

Presentation to the Board of Directors
By the Governance Committee
December 9, 2008

SHARON JUDD:

The Governance Committee is pleased tonight to be presenting the results of two years of hard work and are excited about the possibilities that these changes will bring about growth in our organization. As you'll see when we visit our financial statements in January, we have had a great year, the best in our history. We had record gate revenue, and some very creative ways we've been able to increase revenues in the past year.

Back in March of 2007 when we began this journey, Bruce MacDonald, the national Executive Director of Big Brothers and Sisters reminded us that this was the perfect time for our organization to rethink the way we do business and that was because we are an organization that is not in crisis and we're not being forced into changes but are taking the necessary steps to help plan our growth.

I want to thank the committee for the many hours they've put into the project and to you the board for providing the necessary key input into the process to make this as smooth as possible. Don't get me wrong, tough decisions needed to be made, so we're pleased tonight to make this presentation where we hope to garner your feedback and support and then to move forward with a final presentation to the Annual General Meeting in January.

You'll find that we have prepared this in several parts. Several members of our committee will be presenting a section. We'd like to encourage you to ask questions as we go along, and if the answers appear further along in the presentation, then we'll let you know that too.

Okay, let's get started. I'd like to invite Grant Edwards to bring forward a little bit of history of how we got to where we are today.

GRANT EDWARDS:

Thank you Sharon. It's my pleasure tonight to review the process that the Governance Committee, in partnership with the Board of Directors, has gone through to make our findings. It's been a long journey.

In January of 2007, two years ago, at the initial meeting of the Board of Directors following the AGM, we as a Board were asked to go through an evaluation process about where the board was headed. Every director had the opportunity to speak up about what they believed to be the issues facing the organization. We discovered very quickly that from the 20 issues facing our society, there were some common themes that emerged. These included a need for strategic planning and governance changes, volunteer recruitment, communications and public relations and fundraising and finance.

We identified in our discussions that we had several issues facing our organization including that fact that we'd put a lot of energy and resources into building the fair (which obviously worked because we just finished our biggest event EVER), but we needed to put more energy and resources into other areas of our business. There was a frustration on the part of the board that we were not spending enough time planning for our future, we are a 365 day a year operation with great growth potential. That we had no stated vision or mission statement and that our fair was growing at such a rate that we are outgrowing our current buildings.

We all identified together that we needed to put some plans in place.

In March 2007 we invited Bruce MacDonald to make a presentation to us on the changing dynamics of boards, he identified trends and changes in the non-profit sector and congratulated us on being progressive in working toward change when we're not in crisis and not being forced to change.

At this board meeting, we asked directors to come forward to work on our governance changes. 13 directors came forward to work on the project. They included: Sharon Judd, Sharon Petheram, Darryl Hagan, Larry Dawson, Alan Duthie, Walter Petheram, Dianne Persall, Mike Bollert, Steven Balcomb, Mark Jacobs, Judy Sheppard, Karen Matthews, and me. Robin Keane also sits on this committee.

In April 2007, these directors, on your behalf, came together for an initial meeting and brainstormed on why were together. We discovered right away that there were two immediate priorities – that we needed to have a clear mission and vision for the organization and that we needed someone to help us through the process of the changes to our governance model.

In that same month, committee members headed to a workshop in London with Nathan Garber. The workshop was an enlightening look at Governance Models and what might be right for our board. We examined several types of board models and how they worked for different organizations. This was one of our first real looks at the Carver model of governance.

In May of 2007, the committee met together to draft a mission and vision statement and listen to a report on the costs and recommendations for a facilitators to help us work through the challenges. We quickly discovered that this could become a very expensive endeavour, so later that month, a couple of members of the committee met with Darryl and Kathleen Toupin to review a proposal for them to do a two-day session with a focus on our future. As you are aware, Darryl and Kathleen are part of our team for sponsorship and this type of planning fell within their current contract, so we were able to engage them at no extra cost to the society.

