

OPERATING RULES AND PROCEDURES

Relating generally to the conduct
of the affairs of

CANADIAN PRODUCE MARKETING ASSOCIATION (the “Corporation”)

1. Applications for Membership

The following procedure shall apply for applications to membership in the Corporation:

Membership in the Corporation shall be applied for by presenting a written application to the Board of Directors stating the following:

- Name of company for whom membership is requested;
- Description of activities carried on by applicant;
- Address of applicant;
- Name and contact particulars of official representative who will be the member contact;
- Category of membership applying for;
- Proof of conformity with membership qualifications, including its membership issued by the Fruit and Vegetable Dispute Resolution Corporation (or its successor) or a license issued under the Canada Agricultural Products Act Licensing and Arbitration Regulations or the Perishable Agriculture Commodities Act of the United States where applicable;
- A signed statement that the applicant agrees to comply with the Corporation’s requirements for membership in the Corporation.

2. Change in Name or Other Details

- Members must notify the Corporation in writing regarding any change in contact person, including any change in contact particulars.
- Any legal change in name by a Member requires a written notice to the Corporation immediately upon the change of name, or as soon thereafter as possible, together with a photocopy of the government-issued document showing the name change.

3. Membership

- Membership benefits for Active, Branch and Associate Members include: access to the secure members’ section of the Corporation’s website, member rates for educational programs, networking activities, Corporation programs and services

including, but not limited, label review, Repacking and Wholesale Food Safety Training Tool, and Storage and Handling Chart.

- Membership benefits for Reciprocal No-Fee Members include: access to the secure members' section of the Corporation's website, member rates for educational programs, networking activities, and Corporation programs and services as determined by the President.
- Membership benefits for Educational Members (Institution and Student categories) include: member rates for educational programs, networking activities, and Corporation programs and services as determined by the President. Access to the secure members' section of the Corporation's website is not included.
- Membership benefits for Honourary Members include: access to the secure members' section of the Corporation's website, member rates for educational programs, networking activities, Corporation programs and services including, but not limited, label review, Wholesale Repacking Training Tool, and Storage and Handling Chart.
- Membership Transferability: Members may apply for a transfer from one membership category to another in the event that their business model changes and they meet the requirement of the new membership category. No refund will be issued to Active members transferring to another category; however if a transfer to another category involves an increase in membership fees, the difference in the membership fee will be payable by the member upon receipt of notice of the change to the new membership category.
- Membership Dues: Payment for membership dues is due upon receipt by the member of the invoice for membership fees. If payment has not been received within 90 days from the beginning of the membership year, the member's membership in the CPMA will be automatically cancelled without further notice to the member.
- 5 to 10 A Day logo licensing and MY Fruit and Veggies Campaign graphic licensing are a benefit of membership which is forfeited if annual membership is not renewed.
- 5 to 10 A Day Cease and Desist: Within 120 days of the automatic cancellation of membership because of non-payment of membership fees, a 5 to 10 A Day Program cease and desist letter shall be sent to the non-member.

4. Board Structure and Composition

- A minimum of seventeen directors shall be residents of specific regional areas of Canada according to the following guidelines: Two (2) shall be residents of British Columbia, Four (4) shall be residents of the prairies/territories, Five (5) shall be residents of Ontario, Four (4) shall be residents of Quebec, Two (2) shall be residents of Atlantic Canada. In addition, there shall be a minimum of four (4) directors and a maximum of seventeen (17) directors in the at large category (there is no restriction on residency for at large directors).

5. Directors Duties

The position of Director of the Corporation is a respected, elected office with certain duties and responsibilities.

Duties and responsibilities of the Director include:

- To attend meetings of the Board of Directors.
- To attend Committee meetings or Association Task Forces to which the director is assigned.
- To attend regional association and industry or government sponsored meetings as a Corporation spokesperson.
- To participate in membership drives.
- To financially support the Corporation, solicit sponsors, and/or incorporate the Corporation's "5 to 10 a day - For Better Health" in the director's company marketing program.
- To become actively involved in the work associated with the CPMA convention:
 - Recommending topics to be placed on the program
 - Encouraging sponsors for events
 - Encouraging potential exhibitors
 - Encouraging attendance at each convention
- To attend the CPMA Convention and Semi-Annual Meetings
- To actively support yearbook advertising campaigns.

