

**ADMINISTRATIVE AGREEMENT
BETWEEN:**

**HIS MAJESTY THE KING IN RIGHT OF THE PROVINCE OF ONTARIO
AS REPRESENTED BY THE
MINISTER OF PUBLIC AND BUSINESS SERVICE DELIVERY**

- AND -

**VINTNERS QUALITY ALLIANCE ONTARIO
A NOT-FOR-PROFIT CORPORATION WITHOUT SHARE CAPITAL
INCORPORATED UNDER THE LAWS OF ONTARIO**

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Recitals

WHEREAS the Minister and the Wine Authority are required to enter into an administrative agreement pursuant to the Act;

AND WHEREAS the Minister is accountable to the people of Ontario as a member of the Legislative Assembly and to the Legislative Assembly as a Minister of the Crown in right of Ontario;

AND WHEREAS the Wine Authority is accountable to the Minister and the government for its administration of the legislation, in this case, the *Vintners Quality Alliance Act, 1999*;

AND WHEREAS the Wine Authority provides valuable information to the government regarding the operational effectiveness of the Act and that both parties acting in the public interest are dependent on a collaborative relationship;

AND WHEREAS the Minister and the Wine Authority recognize the benefit of maintaining a strong collaborative relationship and the importance of resolving any disagreements as amicably and expeditiously as possible;

AND WHEREAS the Wine Authority is not a Crown agent, joint venture, partner or employee of the Crown or an Agency, Board or Commission of the Province;

AND WHEREAS the Wine Authority is self-funded and not self-regulating and is governed by an independent Board of Directors;

AND WHEREAS the Minister is responsible for recommending legislative and regulatory changes to the Lieutenant Governor in Council;

AND WHEREAS the Minister and the Wine Authority intend to exercise their powers and duties under the Act in such a manner as to protect the public interest and carry out and perform this Agreement in a manner consistent with the objective of ensuring a fair, safe and informed marketplace that supports a competitive economy;

NOW THEREFORE in consideration of the promises and the mutual covenants contained in this Agreement and subject to the terms and conditions hereof, the parties hereby enter into this administrative agreement.

1. Definitions and Interpretation

- 1) In this Agreement, the following terms have the following meanings:
 - a) "**Act**" means the *Vintners Quality Alliance Act, 1999*, S.O. 1999, c. 3;
 - b) "**Agreement**" means this administrative agreement, all attached schedules and any agreement or schedule in writing supplementing or amending this administrative agreement or any of its schedules;
 - c) "**Board**" means the Board of Directors of the Wine Authority;
 - d) "**Chair**" means the Chair of the Board;
 - e) "**Crown**" means His Majesty the King in Right of the Province of Ontario;
 - f) "**Minister**" means the Minister responsible for the administration of the Act by Order in Council of the Lieutenant Governor acting for and on behalf of the Crown;
 - g) "**Ministry**" means the ministry of the Minister;
 - h) "**Statutory Mandate**" means the exercise of the authority, pursuant to the Act, of the Wine Authority to administer the Act, excluding non-regulatory business ventures;
 - i) "**Rules**" means the rules referred to in clauses 5 (1)(a), (b) and (c) of the Act; and
 - j) "**Wine Authority**" means Vintners Quality Alliance Ontario.
- 2) In this Agreement, for the purposes of interpretation:
 - a) Words denoting the singular include the plural and vice versa and words denoting any gender include all genders;
 - b) The word "including" or "includes" shall mean "including (or includes) without limitation";
 - c) Any reference to a statute shall mean the statute in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced, from time to time, and any successor statute thereto, unless otherwise expressly provided;

- d) The division of this Agreement into separate sections and subsections, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement; and
 - e) This Agreement should be read together with the Act. This Agreement does not affect, modify or limit the powers of the Act or the Wine Authority as set out in the Act, or interfere with responsibilities of any of its parties as established by law.
- 3) The powers and responsibilities of the Minister set out in this Agreement may be exercised by the Minister, the deputy minister of the Ministry or another authorized official of the Ministry.

2. Purpose of the Agreement

- 1) This Agreement between the Minister and the Wine Authority:
- a) Clarifies the roles, duties and responsibilities of the Minister and the Wine Authority in relation to the administration of the Act and the administrative matters as set out under the Act; and
 - b) Clarifies the administrative, financial, auditing, accountability, legislative and regulatory development, and working and reporting relationships between the parties.

3. Designation and Administration

- 1) The parties acknowledge that responsibility for the administration of the Act is as provided for in subsection 3(3) of the Act and the regulation made under the Act. For greater clarity, a copy of the regulation designating the Wine Authority is attached as Schedule "A" to this Agreement.
- 2) The Wine Authority has assumed responsibility for the administration of the Act as provided for in the designation.
- 3) The Statutory Mandate of the Wine Authority is established by the Act.

4. Accountability Relationships

- 1) The Minister is accountable to the Legislative Assembly for the fulfilment of the Statutory Mandate by the Wine Authority.
- 2) The Board is accountable to the Minister through the Chair, for the performance of the Wine Authority.

