

CANADIAN LIVESTOCK RECORDS CORPORATION

**APPROVED
BY-LAWS**

OTTAWA, CANADA

Amended to September 9, 2003

CANADIAN LIVESTOCK RECORDS CORPORATION

BY-LAWS

AMENDMENTS

Amended Section 8.06	May 24, 1991
Amended Section 15.03	April 26, 1996
Deletion of Section 8.06.02	October 28, 1998
Replacement of Sections 8.06.01 and 8.06.04	September 9, 2003

BY-LAWS

AS APPROVED BY

CANADIAN LIVESTOCK RECORDS CORPORATION ANNUAL MEETING

TORONTO, APRIL 8th, 1989

AND

MINISTER OF AGRICULTURE, OTTAWA, MAY 23rd, 1989

By-laws relating generally to
the conduct of the affairs of the

CANADIAN LIVESTOCK RECORDS CORPORATION

Contents

- | | |
|--------------------------|--------------------------------|
| 1. Interpretation | 11. Head Office |
| 2. Purpose | 12. Corporate Seal |
| 3. Powers | 13. Amendments |
| 4. Directors | 14. General Stud and Herd Book |
| 5. Meetings of Directors | 15. Financial |
| 6. Committees | 16. Execution of Documents |
| 7. Staff | 17. Personal Liability |
| 8. Members | 18. Omissions and Errors |
| 9. Meetings of Members | 19. Effective Date |
| 10. Auditors | |

Be it enacted as the by-laws of the Canadian Livestock Records Corporation as follows.

BY-LAWS

By-laws relating generally to the transaction
of the business and affairs of

CANADIAN LIVESTOCK RECORDS CORPORATION

SECTION 1: INTERPRETATION

1.01 Definitions

In these by-laws, unless the context requires otherwise:

- (a) "Act" means the Animal Pedigree Act of Canada as from time to time amended;
- (b) "Association" means any Association incorporated under the Act;
- (c) "Board" means the Board of Directors of the Corporation;
- (d) "Chairman" means the Chairman of the Corporation elected by the Board in accordance with Section 41 of the Act;
- (e) "Corporation" means the Canadian Livestock Records Corporation established by Section 35 of the Act;
- (f) "Costing schedule" means the list of the various types of services provided by the Corporation designated as a relative proportion of the unit as defined in subsection 1.01(k) of these by-laws. The costing schedule shall be determined and established from time to time by the Board.
- (g) "General Manager" means the General Manager of the Corporation appointed by the Board in accordance with subsection 44(1) of the Act;
- (h) "Member" means an association in accordance with Section 45 of the Act;
- (I) "Minister" means the Minister of Agriculture of Canada.

(j) "Representative" means an individual duly authorized by an association that is a member to act on behalf of that association as its representative to the Corporation, in accordance with the provisions of subsection 8.04 of these by-laws;

(k) "Unit" means the unit of business required for the production of a standard two-generation certificate of registration bearing only the information specifically outlined in Section 29 of the Act as being the minimum information required on a certificate. The cost charged for one unit, also known as the per unit charge, shall be determined and established from time to time by the Board.

1.02 Meaning

Words and phrases used herein shall, unless the context requires otherwise, have the same meaning as in the Act.

1.03 Number and gender

In these by-laws and in all by-laws and resolutions of the Corporation hereafter passed, words importing the singular number only shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter genders; words importing persons shall include bodies corporate.

**SECTION 2:
PURPOSE**

The purpose of the Corporation is to perform services for and on behalf of

- (a) the members of the Corporation; and
- (b) subject to section 51 of the Act, breeders and owners of animals of any distinct breed or evolving breed in respect of which there is no association.

**SECTION 3:
POWERS**

The Corporation may do any act or thing necessary for, or incidental or conducive to, the carrying out of its purpose and business and affairs related thereto and, without restricting the generality of the foregoing, the Corporation may, including with respect to animals of any distinct breed or evolving breed in respect of which there is no association,

- (a) keep pedigrees and other records;
- (b) issue certificates of registration, certificates of identification, embryo certificates, semen certificates and transfers of ownership in respect thereof; and
- (c) do anything that any association under the Act may lawfully do.