6. Committees

Executive

Terms of Reference - April 2007

A. Structure

The Committee shall consist of the Chair, the 1st Vice-Chair, the 2nd Vice-Chair, the immediate Past Chair, the Chair of the Member Services Committee, the Chair of the Marketing Committee. The President and the Executive Vice-President shall be *ex officio* non voting members of the Committee. The Chair of the Board shall be the Chair of the Executive Committee.

The Executive Committee can appoint up to one additional member to the committee as deemed necessary.

The Chair of the Committee is responsible for making the introductory remarks to the Board of Directors about the financial statements, with the details to be covered by the President or appointed staff.

B. Guidelines

The Committee is:

- To meet a minimum of two times per year; at least once at the time of the Semi-Annual Meeting and again at the time of the Annual Meeting of the Corporation.
- Responsible for providing direction to the National Office in policy areas between meetings of the Board of Directors.
- In cooperation with the National Office, responsible for representing the interests of the Corporation to the Federal Government, other industry organizations, the media and others, as required.
- Responsible for ensuring that recommendations flowing from the Board of Directors' meetings tie in with the Corporation's goals, objectives and mission statement and that the recommendations can be delivered within the current Association resource base.
- To review the overall objectives of the Corporation, the mission statement, and committee structures and their respective terms of reference, as necessary.
- Responsible for reviewing and presenting to the members of the Corporation any resolutions brought before the Corporation.

Finance Function

- The Executive Committee will have the powers of review of fiscal and human resource.
- The Executive Committee will have the responsibility for budget preparation for the total operations.
- The Executive Committee will review the updated statement of operations of the national operation on a monthly basis.

Human Resources Function

Oversee the Human Resources Committee to ensure human resources required by the national office, or other off-site locations where personnel responsibilities to the national office are located, are sufficient in numbers, capable of carrying out required duties and responsibilities and compensated in keeping with job requirements. The Executive Committee will receive direction from the Human Resources Committee and make decisions based on their recommendations.

The President is an *ex officio* member of the Executive Committee and is responsible for:

- The efficient operation of the national office, including hiring, replacement or severance of support staff.

- To ensure adequate and competent staff are in place to carry out duties as assigned.
- Keeping the Chair of the Board of Directors informed of all matters concerning his/her office.
- To carry out such activities consistent with the industry needs including representations to meetings with various official divisions of government, and other organizations affecting the Corporation.
- Where representations can be carried out by the President (or other staff) in the absence of the Chair, it shall be done and communicated to the Chair.
- To report annually to the Board of Directors.

Nominating Committee

The members of the Nominating Committee will be the same individuals as the members of the Executive Committee. The Nominating Committee is charged with the responsibility of providing the Board of Directors with a proposed slate of directors for election, and qualified individuals to serve as officers and in reviewing any resolution(s) relating to the election of directors and appointment of officers that may be presented to the members of the Corporation for consideration.

Responsibilities:

- To prepare a slate of officers and directors for submission to the Annual General Meeting
- At the time of the Annual Meeting, to present the outgoing Board of Directors with recommendations for the appointment of Chair, Vice-Chair and representatives for the various Committees of the Corporation. All such recommendations are to be ratified by the first meeting of the incoming Board of Directors.
- To review the participation of Directors to ensure that they are fulfilling their duties and responsibilities.
- On an annual basis, the Nominating Committee will review the participation of all officers, directors and past presidents and make recommendations to the President for the removal of anyone not fulfilling the duties of a Director.

Marketing Committee

Terms of Reference

A. Structure

The Committee reports directly to the Board of Directors. Participation of non-committee members will be left to the discretion of the Committee Chair.

A (1). Appointments

The Committee Chair is appointed by the Board of Directors. Appointments to the Committee will be made by the Board of Directors or the Chair of the Board in consultation with the President. All Committee appointments are for the duration of one year.

Appointments are traditionally made at the Board of Directors meeting during the Annual Meeting and Convention.

In making appointments to the committee the following considerations should be made: (i) the need for continuity, (ii) regional representation, and, (iii) cross sector involvement ensuring that there is representation from the retail and food service sectors as well as representation from the other key sectors within the supply chain.

