has cancelled a contract of insurance other than at the request of the insured;
and;
- c) perform any other act or thing on behalf of the Corporation that is specifically reserved by the *Agriculture Financial Services Act* or the Agriculture Financial Services Regulation to be done by the Board or a committee of one or more of the Board's members.

12. FINANCIAL ADMINISTRATION

The Chief Executive Officer:

- a) is designated as an accounting officer and as an expenditure officer for the Corporation; and
- b) may designate any Board Member or employee of the Corporation to be an accounting officer or an expenditure officer, or both, for the Corporation.

13. AMENDMENTS

The Board may, by resolution, amend a bylaw.

14. CONSEQUENTIAL

All previous bylaws of the Corporation are repealed by this bylaw on its effective date.

Enacted this day of , 20__

Chair

Reviewed June 2017