SECTION 4: DIRECTORS

4.01 Duties and powers

The business and affairs of the Corporation shall be directed and managed by a Board of seven (7) directors who may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation and are not by the by-laws or by statute expressly directed or required to be done by the Corporation at meetings of the members.

The Directors may make rules and regulations and may formulate policies and guidelines not inconsistent with the Act or these by-laws with respect to any matter or thing concerning or touching upon the business and affairs of the Corporation.

4.02 Composition

The Board of Directors of the Corporation shall consist of seven (7) directors, six of whom are to be elected by the members of the Corporation and one of whom is to be appointed by the Minister to represent the interests of the Minister and breeders and owners of animals of any distinct breed or evolving breed in respect of which there is no association.

4.03 Eligibility

Only a representative who is a Canadian citizen ordinarily resident in Canada or a permanent resident within the meaning of the Immigration Act, 1976 may be a director of the Corporation.

4.04 Term of office

The term of office of a director elected by the members of the Corporation is two years, except that at the first election of directors, three of the directors shall be elected for a term of one year.

4.05 Election of Directors

The election of directors shall take place at each annual meeting of members and all the directors whose term of office has expired are eligible for re-election.

For the purpose of electing directors, each representative shall vote for the number of vacancies to be filled. Any ballot that contains less or more names than the number of vacancies is considered void.

In case of an equality of votes which would result in more candidates being elected than there are vacancies, a second election is to be called amongst those candidates having equal number of votes.

The candidates for directors to be elected by the representatives to the Corporation shall be the persons nominated therefor by the representatives and the elected

directors shall be those nominated persons who receive the largest number of votes.

4.06 Chairman and Vice-Chairman

4.06.01 Election

The Board shall elect a Chairman and a Vice-Chairman from among the directors at its first meeting immediately following the annual meeting of the Corporation. They shall hold office for one year and until their successors are appointed.

4.06.02 Duties of Chairman

The Chairman shall preside at all meetings of the members of the Corporation and all meetings of the Board of Directors and he shall exercise a general supervision over the affairs of the Corporation.

4.06.03 Duties of Vice-Chairman

The Vice-Chairman shall perform all the duties of the Chairman in the absence of the Chairman due to illness or inability. He shall generally assist the Chairman in the performance of his duties.

4.07 Resignation

A director may resign from office upon giving notice thereof in writing to the Corporation and the resignation becomes effective at the time specified in the resignation or upon receipt by the Corporation, whichever is the later.

4.08 Removal

The members may, by resolution passed by a majority of the votes cast at a special meeting of members duly called for that purpose, or at an annual meeting, remove any director before the expiration of his term of office and may, by a majority of votes cast at the meeting, elect any representative in his stead for the remainder of the term.

4.09 Vacation of office

The office of a director is vacated if he dies or resigns his office, if the member he represents ceases to be a member, if he is removed from office by the members, or if he ceases to be eligible for directorship in accordance with subsection 4.03 of these by-laws.

4.10 Filling vacancies

Where a vacancy occurs in office of Chairman, Vice-Chairman or in the Board, the directors then in office may appoint a representative to fill the vacancy until the next annual meeting.

4.11 Payment of expenses

Directors, as such, shall not receive any remuneration for their services but, by resolution of the Board, expenses of their attendance may be allowed for their

attendance at each regular or special meeting of the Board and in undertaking any special work or mission on behalf of the Corporation authorized by the Board.

**SECTION 5:
MEETINGS OF DIRECTORS**

5.01 Quorum

The quorum for the transaction of business at any meeting of the Board shall consist of a majority of the number of directors holding office. A quorum of directors may exercise all the powers of the directors.

5.02 Calling of meetings

Meetings of the Board shall be held from time to time at such place, at such time, and on such day as the Chairman or Vice-Chairman or any three (3) directors may determine and the General Manager shall call meetings when directed or authorized by the Chairman or by the Vice-Chairman or by any three (3) directors.

5.03 Notice

Notice of every meeting of the Board shall be given to each Director and to the General Manager not less than ten (10) days if sent by mail, or not less than five (5) days if sent by telegram, before the date of such meeting. A meeting may be held without such notice if all directors consent.