5. Roles and Responsibilities of the Parties

5.1 The Minister

- 1) The Minister is responsible for the Wine Authority's fulfilment of its Statutory Mandate. For this purpose, the Minister requires timely access to information from the Wine Authority as set out in the Information Sharing Protocol, attached as Schedule "B".
- 2) The Minister is responsible for bringing forward proposed changes to the Act to the Lieutenant Governor in Council and the Legislative Assembly.
- 3) The Minister may engage the Wine Authority:
 - a) throughout the policy development process,
 - b) in coordinating public and stakeholder communications regarding any proposed legislative, regulatory or policy changes, and
 - c) in the development of communication strategies for critical or on-going issues.
- 4) The Minister may, where the Minister deems appropriate, approve the Rules made by the Wine Authority in accordance with the process set out in Schedule "C" and recommend approval of regulations by the Lieutenant Governor in Council.
- 5) The Minister may provide the Wine Authority with an annual letter outlining the government's expectations and priorities with respect to the Wine Authority during the specified fiscal year. The letter would provide measurable expectations from the Minister that align with the Wine Authority's mandate as well as government priorities and commitments.
- 6) The Minister may, where the Minister deems appropriate, delegate, make or assign to the Wine Authority such additional authority, appointments or consents as are within the Minister's authority, if the Wine Authority requires such additional authority, appointments, or consents to carry out its Statutory Mandate.
- 7) The Minister may, where the Minister deems appropriate, assist the Wine Authority in obtaining any additional authorities, appointments or consents which cannot be granted by the Minister.
- 8) The Minister may, where the Minister deems appropriate, assist the Wine

Authority in working with other ministries, government organizations, and agencies, boards and commissions to facilitate agreements and relationships with the Wine Authority.

- 9) The Minister shall not interfere with the independent exercise of the statutory functions fulfilled by the Wine Authority's inspectors and investigators and other officers exercising statutory and regulatory duties.
- 10) The Minister may, where the Minister deems appropriate, in consultation with the Wine Authority and as approved by the Lieutenant Governor in Council or such other government personnel or bodies as are required, conduct intergovernmental relations and negotiate trade and other binding intergovernmental agreements.
- 11) The Minister shall make reasonable efforts to meet with the Chair from time to time.

5.2 The Wine Authority

- 1) The Wine Authority shall in accordance with subsection 3(3) of the Act, administer the Act in accordance with the law, the Act and this Agreement.
- 2) The Wine Authority shall comply with the principles of maintaining a fair, safe and informed marketplace that supports a competitive economy.
- 3) The Wine Authority, through the Chair, shall ensure that the Board is aware of the terms of this Agreement.
- 4) The Wine Authority is responsible for ensuring that it has adequate resources, including financial resources, to comply with this Agreement, the Act, and other applicable law, and for acting in accordance with the business plan that it has provided to the Minister under clause 10(1)(a) of this Agreement.
- 5) The Wine Authority is responsible for developing and maintaining corporate by-laws and shall make such by-laws available on its website within 15 days after the by-laws are passed by the Board and ratified by its members.
- 6) The Wine Authority is responsible for developing and maintaining an up-to-date written policies and procedures manual for each functional area of its business.
- 7) The Wine Authority is responsible for developing, maintaining and making publicly available on its website, up-to-date written procurement policies and

procedures in keeping with the spirit and principles of the most recent Ontario Public Service Procurement Directive to ensure that goods and services, including consulting services and information technology are acquired through a process that is fair, open and transparent.

- 8) The Wine Authority is responsible for developing, maintaining and making publicly available on its website up-to-date written travel, meal and hospitality expenses policies and procedures in keeping with the spirit and principles of the most recent Ontario Public Service Travel, Meal and Hospitality Expenses Directive in order to set out principles for the reimbursement of expenses to ensure fair and reasonable practices, and to provide a framework of accountability to guide the effective oversight of resources in the reimbursement of expenses.
- 9) The Wine Authority is responsible for developing and maintaining appropriate performance measurements, governance, and financial management processes with sound internal controls to conduct the Wine Authority's operations effectively and efficiently.
- 10) The Wine Authority is responsible for developing, maintaining and making publicly available on its website up-to-date written policies and procedures for responding to and assisting in the resolution of consumer and other complaints received by the Wine Authority related to its administration of the Act.
- 11) The Wine Authority is responsible for providing the Minister with timely information in relation to any matter requested by the Minister and shall also provide the information identified in the Information Sharing Protocol attached as Schedule "B". Nothing in this Agreement requires the Wine Authority to share any information with the Minister that the Wine Authority is not permitted by law to share with the Minister.
- 12) The Wine Authority is responsible for developing, maintaining and making publicly available on its website up-to-date written policies and procedures regarding service standards for the approval of an application by a manufacturer who is a member of the Wine Authority to use the terms, descriptions and designations established by the Wine Authority.
- 13) When able and appropriate, the Wine Authority shall coordinate its enforcement activities in relation to the investigation of serious incidents with the enforcement activities of other provincial and federal enforcement authorities.

