

June 22, 2020

Ministry of Government and Consumer Services
56 Wellesley St. W, 6th Floor
Toronto ON
M7A 1C1

Ministry of Government and Consumer Services
Service Ontario
Company and Personal Property Policy and Regulatory Services Unit
393 University Avenue, Suite 200
Toronto, ON M5G 2M2

Attn: Andrew Bonisteel

Dear Ministry of Government and Consumer Services Officials,

RE: Regulatory Registry postings 20-MGCS009 & 20-MGCS010

The Ontario Federation of Agriculture (OFA) is Canada's largest voluntary general farm organization, representing more than 38,000 farm family businesses across Ontario. These farm businesses form the backbone of a robust food system and rural communities with the potential to drive the Ontario economy forward.

The regulatory posting #20-MGCS009 proposes a General Regulation under Ontario's *Not-for-Profit Corporations Act, 2010* (ONCA) related to technical matters, including the establishment of specific standards for preparing and reporting on financial statements; and requirements related to the form of proxy, including certain information that must be included in the form of proxy.

The regulatory posting #20-MGCS010 proposes regulations to provide rules governing names, including prohibited, restricted and permitted words or expressions, and punctuation and other marks, as well as rules respecting the form and language of a name; rules respecting the content, form, and filing (both paper and electronic) of articles, applications, and other documents; and a listing of supporting documents required to accompany articles and applications filed under various Acts, including the ONCA; and other technical measures.

Since receiving royal assent in 2010, the Lieutenant Governor has not proclaimed a date for ONCA to come into force. These regulatory postings are a signal that ONCA might come in-force later this year.

OFA has and continues to raise concern with respect to the impact ONCA will have on OFA's inclusive democratic structure. When passed in 2010, ONCA appears not to have anticipated the challenges facing a not-for-profit corporation, like OFA, with a significantly large and diverse

membership base. With a large and diverse membership spanning across Ontario, it is important that all members have an equal opportunity to participate in democratic elections and have their concerns and views considered.

OFA believes all OFA members should have voting privileges. Stripping some members of these privileges by creating a non-voting class of membership is not a desirable option to OFA. Furthermore, OFA believes that members living the furthest away from the location of the OFA's Annual meeting should not have less opportunity to raise their concerns, share their views, and cast their votes. These are some of the reasons why OFA wishes to retain its current democratic structure with regional representation.

As an Ontario Corporation, OFA has by-laws respecting delegates as provided for under section 130 of Ontario's *Corporations Act*. This allows OFA Members the right to vote to elect delegates from their Region. Regional delegates then vote on their behalf at OFA's Annual meeting and any Special meetings. OFA by-laws also allow OFA Members the right to vote to elect an OFA Board Director from their zone.

Regional meetings enable OFA members to exercise their voting privileges and discuss important issues. The number of delegates elected at the Regional meetings are based on the numbers of members residing within each specific region. This ensures eligible voters at OFA's Annual meeting are representative of the membership base in each geographical region of Ontario.

The OFA Board of Directors is comprised of three Directors-at-large elected by delegates at the Annual meeting and 15 zone Directors each elected by OFA members residing in the geographical zone. This election process ensures representational balance across Ontario and gives OFA members a connection to a Director to discuss any concerns or suggestions.

OFA's current democratic structure has served OFA members well by ensuring balanced regional representation across the province. Much akin to Members of Parliament (MPs) and Members of Provincial Parliament (MPPs), OFA's zone-elected Directors are valued by OFA members who wish to discuss OFA's response to local issues and concerns. We also note that regional representation is a common feature for many of Ontario's agricultural organizations, especially those incorporated under Ontario's *Agricultural and Horticultural Organizations Act*.

Our earlier recommendation, calling for the provisions in section 130 of the *Corporations Act* to be added to ONCA before it is brought in-force, would have applied generally to all existing and new Ontario not-for-profit corporations.

In recognizing the ministry's intention to align ONCA as much as possible with the *Canada Not-for-profit Corporations Act*, we feel that limiting the scope of our recommendation to only apply to existing Ontario not-for-profit corporations that currently have by-laws with provisions made pursuant to section 130 of the *Corporations Act* is warranted. This would give existing not-for-profit organizations, like OFA, the option to retain its current democratic structure with regional representation.

Section 207 of ONCA which allows for an extended period of validity for certain by-law provisions, including a provision respecting delegates made pursuant to section 130 of the *Corporations Act*. ONCA's Section 207 might satisfy our needs, as long as:

1. Any provision contained in a corporation's bylaws, as specified in section 207 (3), would not cease to be valid should that corporation amend other provisions in its bylaws; and

2. Clause 207 (3) 4. ("A provision respecting delegates made pursuant to section 130 of the Corporations Act") applies to any existing bylaw provision that is currently permitted as per section 130 of the Corporations Act.

We strongly urge that ONCA's section 207 be clarified so that OFA is not forced to abandon our regional representative structures as currently provided for under section 130 of Ontario's Corporations Act. It is of the utmost importance to OFA that OFA be permitted to retain, if OFA chooses to do so, its current practice of electing some its Directors by members in a defined geographical area (zone) and have regionally elected voting delegates at our Annual meetings and any General meetings.

Sincerely,



Keith Currie
President

cc: Hon. Lisa M. Thompson, Minister of Government and Consumer Services
Hon. Ernie Hardeman, Minister of Agriculture, Food and Rural Affairs
OFA Board of Directors