5.04 First meeting of new Board

Each newly elected Board may without notice hold its first meeting for the purpose of organization and the election and appointment of the Chairman and Vice-Chairman immediately following a meeting of members at which such Board is elected, provided that a quorum of directors is present.

5.05 Chairman of the meeting

The Chairman, or in his absence the Vice-Chairman, shall preside at all meetings of the Board. In the absence of both of these officers, the directors present may appoint from among themselves a Chairman for the meeting.

5.06 Voting

Questions arising at any meeting of the Board shall be decided by a majority of votes. Each director present shall have one vote. In case of an equality of votes, the motion shall be lost.

5.07 Participation by telephone

A director may, if all the directors of the Corporation consent, participate in a meeting of directors or of a committee of directors by means of such telephone or other communications facilities as permits all persons participating at the meeting to hear each other, and a director participating in such a meeting is deemed to be present at the meeting.

5.08 Adjournment

Notice of an adjourned meeting of directors is not required to be given if the time and place of the adjourned meeting is announced at the meeting at which it was resolved to adjourn.

5.09 Resolution in lieu of meeting

A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or committee of directors, is as valid as if it had been passed at a meeting of directors or committee of directors. A copy of every such resolution shall be kept with the minutes of the proceedings of the directors or committee of directors.

**SECTION 6:
COMMITTEES**

The directors may from time to time establish such committees for such period of time and may delegate such of their powers on such terms to such committees as they see fit. All members of such committees shall serve without remuneration except for such out-of-pocket expenses as may be approved by the Board.

**SECTION 7:
STAFF**

7.01 Appointments

The Board shall appoint a General Manager, an Assistant General Manager, a Secretary and a Treasurer of the Corporation upon such terms as it may from time to time deem appropriate. These positions may be combined.

7.02 General Manager

The General Manager of the Corporation has, on behalf of the Board, responsibility for the direction and management of the business and affairs of the Corporation, and authority to act in all matters that are not by the by-laws or by resolution of the Board specifically reserved to be done by the Chairman of the Board or the Board itself.

The General Manager shall engage staff to assist him, subject to such terms and conditions as he may deem appropriate, and are consistent with the policies of the Corporation.

The General Manager shall perform such other duties as shall be assigned to him by the Board.

7.03 Assistant General Manager

The Assistant General Manager shall perform the duties assigned to him by the General Manager. He shall act as General Manager in the absence of the General Manager.

7.04 Secretary

The Secretary shall issue notices of the time and place of the annual meeting and of meetings which the Board or the Chairman may order to be called.

The Secretary shall issue notices of meetings of the Board when requested to do so by the Chairman or the Vice-Chairman or by any three (3) directors.

The Secretary shall record or cause to be recorded all notices and proceedings of meetings of the Corporation, meetings of the Board or any other notices or proceedings that the Board may designate and maintain such records in appropriate form. He shall also attend all these meetings.

The Secretary shall maintain a book at the head office wherein shall be written or printed a copy of the by-laws of the Corporation with all amendments thereof which book shall at all reasonable times be open to the inspection of members of the Corporation who may make copies thereof. He shall also have the custody of the corporate seal.

7.05 Treasurer

The Treasurer shall submit to each annual meeting of the Corporation financial statements consisting of a statement of a balance sheet as at the end of the last fiscal year, and a statement of revenues and expenditures and cash flows for year then ended, duly certified by the auditors appointed as per section 10 of these by-laws. The Treasurer shall also submit the budget as approved by the Board of Directors.

7.06 Employment and remuneration

The Directors may appoint such agents and engage such employees as they 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 directors at the time of the appointment.

The General Manager and all other officers and employees of the Corporation shall hold office during the pleasure of the Board.

The Board may, by resolution, from time to time determine and fix the remuneration of the General Manager and of all other officers, employees, and agents of the Corporation.

SECTION 8:
MEMBERS

8.01 Membership eligibility

Every association is eligible to be a member. Each member is bound by the by-laws including, without restricting the generality of the foregoing, sub-sections 15.06, 15.07 and 15.08.