After accepting Darryl and Kathleen as our facilitators for a summer session, the committee went to work and passed terms of reference for the committee. This outlined the Governance Committee responsibilities. This document was presented to the entire board for discussion and was approved by you at the June 2007 board meeting. You'll also remember that at this meeting, the Board made a decision to move forward and passed an in camera policy for board meetings.

In July and August of 2007, the committee got down to work and put some hard work into a Mission and Vision statement, worked on Goals and Objectives and Priorities, Programs and Special Initiatives, and did a SWOT analysis. From these meetings the committee identified the need for the creation of the following board committees; Rentals, Capital Improvements, Programming, Financial Analysis and the continuance of the Governance Committee

In SEPTEMBER, the board agreed to a special meeting where we sought input using SWOT analysis on Board Structure. This important feedback was recorded and sent back to the Governance committee for review and to help with decision making.

In December 2007, our Board of Directors officially formed the new board committees where were Financial Analysis, Programming, Rentals, Capital Improvements. These committees are a combination of directors and stakeholders in our community.

Last January at our Initial Meeting after the AGM, we again asked the board for input about our board on structure. There were six specific areas to be examined and we broke into discussion groups. The following findings were presented back to the entire board.

The first group discussed the advantages and disadvantages of having a board of 27 directors. The group agreed that a board this large had more disadvantages than advantages.

The second group reported back that there should be no quotas for the number of directors under the age of thirty since this is no longer a requirement of OMAFRA. They concluded that we should have a good cross representation of the community on our board which would naturally include this demographic.

The third group reported back that the “magic number” of directors on the board should be 18 or 21 with a good balance of community stakeholders representing all aspects of our community.

The fourth group concluded that that we did not need to put term limits in place for length of service on the board.

The fifth group noted that we need to define the process for evaluation of the board including self and board evaluations and that we needed to engage the community in our processes.

And finally, the sixth group identified the need to clearly define and evaluate the role of the Associate Director.

In March of 2008, I am proud to report that we as a board, passed our vision and mission statements.

Mission – Norfolk County Agricultural Society is committed to the great agricultural tradition of the annual fall fair and creating unique, educational experiences in partnership with volunteers and our community.

Vision – The Norfolk County Agricultural Society will offer the premier entertainment facility in Norfolk County hosting and producing year round agricultural programs and special events.

In April of 2008, the committee went to work and updated the many policies for the organization. The procedures are next on the agenda for review and we expect that these will come to the board for discussion and approval in 2009.

In April, the Governance Committee worked to bring all of the Chairs of committees of the fair together in our first Fair Chairs meeting where we discussed emergency procedures. We had great feedback from the chairs on the meeting and the opportunity to come together as a group for discussion and education.

At the same time, our first ever Fair newsletter was published containing updates and information about the fair and activities of our Society.

Using the feedback that was solicited from the entire board, this past June, July, and August, your Governance committee went to work on examining ways to improve our structure through changes to our Constitution and Bylaws. The current structure for the organization was defined and suggestions for improvements were discussed. Sharon Judd will be presenting our findings in the next section.

In September 2008, the committee ensured that a second Society newsletter was published to help with communication about the fair.

And just last month, the committee completed the final draft of the Constitution and Bylaws which we will be presenting tonight.

As a long standing director on the board, I'm very proud of the work that we've been able to accomplish together. Thank you for the opportunity.

SHARON JUDD:

Thank you Grant.

As Grant mentioned, we as a committee took your ideas and comments from our many brainstorming opportunities and examined ways to take those ideas and implement them into our overall operations.

The chart that you have in front of you is a result of many hours of discussion, not only with our board, but also with our Governance Committee.

(chart attached to presentation)

I'd like to walk you through this.

As you can see, at the top of the chart is the Board of Directors. In this model, the Board holds all of the decision-making power, but can assign decision-making at many levels.

In level under the board, you will see that there are orange boxes containing Standing committees. These include Finance, Nominating, Striking and Executive. These are committees that are formed at the Board's Initial Meeting following the AGM.

Beside that, you'll see in white, the General Manager. Our general manager is empowered to manage all of the day-to-day operations for the organization.