- 14) When engaged by the Minister, in accordance with subsection 5.1(3), the Wine Authority shall participate in:
 - a) the policy development process;
 - b) coordinating public and stakeholder communications regarding any proposed legislative, regulatory or policy changes, and
 - c) the development of communication strategies for critical or on-going issues.
- 15) The Wine Authority may make Rules, subject to the Minister's approval and in accordance with the process set out in Schedule "C".
- 16) The Wine Authority may participate in cross jurisdictional and quality standards setting organizations and may make such representations and communications as it considers appropriate for such purposes, but the Wine Authority shall not represent the Province of Ontario except with the Minister's prior approval.
- 17) The Wine Authority shall,
 - a) make and maintain all statutory appointments required by the Act;
 - b) enter into a Non-Enforcement and Indemnity Agreement for the Vintners Quality Alliance Trademark, attached as Schedule "D";
- 18) The Wine Authority may enter into such agreements as may be necessary for it to carry out its duties under the Act and this Agreement with the Alcohol and Gaming Commission of Ontario and the Liquor Control Board of Ontario which are to be attached to this Agreement in Schedule "E".

6. Membership

The Wine Authority shall provide the Minister with a copy of any by-laws, as amended from time to time, respecting both the qualifications and the terms and conditions of membership in the Wine Authority and the conduct of members of the Wine Authority.

7. Board Members

7.1 Board Composition and Selection of Board Members

- 1) The composition of the Board, the selection criteria, selection process, and term of office of Board members, shall be established by by-law with the

approval of the membership. The Wine Authority shall provide any portions of any by-laws pertaining to such matters to the Minister for review and approval prior to submitting them to the Board or membership as the case may be.

- 2) The Wine Authority shall obtain the Minister's prior approval of any change in the by-laws or articles respecting Board composition, the selection criteria, selection process and term of office of its Board members.
- 3) Neither the Chair, the President, the Executive Director, nor an employee of the Wine Authority shall be an officer or employee of a trade association, or any other body that represents grape, wine or liquor manufacturers.
- 4) The by-laws of the Wine Authority shall not grant to any person who is not a Board member the right to notice of meetings of the Board or the right to attend meetings of the Board.
- 5) The Wine Authority shall develop competency criteria for the Board and make the criteria public. The process for electing or appointing members to the Board shall be inclusive and shall include reasonable efforts to identify candidates who reflect a variety of perspectives, including consumer protection or public interest perspectives, as well as the diversity of Ontario, including with respect to gender, geographic distribution, and ethnicity.
- 6) The Board shall ensure that new Board members complete any training required by the Minister within six (6) months of being elected or appointed, or when next available.

7.2 Information Required from the Board

- 1) The Board shall conduct a Board evaluation in accordance with best practices at least once every three years. The evaluation may be facilitated by an independent third party. The results of the evaluation shall be summarized in a report and a copy of the report shall be provided to the Chair. The Chair shall provide a copy of the report to the Minister upon request.
- 2) The Board shall adopt a binding code of conduct for the Board members to prevent the possibility of any Board member advancing his or her personal or business interests, or the interests of another person or organization, ahead of the interests of the Wine Authority. The code of conduct for Board members, as it may be amended from time to time, shall be developed by the Wine Authority. The Wine Authority shall notify the Minister of any changes to this code which shall be attached to this Agreement as Schedule "F".

- 3) The annual meeting, at which the Board shall present its annual report and audited financial statements, and report to the members of the Wine Authority on the affairs of the Wine Authority for the immediately preceding year, shall be open to the general public and the Board shall make reasonable efforts to inform the general public, including all liquor manufacturers in the province of Ontario, of such meeting.

8. Statutory Appointments

- 1) The Wine Authority acknowledges that the inspectors and investigators exercise statutory duties that require independent decision-making and, for that purpose, the Wine Authority agrees that the Board shall not interfere with the independent exercise of these statutory responsibilities but may review the manner in which those responsibilities are carried out, consistent with the Board's corporate and regulatory governance responsibilities.
- 2) The Wine Authority shall inform the Minister of any appointment of inspectors or investigators in accordance with subsection (1).
- 3) The Wine Authority shall not appoint any person as an inspector or investigator who is an employee or member of a trade association, individual winery or any other body that represents grape, wine or liquor manufacturers.
- 4) The Wine Authority shall inform the Minister in advance of entering into any agreement with a party to delegate or assign duties in relation to the administration of rules or enforcement under the Act except where such activities are solely related to the supply of goods and services associated with the day-to-day administration of the corporation.

9. Wine Authority not Crown Agent

The Wine Authority and its members, officers, directors, employees and agents, together with the persons whose services the Wine Authority retains for the purpose of administering the Act, are not agents of the Crown and shall not hold themselves out as agents of the Crown for that purpose.