8.02 First members

The first members of the Corporation are the associations affiliated under the Canadian National Live Stock Records immediately before the coming into force of the Act. At the time of their coming into force, these by-laws replace the Articles of Affiliation that are in effect at that time.

8.03 New Members

For the purpose of becoming a member of the Corporation, an association may apply directly to the Corporation by a letter under the seal of the association, attested by the signatures of its duly authorized signing officers. The application shall include a statement to the effect that the association agrees to comply and be bound by these by-laws as they are in force at the time of the application and as they may be amended from time to time. The Corporation may require the applicant to pay such reasonable charges related to the initial cost of providing such services.

8.04 Representatives

In accordance with sub-section 9.06 of these by-laws, each member shall elect or appoint annually his representative to the Corporation in such manner as the member may from time to time decide. Such representative shall hold office until his successor is elected or appointed. Any vacancy occurring may be filled by the member whose representative has vacated his office.

Each member shall notify the General Manager within ten (10) days following its annual meeting of the election or appointment of its representative to the Corporation by a letter attested by the signatures of its duly authorized signing officers. Such letter shall set forth the full name and address of the representative elected or appointed.

8.05 Payment of expenses

Each member may provide in its by-laws that its representative may be entitled to be paid by the member for traveling and other expenses properly incurred by him in attending meetings of the Corporation. The Corporation is not responsible for such expenses.

8.06 Termination of membership

8.06.01 -- Requirements

An association shall cease to be a member of the Corporation on January 1st in any given year if:

- 1) the association gives to the Corporation and the Minister, prior to January 1st of the preceding year, written notice of the decision to cease being a member, duly authorized by the association and attested by the signatures of its proper officers, under its corporate seal;
- 2) the association has paid all costs incurred by the Corporation relating to the transfer of data and the termination of membership; and
- 3) the association has no outstanding debt owing to the Corporation.

Until the association ceases to be a member of the Corporation as provided for in sub-section 8.06.01 of these by-laws, it shall continue to be bound in its relationship with the Corporation as if no such notice had been given.

8.06.02 -- Records to be returned

Where an association ceases to be a member of the Corporation as provided for in sub-section 8.06.01 of these by-laws, the Corporation shall, on request thereof, provide the association with all the Corporation's records relating to that association.

8.06.03 -- Property of Remaining Members

All equipment, files, furniture, software, and other fixed assets are deemed to be the property of the members. The records maintained by the Corporation on behalf of a member are deemed to be the property of that member.

Section 8.06.04 -- Termination of Membership (Reserve Fund)

All members of the Corporation shall, upon termination of membership, be entitled to a portion of the increase in the General Reserve Fund during the period of membership, or in the case of a decrease in the General Reserve Fund during the membership, such member shall be liable for a portion of the decrease. In all cases, the withdrawing member's portion shall be calculated as the number of units processed for that member during a period of the three years immediately prior to the final year of membership divided by the number of total units processed by the Corporation during that same period. Members who have terminated their membership during that period shall not be included in the calculation. A withdrawing member's entitlement or liability will be subject to any outstanding debts owing to the Corporation as of the withdrawal date.

Upon termination of membership, members shall not be entitled to any portion of the Contingency Reserve Fund.

**SECTION 9:
MEETINGS OF MEMBERS**

9.01 Annual meetings

The members shall meet at least once a year. The annual meeting of members of the Corporation shall be held at such time and on such day in each year as the Board may from time to time determine, but not later than April 30 in each year, for the purpose of receiving the annual reports and financial statements, auditor's report, electing directors, appointing auditors and fixing their remuneration, and for the transaction of such other business as may properly be brought before the meeting.

9.02 Special meetings

The Board may at any time call a special meeting of members, at such time and such place as designated in the notice calling such meeting, for the transaction of any business which may properly be brought before such a meeting of members.

The Secretary shall convene a special meeting on the written request of ten (10) members, such meeting to be held at such place and at such time within thirty (30) days of receipt of the request as may be designated by the Secretary in the notice calling such meeting.