In yellow you will find our Board Committees. These include the five new committees that were created this year- Governance, Financial Analysis, Capital Improvements, Programming and Rentals. Our Grounds and Buildings Committee was existing. And we are proposing a new "Fair Advisory Committee" that will meet on a regular basis for education and planning of the Norfolk County Fair and Horse Show. As our board goes about the business of setting the course for the organization and working on education and

governance, we will have a committee charged with the task of continuing the growth of the fair.

This committee will consist of 2 directors from our board and five chairs of fair committees. We envision that this group will provide the much needed year-to-year continuity of the fair, have the foresight to identify needs for the fair, provide educational and networking opportunities surrounding the fair, and provide information to the board about trends in the industry.

In Blue, you will note that we have event committees. These are committees that are formed and charged with a specific task for an event. Some of these come and go on an annual basis, such as this year's musical ride, but some are ongoing such as our market lunch committee. You'll note that the Governance committee believes that all of committees at this level are operational and report through the General manager to the Board of Directors.

In white, you'll find areas which are very much staff functions. We, as a board, were very clear in early discussions that sponsorship and marketing are staff functions (not that we don't participate and assist, but are definitely staff led) and that volunteer coordination, staffing including our Secretary and the Wildlife Festival are all managed for the board by our General Manager and are considered again, operational.

In green, you'll find all of our fair committees. These committees will continue to report to the board through the General Manager.

In our current model, the President, General Manager and Secretary sit as ex-officio on all committees. This is a huge task. We are now proposing that the President and General Manager sit as ex-officio on all Standing and Board Committees and that the General Manager and/or designate sit on all Event and Fair committees. This clearly helps to define the role of the Board in organizational planning and the role of staff in managing the operational side of the society.

Now, you're probably wondering how we're going to get there, but before I turn the floor over, I'm happy to answer any questions that you might have.

I'd like to ask Sharon Petheram to present to us the changes that are required in our constitution to get where we need to go.

SHARON PETHERAM

Thank you Sharon.

For those of you who have sat down and read the constitution cover to cover, you'll notice that it's a little challenging to read. Your governance committee has been charged with the task of rewriting the constitution in a form that's a little bit more readable. We have provided you tonight with our current version and a copy of the proposed changes that will go forward to the AGM in January. You can review them at your leisure for wording changes, but tonight I'm going to highlight just one.

Under Article Seven, we have cleaned up the wording around the general manager. We believe that we will continue to have a General Manager in the future and therefore have reduced the wording to include the appointment of a General Manager, Treasurer and Secretary. We are bound by corporate law to have a Treasurer and Secretary and this wording cleans a lot of this up. As Sharon Judd explained as we walked through our organizational chart, the role of the General Manager is an important part of our new governance policy and it should be defined in the constitution as "The GM shall act under the control of the Board and shall be responsible for the general administration of the affairs of the Society, including supervision and control of all paid officials and employees of the Society".

That's it. Please read through both documents and make sure that you get any answers to questions you might have before we go into the AGM. As you are aware, any changes to the constitution must be presented to the entire membership for ratification. We will be asking that the membership pass in bulk the re-written constitution at the meeting.

If you have questions, I'd like to hear them.

Walter will now walk us through the first of the changes to the bylaws.

WALTER PETHERAM

By-law changes can be made and passed at any board meeting of the Society. However, in this year where we are looking at organizational change, I think we all agree that we wish to be transparent and that we will be asking you to send this report to the AGM for ratification.

I am going to go through the changes that we're proposing based on the by-laws 1 and 2. These bylaws deal with directors and honorary life members.

Based on the discussion and input from the board, we are recommending a move from 27 to 21 directors. We will elect 7 directors annually with a three-year term to keep our rotation. As you see, at your request, we have removed any criteria for directors, but since directors must come from the membership, and to be a member you must be 18, all directors must be over the age of 18.

From your input at last year's initial meeting where we concluded that there should be no quotas for the number of directors under the age of thirty, we all believed that we should have a good cross representation of the community on our board which would naturally include this demographic. This will be the task of the nominating committee to present a slate of nominees that fulfills this mandate.