10. Corporate Reporting

- 1) The Wine Authority shall:
 - a) each year, provide the Minister with a business plan (as described in Schedule "G") for the forthcoming year, in a format acceptable to the Minister, no later than the end of the current fiscal year;

- b) each year, provide the Minister with an annual report (as described in Schedule "G") in a format acceptable to the Minister, no later than one hundred and twenty (120) days after the end of its previous fiscal year;
 - c) enable the Minister to review and comment on the documents referred to in clauses (a) and (b) within a reasonable time period, estimated to be approximately thirty (30) days from the receipt of the documents, under normal circumstances, and prior to final approval of the Board.
- 2) The Wine Authority's business plan shall set out a summary of the activities it will undertake to ensure that its goods, services and facilities are accessible in accordance with the Accessibility for Ontarians with Disabilities Act, 2005, and any relevant additional accessibility related activities. The Wine Authority's annual report shall account for how these accessibility-related activities were provided.
- 3) The Wine Authority's business plan shall set out the means by which services related to the administration of the Act are provided in French, and the Wine Authority's annual report shall account for how these French language services were provided.
- 4) The Wine Authority's business plan shall set out the means by which complaints received by the Wine Authority related to the administration of the Act are managed and resolved and the Wine Authority's annual report shall account for how these complaints were responded to and resolved.
- 5) The Wine Authority:
 - a) shall make the business plan referred to in clause (1)(a) available to the public, including by posting on the Wine Authority's website, no later than thirty (30) days after final approval of the Board;
 - b) shall publish the annual report referred to in clause (1)(b) to the Wine Authority's website and by any other method the later of thirty (30) days after the annual report is finalized and the date of the Annual General Meeting.
- 6) The Wine Authority shall conduct a client satisfaction/value survey of all or a sampling of its clients, stakeholders, and members at least once every three years. The client satisfaction/value survey may be facilitated by an independent third party. The Wine Authority shall share a summary of the survey results with the Minister. The Wine Authority's annual report and website shall also include a synopsis of the results of the client satisfaction/value survey, as conducted.

- 7) The Wine Authority shall have a risk management framework and risk management plan for managing risks that the Wine Authority may encounter in meeting its program and service delivery objectives as described in Schedule "G".
- 8) The Wine Authority shall establish performance measures regarding the administration of the Act, subject to the approval of the Minister. This stable set of performance measures will reflect the regulated sector and enable a year-to-year comparison. Where a year-to-year comparison is not possible because of a change in performance measures, the Wine Authority shall give the Minister sufficient information to enable a proximate comparison of the changed performance measure.
- 9) The Wine Authority shall provide the Minister with performance targets and results for the performance measures approved by the Minister in subsection (8) on an annual basis and upon request by the Minister. Where the Wine Authority does not meet any one or more of its performance targets, the Wine Authority shall identify any variance from the target and provide a written rationale to the Minister.

11. Regulatory Governance

- 1) The Board shall be responsible for carrying out the following regulatory governance functions:
 - a) reviewing the adequacy and effectiveness of the Wine Authority's product certification, enforcement and consumer protection framework to ensure compliance with the Act;
 - b) reviewing implementation of and reporting on the enforcement of the Act, including performance measures, and the effectiveness of the consumer protection framework; and
 - c) providing strategic advice to the Minister on potential or proposed legislative or regulatory changes.

12. Financial Arrangements

- 1) The Wine Authority shall ensure that it has adequate resources to comply with this Agreement, and the Act consistent with the business plan that it has provided to the Minister under clause 10(1)(a) of this Agreement.
- 2) The Wine Authority acknowledges it cannot collect or retain as revenue any fines imposed by a court further to proceedings taken by the Wine Authority

under the Provincial Offences Act.

- 3) The Wine Authority may establish fees, subject to any limitations on the amount imposed by the Act, costs and other charges related to its administration of the Act in accordance with the process and criteria approved by the Minister, as set out in the attached Schedule "H".
- 4) The Wine Authority shall make publicly available, including by posting on its website,
 - a) its fees, costs and other charges,
 - b) the process and criteria by which its fees, costs and other charges are established, and
 - c) any rules governing the payment of its fees, costs and other charges.
- 5) The Wine Authority shall report to the Minister at the earliest opportunity if there is any reason for concern about the financial state of the Wine Authority.

13. Records, Privacy and Access

- 1) To the extent permissible by law, all records obtained from any source, created, or maintained by the Wine Authority in the course of carrying out its administration of the Act are the property of the Wine Authority and the Wine Authority is the sole owner and custodian of such records and may use them for its legitimate purposes in the administration of the Act.
- 2) All records that are the property of the Wine Authority shall be maintained in keeping with the records retention and destruction schedules established by the Wine Authority.
- 3) The Wine Authority shall have an access and privacy code addressing issues of access to its records, protection of personal information, and effective procedural rights and remedies. This code shall protect privacy and provide access in accordance with the principles of the Freedom of Information and Protection of Privacy Act and provide an effective procedure in support of these principles. Upon approval by the Minister, the code shall be attached to this Agreement as Schedule "I".
- 4) The Wine Authority shall comply with the access and privacy code referred to in subsection (3), and shall make the code available to the public, including by posting on the Wine Authority's website.

- 5) The Wine Authority shall obtain the Minister's approval of any changes to the access and privacy code.