9.03 Notice of meetings

Notice of the time and place of each meeting of members shall be sent not less than 21 days before the date of the meeting to the Minister, to the auditor of the Corporation, to each director, and to each member.

Notice of a special meeting of members shall state the nature of the business to be transacted at the meeting in sufficient detail to permit the members to form a reasoned judgment thereon; and the text of any special resolution to be submitted to the meeting. No other matter shall be acted upon at such meetings.

9.04 Quorum

The quorum for the transaction of business at any meeting of members shall be one third of the number of individuals, duly appointed or elected as representatives of the members.

9.05 Chairman of the meeting

The Chairman of the Corporation, or in his absence the Vice-Chairman of the Corporation, shall preside at all meetings of members. In the absence of both of these officers, the representatives of the members may appoint from among themselves a chairman for the meeting.

9.06 Voting

Each association that is a member of the Corporation shall, for all purposes, have the right to appoint voting representatives as follows:

- (a) where the association has two hundred members or less, one representative;
- (b) where the association has more than two hundred members but not more than five hundred members, two representatives;
- (c) where the association has more than five hundred members but not more than one thousand members, three representatives;
- (d) where the association has more than one thousand members but not more than one thousand five hundred members, four representatives;
- (e) where the association has more than one thousand five hundred members, five representatives.

For the purpose of determining the number of representatives which each member is so entitled, the Secretary shall use as his basis the membership of such member

as on December 31 immediately preceding the date of the meeting and shall notify each member of the number of representative(s) to which it is entitled.

In case of an equality of votes, the motion shall be lost.

9.07 Scrutineers

At each meeting of members, one or more scrutineers may be appointed by a resolution of the meeting or by the Chairman with the consent of the meeting to serve at the meeting. Such scrutineers need not be representatives of a member of the Corporation.

**SECTION 10:
AUDITORS**

10.01 Appointment of the auditor

At each annual meeting of the Corporation, an auditor or firm of auditors who shall be chartered accountant(s), shall be appointed who shall carry out an examination of the financial statements of the Corporation required under paragraph 7.05 of these by-laws and report thereon to the members.

10.02 Term

Such auditor or firm of auditors shall hold office until the next annual meeting and may be re-appointed.

**SECTION 11
HEAD OFFICE**

The head office of the Corporation shall be in the city in Canada as determined by the Board.

**SECTION 12:
CORPORATE SEAL**

The corporate seal of the Corporation shall be circular in form and shall have inscribed thereon the name of the Corporation and the year of its incorporation and such seal as is impressed on the margin hereof is hereby adopted as the corporate seal of the Corporation.

**SECTION 13:
AMENDMENTS**

The Corporation may, by at least two-thirds of the votes cast at any annual meeting or at a special meeting of the members of the Corporation called for the purpose, from time to time, repeal, amend and re-enact these by-laws, provided that such repeal or amendment of the by-laws of the Corporation shall not be enforced or acted upon until the approval thereof by the Minister has been obtained.

Notice of all proposed amendments shall be sent by registered mail to the Secretary ninety (90) days in advance to any annual or special meeting and they shall be included in the notice calling such meeting, otherwise, the meeting shall have no power to deal with same. Furthermore, notice of all proposed amendments shall be given by the Secretary to the Minister, to each director and to each member not less than seventy-five (75) days before the date of the annual meeting.

SECTION 14: GENERAL STUD AND HERD BOOK

14.01 The Minister may

- (a) authorize the Corporation to exercise the powers referred to in section 3 of these by-laws in relation to such distinct breeds and evolving breeds as the Minister, applying scientific genetic principles, may designate and for which there is no association;
- (b) authorize the Corporation to establish a General Stud and Herd Book for the keeping of pedigree records of the distinct breeds and evolving breeds referred to in paragraph (a); and
- (c) establish rules of eligibility for registration and identification of animals in the General Stud and Herd Book.

14.02 Records to be handed over

On the incorporation of an association in respect of a distinct breed or evolving breed referred to in subsection 14.01 (a), the Corporation shall hand over to the association all records that have been kept in relation thereto.