It is our expectation that all board members will serve on at least one committee of the board or standing committee. Those being the ones in orange and yellow on your chart.

You will also notice in the bylaws that we have removed any reference to the words associate directors. Again, in January of 2008, it was our board's conclusion that we need to redefine the role of associate director. Although you've noticed that we've dropped the

title, it is our intention to include committee chairs and volunteers in roles on fair committees, board committees and event committees. We believe that this will become an important training ground and a source for new board members.

We especially would like to highlight the idea of a new “Fair Advisory Committee” which will include representation from a couple of directors and at least five chairs of fair committees. Sharon did outline briefly the role of the committee, but we see this as an important link in our new structure.

Also, we have examined the “privileges” of the former title of Associate Director and will re-assign those to Committee Chairs. For example, Associate Directors had the right to sign out food vouchers for the fair. We now empower our committee chairs to take that role. There may be other adjustments that need to be made to keep the business of the fair flowing, and we’ll deal with them as we move forward.

Any questions around the new role for volunteers and members of the Society?

I also wish to address a change that we made to Honourary Life Members. I would like to remind everyone that they are not Honourary Directors, but are Honourary Life Members and as such we clearly defined that they do not pay the annual membership fee, but they do indeed continue to have a vote at the annual meeting.

Mark Jacobs will not report on Bylaws 3 through 6

MARK JACOBS

We have not made any changes to the fiscal year of the society. It will remain December 1st to November 30th.

Bylaw four outlines the membership fee for the organization, and at the end of the presentation, we will entertain a motion, and a discussion on increasing this fee to not less than \$15 per year. We are seeking your input on the cost of membership in the organization. In examining fees to belong to other organizations, this is incredibly reasonable.

Bylaw five outlines our standing committees. While we have kept the same four committees – Executive, Striking, Nominating and Finance, we are hopeful that we can engage directors to take an active role in these committees. Traditionally, the members on these committees have included executive members. It is our intention to recruit other directors to share the workload and be part of this important team.

Bylaw six outlines meetings of the board, and defines when the Standing Committees are formed. We have also redefined mandated board meetings and included December. We have however, left the option of changes to the meeting schedule at the call of the President or by the Board at any regular meeting.

Any questions?

Mike Bollert will now take us through the changes to our committee structure.

MIKE BOLLERT

Bylaw Seven outlines the committees of the board. If you refer to your chart, these committees are in yellow.

The first committee is the Governance committee which will consist of not less than five directors on the board whose job it will be to advise the board on the effectiveness and integrity of our governance practices.

The second committee is the new Fair Advisory Committee consisting of two directors and not less than five committee chairs. Their task will be to ensure the continuance of the annual Norfolk County Fair & Horse Show. It is important that we have the involvement from our membership on this committee and as Walter outlined, we see this as a potential recruitment stream for new board directors.

Our Grounds and Buildings committee will continue with a minimum of four directors and three members at large. Our hope is that we will draw members from committees to sit on this committee and again, use it as a stream to recruit new board members.

The Financial Analysis Committee will also continue to provide a viable financial plan with both long and short term objectives with special project considerations. We expect that the Treasurer, one director and two stakeholders will be involved in this committee.

The Programming Committee will consist of 2 directors and 2 stakeholders whose objective is to examine and evaluate all programming to provide viability, maintain freshness and provide the framework for expansion.

The Capital Improvements Committee will consist of 2 directors and 2 stakeholder whose objective is to prepare a viable plan for expansion of our grounds.

The Rentals Committee will consist of 2 directors and 2 stakeholders with a vision to increase our rental business.

As you can see from the above, there is a lot of room for volunteer involvement on these board committees. So, for those who wish to commit to the society further than involvement with the Fair, there is ample opportunity. We see this as a completely redefined new role for our membership and a great opportunity for personal growth and for expanding our members' leadership skills.

It's imperative that we define these roles for the future of our society.