14. Litigation

- 1) The following provisions address any litigation arising after or as a result of the Wine Authority's designation under the Act.
- 2) Civil and administrative litigation, including inquests, related to the Act in which the Crown is a defendant or an interested party, as a result of any alleged act or omission of the Wine Authority in its administration of the Act shall be defended or otherwise carried out by the Wine Authority (with full right and power to choose legal counsel and with full right and power to reach a settlement which binds the Wine Authority and, with the Crown's consent, binds the Crown), unless the parties expressly agree otherwise. The Wine Authority shall be responsible for all costs of the litigation and for the payment of any settlement costs agreed to and payable by it and any damages awarded against it, as a result of any act, omission or fault of the Wine Authority, subject to an order of the court or agreement between the parties. The parties agree that the Crown reserves the right to defend or otherwise carry out any such litigation on its own behalf and at its own cost in respect of its own interest where it determines that it has an independent interest in the litigation.
- 3) Despite subsection (2), the Minister or the Crown shall be responsible for all costs of any litigation related to the designation of the Wine Authority or related to the enactment of the Act.
- 4) Any proceedings, and any civil, criminal or administrative litigation, including inquests, not related to the Wine Authority's administration of the Act, in which the Crown is a defendant or an interested party, arising from or in any way connected with any activity undertaken by, or alleged act or omission of the Wine Authority, shall be defended or otherwise carried out by the Wine Authority. The Wine Authority shall be responsible for all costs of the proceedings or litigation and for the payment of any settlement costs agreed to and payable by it and any damages awarded against it. The parties agree that the Crown reserves its right to defend or otherwise carry out any such proceedings or litigation on its own behalf and at its own cost where it determines that it has an independent interest in the proceedings or litigation.
- 5) The Minister or the Crown shall cooperate with the Wine Authority for the purpose of the Wine Authority's defence or other participation in the litigation referred to in subsections (2) and (4) including providing documentation or

information and providing witnesses in such litigation, where appropriate.

- 6) The Wine Authority shall carry out all prosecutions related to the Act on its own behalf and in its own name, all in accordance with, pursuant to and in furtherance of the obligations of the Wine Authority to administer the Act. The Wine Authority shall develop policies for the conduct of prosecutions that accord with the principles set out in any Ministry of the Attorney General prosecution-related policies, guidelines, codes or similar documents provided to it by the Minister. In carrying out prosecutions related to the Act, the Wine Authority shall conduct prosecutions in the public interest and in a manner consistent with such policies.
- 7) The Minister shall keep the Wine Authority informed of any litigation by or against the Crown or in which the Crown is an interested party that may affect the interests of the Wine Authority.
- 8) The Wine Authority shall keep the Minister informed of any litigation by or against the Wine Authority or in which the Wine Authority is an interested party that may affect the interests of the Crown.
- 9) The Wine Authority may take legal action to enforce its intellectual property. Any such action related to its intellectual property, other than any proceedings or steps taken to enforce the geographical indications which are regulated under the Act and the regulations and rules promulgated thereunder, shall be funded solely from its litigation reserve fund. If the costs of such enforcement may exhaust that fund, the Wine Authority shall obtain additional funding solely from voluntary contributions from its members.

15. Indemnification

- 1) The Wine Authority will indemnify the Crown in respect of damages and costs incurred by the Crown for any act or omission of the Wine Authority or its members, officers, Board members, employees or agents in the exercise or performance or intended exercise or performance of their duties or powers under the Act or the Agreement or for any act or omission otherwise connected to the Act or the Agreement.
- 2) This indemnification survives termination of this Agreement for the maximum period permitted by law or contract.

16. Insurance

- 1) The Wine Authority shall take all reasonable steps to protect itself from and

against all claims which might arise from the carrying out of the administration of the Act and the exercise or performance of its duties under the Act by the Wine Authority, its Board members, appointees, officers, employees and agents. The Wine Authority shall at all times maintain adequate insurance against liability arising out of the Wine Authority's carrying out of the administration of the Act, the exercise or performance of its duties or powers under the Act and this Agreement including commercial general liability insurance on an occurrence basis for third party bodily injury, personal injury and property damage, to an inclusive limit of not less than five million (\$5,000,000) per occurrence, five million (\$5,000,000) products and completed operations aggregate. The policy is to include the following:

- a) His Majesty the King in the Right of Ontario as represented by the Minister as additional insureds with respect to liability arising in the course of performance of the Wine Authority's obligations under, or otherwise in connection with, the Act;
 - b) cross-liability clause;
 - c) thirty (30) day written notice of cancellation, termination or material change; and,
 - d) non-owned automobile coverage with blanket contractual coverage for hired automobiles.
- 2) The Wine Authority shall provide the Minister with certificates of insurance or other proof as may be requested by the Minister, that confirms all of the insurance coverage as provided for in subsection (1), and renewal replacements on or before the expiry of any such insurance.
 - 3) If the Crown imposes an obligation on the Wine Authority by obtaining the enactment of legislation, making a regulatory change or otherwise, which gives rise to exposure to liability on the part of the Wine Authority for which the Wine Authority cannot reasonably obtain appropriate liability insurance, the Wine Authority shall provide immediate notice to the Minister in writing of the uninsured risk and subject to government approvals that may be required, if any, the Wine Authority and the Minister shall identify appropriate measures to resolve the issue to the satisfaction of both parties. Where government approval is required, the Minister shall make reasonable efforts to obtain the necessary approvals.