B. Guidelines

The focus of the committee shall be to make recommendations to the Board of Directors on issues related specifically to facilitating the efficient movement of product through the supply chain, increasing the consumption of fruit and vegetables within the Canadian marketplace and supporting the expansion of the Corporation's membership and related programs. In addition, the committee will provide direction for youth promotion programs, regional programs, convention, fundraising, and membership associated member services.

The Committee will:

- Maintain necessary or required sub-committees with specific working groups to deal with issues or topics impacting the supply chain. The sub-committees will provide a forum for development of recommendations to the overall Committee and serve as the sounding board for discussion between committee meetings.
- Meet a minimum of two times per year; at least once at the time of the Semi-Annual Meeting and again at the time of the Annual Meeting of the Corporation.
- Take the following into consideration when making recommendations to the Board of Directors: the human and financial resource base of the National Office, the practicality of implementing services and projects, and where possible, avoidance of duplication of services already provided by other groups.
- Interface with the Federal and non-Canadian Governments and relevant organizations where necessary.
- Review issues with regional association on a regional basis.
- Focus upon industry distribution efficiency issues and identify the Corporation's role and programs required to meet industry needs and make recommendations, including fiscal allocations, to meet these objectives for the Corporation.
- To identify and make recommendations, including fiscal allocation, communications and educational programs.

- To make recommendations on best strategies regarding funding and fiscal allocation for programs.

Member Services Committee

Terms of Reference (March 2007)

A. Structure

The Committee reports directly to the Board of Directors. Participation of non-committee members will be left to the discretion of the Committee Chair.

A(1). Appointments

The Chair and Vice Chair of the Committee are appointed by the Board of Directors. Appointments to the Committee will be made by the Board of Directors or the Chair of the Board in consultation with the President. All Committee appointments are for a maximum of one year. Appointments are traditionally made at the Board of Directors meeting preceding the Annual Meeting.

In making appointments to the Committee the following should be taken into consideration:

(i) the need for continuity, (ii) regional representation, and, (iii) cross sector involvement.

B. Guidelines

The focus of the Committee shall be on issues related to member services, including:

- Those items that are legislative and regulatory relating to trade facilitation and taxation, including, industry regulations and standards, plant health rules, etc.
- Those items that relate to or are directly linked to food safety or crop production technology issues used in fresh fruit and vegetable production, and health and nutrition.
- To monitor transportation issues (e.g. air, marine, rail and truck) that impact upon the fresh distributive trade as required.

The Committee will:

- Meet a minimum of two times per year; at least once at the time of the Semi-Annual Meeting and again at the time of the Annual Meeting of the Corporation.
- Take the following into consideration in making recommendations to the Board of Directors: the human and financial resource base of the National

Office, the practicality of implementing services, and where possible, avoidance of duplication of services already provided by other groups.

- Interface with the Federal Government and relevant organizations where necessary.
- Review issues with members on a regional basis where necessary.

Government Relations – Trade Standards/Taxation Section

- Focus on all areas of legislation and regulations, including technical issues and special projects as assigned.
- Develop and make recommendations to the Board of Directors on all areas of legislative, regulatory and technical matters which impact upon the members of the Association.

Food Safety/Health Section

- Focus upon legislation and regulations, and identify the Corporation's positions on technology issues.
- Identify the Corporation's needs and make recommendations, including fiscal allocations for Food Safety and health and nutrition programming for the Corporation.

Transportation Section

- As needed, provide a forum to discuss relevant issues impacting upon members' ability to receive product, and make recommendations for action.

7. Sub Committees and Task Forces

Participation on the Corporation's sub-committees and task forces are voluntary. Participation is open and not limited to the Corporation's directors and officers. Current Sub Committees and Task Forces include:

- Grower/Shipper Task Force
- CPMA Industry Technology Advisory Council (CITAC)
- Industry Advisory Committee (Fair Trading Practices)
- National Destination Inspection Advisory Committee
- North American Trade Task Force
- Foodservice Sub-Committee
- CPMA Customs Task Force
- Education
- Marketing Sub-Committee

8. Site and Facility Selection Procedures

- The CPMA convention and trade show alternates from east to west and resides within the region of the Chair, unless otherwise agreed to by the Executive Committee.
- The CPMA Semi Annual Meeting alternates from east to west with an attempt to hold the event within the opposite region of the convention to alleviate strain on regional resources and funding.