If anyone wishes to become involved in one of these committees, the board will be appointing committee chairs for each and inviting board members, volunteers, chairs and/or stakeholders to become part of these committees. After the January Board meeting, we hope that you'll let your striking committee know where your interests lie. They will pass along info to committee chairs.

For the Fair Advisory Committee, we anticipate that there will be a spring meeting of Fair Chairs where we will be requesting volunteers to step forward for this new committee.

Any questions?

Alan Duthie will now finish off the final six bylaws.

ALAN DUTHIE

Bylaw 8 allows us to hold land and defines that we must give 2 weeks notice in the local media before we dispose of land. It also defines that you must have been a member in the 2 previous years to vote at this meeting.

Bylaw 9 permits the Society to borrow money from time to time as necessary.

Bylaw 10 states that the Society indemnifies and holds harmless the directors for all actions undertaken by them in good faith on behalf of the society.

Bylaw 11 states that we may pass bylaws prohibiting any type of performance on the grounds and regulates the sales of goods. We also have a provision to regulate activity for 275 metres from the grounds on the days of shows here.

Bylaw 12 allows us to provide for horse racing and Bylaw 13 allows for changes to be made to the bylaws at any meeting of the society.

The intent of all these final bylaws remain unchanged but we have cleaned up some of the wording.

Questions?

SHARON JUDD

Thank you everyone... Governance Committee and Board. We have put a tremendous effort into this over the past two years and I thank each and every one of you for your commitment to growing our Society.

Before we continue, does anyone have a burning question which they wish to have answered before we move forward with the implementation plan and motions?

In order to facilitate the changes described, your governance committee would like to move forward with the following implementation strategy.

First, we recommend that we downsize our board to 21 directors at the January Annual General Meeting.

In order to accomplish this, we will move forward with electing all 21 directors at our AGM in the following manner:

7 directors will be elected for a three-year term

7 directors will be elected for a two-year term

7 directors will be elected for a one-year term

This means that each and everyone one of us who chooses to do so will need to stand for election.

To keep this simple, we ask that all directors stay within their term, but if a director is not elected in their longest term, they may drop to the next shortest term, ie. if you're running for three year, and not elected, you may run for a two year term.

The nominating committee will submit new nominee names for a three year term and will continue to move to a shorter terms if they are not elected with the nominees permission.

The following directors' terms end this year and would be eligible to run for three years.

Sharon Judd
Mike Bollert
Brenda Bradshaw
Linda Bresolin
Grant Edwards
Dianne Persall
Walter Petheram
Harley Haskett
Aaron Lorimer

Seven directors will be elected for a two-year term. The following names would be placed in nomination (along with any nominees who were unsuccessful in securing a three year term and wish to seek election for a two-year term).

Larry Dawson
Rob Bollert
Aaron Culver
Michelle Campbell
Alan Duthie
Shawn Hagan
Terri Mattice
Scott Persall
Judy Sheppard

Seven directors will be elected for a one-year term. The following names would be placed in nomination (along with any nominees who were unsuccessful in securing a two year term and wish to seek election for a one-year term).

Sharon Petheram
Darryl Hagan
Steve Balcomb
Mark Jacobs
David Kent
Percy McNabb
Ian Olley
Bev Peacock
Craig Smith

That is the nuts and bolts of the changes that we are proposing for the Society. Are there any further questions?

We feel that we need to make sure that our membership is well informed of the changes before the AGM.

After tonight's meeting, we will post this presentation and transcript on the website. Hard copies will be available in the office for those who wish to review it prior to the meeting.

Notices of the meeting will be mailed to all members informing them that there will be constitutional changes and bylaw changes. They will be directed to the website and the office.

In order to ensure that all members are aware of the changes, we propose that we go through this presentation at the AGM and allow extra time for elections. With that in mind, we propose to hold the Board meeting at 9:30 am where we will review the financial statements to send on the AGM for approval.

We will begin the AGM at 10:30 am and conclude at 12:45 pm for lunch. We will then call the Initial Board meeting at 2:15 pm where we will do our elections, appointments to the standing committees, and

have directors fill in a questionnaire as to which committees they would like to serve.