17. Non-Regulatory Business

- 1) The Wine Authority shall only enter into non-regulatory business ventures that support a fair, safe and informed marketplace and a competitive economy. For this purpose, the Wine Authority shall comply with the principles set out in the Non-Regulatory Business Policy set out in Schedule "J".
- 2) For any non-regulatory business venture, the Wine Authority shall submit to the Minister a statement confirming that such non-regulatory business venture will not negatively impact the Wine Authority's regulatory business. The form and content of the statement shall be as detailed in Schedule "J".
- 3) The statement shall be provided to the Minister prior to the Wine Authority entering into a business venture for the non-regulatory business.

18. Code of Conduct for Compliance Personnel

- 1) The Wine Authority shall develop a code of conduct for its compliance personnel relating to the Wine Authority's compliance and enforcement responsibilities under the Act and any other legislation that is in keeping with the spirit and principles of the most recent Ontario Public Service Regulators' Code of Practice.
- 2) The Wine Authority shall provide its code of conduct to the Minister, as it is updated from time to time, make it available to the public, and post the code on the Wine Authority's website.

19. Revocation or Restriction of the Wine Authority's Administration

- 1) Without limiting the powers of the Crown, the revocation or restriction of the Wine Authority's authority to administer the Act may result from the failure of the Wine Authority to comply with the Act, or the Agreement or may occur if the Lieutenant Governor in Council considers it advisable in the public interest to revoke or restrict the Wine Authority's designation.
- 2) The Wine Authority may request the Lieutenant Governor in Council to revoke or restrict its designation and in that case the Lieutenant Governor in Council shall, by regulation, revoke or restrict the designation on the terms it considers advisable in the public interest.
- 3) The parties shall use reasonable efforts to resolve financial and other issues resulting from a proposed revocation or restriction that impact the Crown or the Wine Authority, in keeping with the principle of fairness in light of the nature of the proposed revocation or restriction.

- 4) Any agreement under subsection (3) that may increase, directly or indirectly, the indebtedness or contingent liabilities of the Crown will require the prior written approval of the Minister of Finance, the President of the Treasury Board or both, as applicable, in accordance with section 28 of the Financial Administration Act, and will be subject to approval by Treasury Board. The Minister shall make reasonable efforts to obtain this and any other necessary approvals.

20. Dispute Resolution

The parties agree to use reasonable efforts to resolve any disputes that may arise out of or in connection with this Agreement or the administration of the Act.

21. Communications and Information Sharing

- 1) Each of the parties shall designate an individual who will be the primary contact for all issues and communications related to this Agreement, and the administration of the Act.
- 2) The parties shall develop procedures for the sharing of information and the resolution of issues that may arise during the course of the Wine Authority's administration of the Act. Upon approval by the Minister, such procedures shall be attached to the Agreement as Schedule "B".

22. Reviews and Audits

- 1) Where the Minister deems appropriate, the Minister may carry out:
 - a) policy, legislative or regulatory reviews related to the Act or this Agreement.
 - b) reviews of the Wine Authority, its operations, or both, including performance, governance, accountability and financial reviews.
- 2) If the Wine Authority or a person on behalf of the Wine Authority carries out a review mentioned in subsection (1), the Wine Authority may share the results of any reviews with the Minister.
- 3) If the Minister specifies another person or entity to carry out a review mentioned in subsection (1), the Minister shall ensure that the person or entity consults with the Wine Authority as appropriate during any such review.
- 4) The Wine Authority shall cooperate in any review or audit required by the Minister.

23. Severability of Provisions

The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of the Agreement. Any invalid or unenforceable provision will be deemed to be severed.

24. Assignment

Neither the Wine Authority nor the Minister shall assign this Agreement in whole or in part without the express written consent of the other.

25. Waiver

If a party fails to comply with any term of the Agreement, that party may only rely on a waiver of the other party if the other party has provided a written waiver. Any waiver must refer to a specific failure to comply and will not have the effect of waiving any subsequent failures to comply.

26. Independent Parties

The Wine Authority is not an agent, joint venture, partner or employee of the Crown, and the Wine Authority shall not represent itself in any way that might be taken by a reasonable person to suggest that it is, or take any actions that could establish or imply such a relationship.

27. Jurisdiction

This Agreement shall be governed by the laws of the Province of Ontario and applicable laws of Canada.

28. Conflict

In the event of a conflict between the provisions of this Agreement and the Act, the Act prevails.

29. Amendment and Review of Agreement

- 1) The terms of this Agreement may only be added to, deleted, varied or amended with the consent of both parties. Such amendments shall be in writing, dated, and signed by both parties and attached to this Agreement.
- 2) The parties shall amend this Agreement as required to accommodate any changes to the Act.

- 3) On giving notice to the Wine Authority that the Minister considers reasonable in the circumstances, the Minister may amend or insert a term in this Agreement or delete a term from it if:
 - a) The term relates to the administration of the Act; and
 - b) the Minister considers it advisable to do so in the public interest.
- 4) Upon a change in the Minister or Chair of the Board, the new Minister or new Chair, as the case may be, must, within six months of the change, send a letter to the other party affirming their awareness of the Agreement in order to facilitate compliance with the requirements of the Agreement.
- 5) The parties shall conduct a review of this Agreement within five (5) years of execution to ensure it is current. Despite the foregoing, either party may initiate a review of the Agreement when advisable in the public interest upon giving notice in writing to the other.