SECTION 15: FINANCIAL

15.01 Fiscal year

The fiscal year of the Corporation shall commence on the first day of January in each year and end on the thirty-first day of December in the same year.

15.02 Ownership and borrowing powers

Without restricting the generality of Section 3 of these by-laws, the Corporation may

- (a) acquire, hold and dispose of real and personal property necessary for the carrying out of its business and affairs;
- (b) borrow money on the credit of the Corporation and draw, make, accept, endorse and execute promissory notes, bills of exchange and other negotiable instruments necessary for the carrying out of its business and affairs; and
- (c) mortgage, or create any security interest in, all or any property of the Corporation to secure any obligation of the Corporation.

15.03 Use of Funds

The Corporation may use the funds of the Corporation for any purpose calculated to advance the purpose of the Corporation.

Subject to sub-section 7.06 of these by-laws providing for the remuneration of the Corporation's officers, employees and agents, all profits or accretions of value to the property of the Corporation shall be used in furtherance of the purpose of the Corporation and no part of the property or profits of the Corporation may be distributed, directly or indirectly, to any member of the Corporation except as allowed for in Section 8.06.04.

15.04 Fidelity bonds

All officers and employees who receive or are responsible for the handling of moneys shall be bonded in some responsible fidelity company at the expense of the Corporation.

15.05 Receipts of money

All moneys received by the Corporation on behalf of a member shall be forthwith deposited by the Treasurer to the credit of the member in a chartered bank of Canada to be selected by the Board.

15.06 Estimates of expenditures

The General Manager shall, prior to the beginning of each fiscal year, submit to the Board for its approval, a budget which includes the annual expenditures and the amount of the expenditures recoverable from the members and a proposal for the per unit charge to be borne by the members for that year based on the budget. Such per unit charge shall be used by the General Manager to estimate annual charges to the members and the estimate portion to be borne by each member.

Upon approval by the Board, the General Manager shall advise each member of the amount of such estimated annual charges and of the estimated portion to be borne by such member. Thereupon, each member shall pay each month to the Corporation one-twelfth (1/12) of its said estimated portion. The estimated annual charges and the monthly payments to be made may be adjusted by the General Manager following periodic review during the year in progress.

The Board shall have the power to determine and establish the per unit charge from time to time.

The expenditures recoverable from the members shall be the total annual expenditures minus all moneys received, whether by gift, grant, contribution, devise, or otherwise.

15.07 Assessments

At the end of the fiscal year, the final assessment of the annual charges to each member shall be made on the basis of the actual number of units processed for the member during the year at the per unit charge for the year approved by the Board. The amount due from or to the member shall be paid before January 31st of the following year.

15.08 The Corporation may suspend the processing of a member's work in case of non-payment of the moneys due under sub-sections 15.06 and 15.07 of these by-laws.

**SECTION 16:
EXECUTION OF DOCUMENTS**

16.01 **Signing Officers**

The General Manager shall have the authority to execute commitments to a limit determined annually by the Board.

Deeds, transfers, assignments, contracts and obligations of the Corporation may be signed by the Chairman or Vice-Chairman together with the General Manager or his assistant. Notwithstanding this, the Board may at any time and from time to time direct the manner in which and the person or persons by whom any particular deed, transfer, contract or obligation or any class of deeds, transfers, contracts or obligations may be signed.

16.02 **Seal**

Any person authorized to sign any document may affix the corporate seal thereto.

**SECTION 17:
PERSONAL LIABILITY**

No member of the Board, the General Manager of the Corporation or any officer or employee of the Corporation, or other person acting on behalf of the Corporation, is personally liable for any act done in good faith in the exercise of any of that person's powers or the performance of that person's duties and functions or for any default or neglect in good faith in the exercise of any of that person's powers or the performance of that person's duties and functions.

**SECTION 18:
OMISSIONS AND ERRORS**

The accidental omission to give any notice to the Minister, or to any member, director, officer, auditor, or member of any committee of the Board, the non-receipt of any notice by any such person, or any error in any notice not affecting the substance thereof shall not invalidate such notice or any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

**SECTION 19:
EFFECTIVE DATE**

These by-laws and any amendment thereof shall have no force or effect until approved by the Minister.