30. Public Document

The parties agree that this Agreement shall be made available to the public by either party upon request to that party by any member of the public. The Wine Authority shall post this Agreement on its website within thirty (30) days of the effective date of this Agreement and thirty (30) days of execution of any amendments thereafter.

31. Entire Agreement

The Minister and the Wine Authority agree that this Agreement, as amended from time to time in accordance with section 29 of this Agreement forms the entire Agreement between the parties and, subject to Schedule "K", supersedes any prior understanding or agreement, collateral, oral or otherwise, existing between the parties at the date of execution of this Agreement.

32. Effective Date

Subject to Schedule "K", this Agreement comes into effect on the later date of execution by the parties and will supersede and replace any prior administrative agreements made between the parties.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

Vintners Quality Alliance Ontario



Chair of the Board

Date: March 7, 2023

**His Majesty the King in right of
Ontario**



Minister of Public and Business Service
Delivery

Date: 03/13/2023

SCHEDULE "A" – REGULATION

WINE AUTHORITY

Vintners Quality Alliance Act, 1999

ONTARIO REGULATION 403/00

DESIGNATION OF WINE AUTHORITY

This is the English version of a bilingual regulation.

1. Vintners Quality Alliance Ontario is hereby designated as the wine authority for the purposes of administering the Act and the regulations. O. Reg. 403/00, s. 1.

Vintner Quality Alliance Ontario



Chair of the Board

Date: March 7, 2023

His Majesty the King in right of
Ontario



Minister of Public and Business Service
Delivery

Date: 03/13/2023

SCHEDULE "B" – INFORMATION SHARING PROTOCOL

WINE AUTHORITY

This Schedule outlines information sharing protocols recognizing that the Wine Authority shall respond in an expeditious manner to all requests made by the Minister, including requests in respect of:

- 1) the governance of the Wine Authority
- 2) the administration of the Act by the Wine Authority; or
- 3) the Agreement.

This Schedule outlines information sharing protocols not already specified in the Agreement or other schedules to the Agreement.

Unless specifically outlined in this Schedule, when making information requests of the Wine Authority, the Minister shall inform the Wine Authority of the timeframe in which the information is needed.

Prior to any personal information being shared, the Minister and the Wine Authority will confirm how it will be used, that there is legal authority to share it, that any notice requirements have been addressed, as well as the method for sharing, securing and disposing of the personal information. For this purpose, "personal information" has the same meaning as in the Freedom of Information and Protection of Privacy Act. For greater certainty, nothing in this Agreement requires the Wine Authority to share any information with the Minister that the Wine Authority is not permitted by law to share with the Minister.

To facilitate information sharing, the Wine Authority and the Minister will seek to achieve a "one-window" policy with the Wine Authority and the Ministry's Public Safety and Operations Policy Branch (PSOP) unless otherwise specified by the Minister, being the access points.

In addition, the Wine Authority and PSOP shall make reasonable efforts to meet quarterly to discuss current issues, needs and other matters necessary for the proper administration of this Schedule.

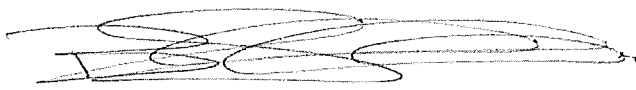
Description	Responsibility	
	Minister	Wine Authority
Information Requests		
<p>All matters, including but not limited to information requests made by the Minister to:</p> <ul style="list-style-type: none"> - Support the development of briefing notes - Support meetings with stakeholders - Assess performance measures metrics and results 	<p>The Minister shall make reasonable efforts to share with the Wine Authority the context in which the request for information is being made and consult with the Wine Authority where appropriate.</p>	<p>The Wine Authority shall make reasonable efforts to respond in an expeditious manner to all requests made by the Minister.</p>
Cabinet Submissions		
All Issues	<p>PSOP will develop Cabinet submissions, as required, in cooperation with other Ministry branches.</p>	<p>The Wine Authority is consulted where appropriate.</p>
Correspondence		
<p>The Minister and the Wine Authority will work together to draft responses whenever possible, in a timely fashion, respecting that PSOP is required to respond to all correspondence within five (5) business days.</p>		
On all subjects directed to the Minister	<p>PSOP will:</p> <ul style="list-style-type: none"> • action to the Wine Authority or • draft a reply indicating referral to the Wine Authority for direct response; or • draft a reply. 	<p>The Wine Authority will:</p> <ul style="list-style-type: none"> • respond directly under the Wine Authority's signature and copy PSOP as appropriate, or • supply PSOP with information required for the Minister to reply.
Issue Notes		
<p>The Minister and the Wine Authority will work together to issue responses in a timely fashion respecting the requirement for PSOP to respond to all requests for issue notes within specific timeframes (i.e., short notice or outside of regular business hours).</p>		

Description	Responsibility	
	Minister	Wine Authority
On any subject (designed for use in the Legislature)	PSOP will prepare the issue note and provide it to the Ministry's Communications Branch. Requests for information made to the Wine Authority to develop the issue note will be accompanied by a timeline for response and rationale.	The Wine Authority will make reasonable efforts to provide information to PSOP within timeframe specified.
Issues Management		
Other possible contentious issues (e.g., stakeholder grievances/ concerns, etc.)	PSOP will inform the Ministry's Communications Branch.	The Wine Authority will inform PSOP and provide relevant details, key messages and response strategy.
Media Relations		
Media releases issued by the Wine Authority	PSOP will share a copy of the Wine Authority's media release with the Ministry's Communications Branch for information and review.	The Wine Authority will prepare and share a copy of its media release with PSOP in advance or at its earliest opportunity and before the release is issued to media. The Wine Authority will request the Ministry's review if required under its agreed upon media protocol with the Ministry.
Speeches/Speaking Notes		
All Minister speeches/speaking notes (any topic)	Ministry's Communications Branch will prepare, and PSOP will advise the Wine Authority as appropriate.	The Wine Authority will supply PSOP with information as needed.
Marketing/Public Relations Events		
Collaboration on Marketing / Public Relations Events	PSOP and the Ministry's Communications Branch will work collaboratively with the Wine Authority to plan and develop joint marketing and public relations events between the Minister and the Wine Authority.	The Wine Authority will work collaboratively with PSOP and the Ministry's Communications Branch to provide information on Wine Authority specific events and plan joint marketing and public relations events between the Wine Authority and the Minister. The Wine Authority will provide relevant information on key communication activities to PSOP as appropriate.

Description	Responsibility	
	Minister	Wine Authority
Other		
Information concerning Board member competencies	PSOP will make requests to the Wine Authority for information as and when required.	The Wine Authority shall provide this information to PSOP at least once annually, and as requested, the Board's skills profile.
Information concerning communications campaigns/activities undertaken by the Wine Authority	PSOP will make requests to the Wine Authority for information regarding planned communications campaigns/activities, including public education campaigns.	The Wine Authority will provide information on key communication activities to PSOP upon request.

Vintners Quality Alliance Ontario

His Majesty the King in right of Ontario



Chair of the Board

Date: March 7, 2023



Minister of Public and Business Service
Delivery

Date: 03/13/2023

SCHEDULE “C” – RULES MADE PURSUANT TO CLAUSES 5 (1) (a), (b), and (c) of the Act

WINE AUTHORITY

Vintners Quality Alliance Ontario (Wine Authority) rules regarding the establishment of VQA terms, descriptions and designations and the quality standards and conditions that must be met for a wine manufacturer to use such terms, descriptions and designations require the approval of the Minister and public notification.

The following outlines the process for changes to the rules made subsequent to proclamation of the Act.

1. Wine Authority Board of Directors receives an application for a rule change from member wineries, non-member wineries, grape growers, Ontario wine research or technical experts, government or consumers.
2. The Board reviews all requests and may decline requests that it determines to be frivolous or impractical. Rule changes of a policy nature may be referred to a committee for review or proceed to circulation as outlined below. Rule changes of a technical nature are forwarded to the Wine Authority Standards Development Committee. The committee reviews the change and may request clarification from the applicant. The committee provides comments and recommendations to the Board.
3. The Board circulates in writing by mail or by electronic means the proposed change with the rationale for the change to all Wine Authority members at least 30 days prior to the Directors' meeting at which it will be discussed.
4. Wine Authority members can voice their concerns in writing regarding the rule change to the Board.
5. The Board reviews all submissions and votes on the change.
6. The Board forwards a request seeking the Minister's approval of the change to the designated representative of the Minister. The Ministry will work with Legislative Counsel to draft the regulation and bring it forward to the Minister for approval in a timely fashion.
7. If approved by the Minister, the rule change becomes effective on filing with the Registrar of Regulations, unless otherwise specified in the rule itself.

SCHEDULE "D" – NON-ENFORCEMENT AND INDEMNITY AGREEMENT FOR VQA TRADEMARK

June 14, 2000

NON-ENFORCEMENT AND INDEMNITY AGREEMENT

BETWEEN:

VINTNERS QUALITY ALLIANCE OF CANADA
(hereinafter referred to as VQA of Canada)

- and -

VINTNERS QUALITY ALLIANCE ONTARIO
(hereinafter referred to as VQA Ontario)

IN CONSIDERATION of the payment of \$1 by VQA Ontario to VQA of Canada, VQA of Canada and VQA Ontario have agreed as follows:

1. VQA of Canada shall not enforce any of its official marks or other marks against VQA Ontario, any member of VQA Ontario, or any other person or entity in respect of the use of such official marks or other marks in the Province of Ontario. This will include all marks that are currently published or which may be published at a future date under the *Trade-Marks Act*, R.S.C. 1985, c.T-13, or any successor legislation. This Paragraph comes into force on the day the *Vintners Quality Alliance Act, 1999* comes into force.
2. Nothing in paragraph 1 affects any steps initiated or to be initiated by VQA of Canada to enforce any of its official marks or other marks published under the *Trade-Marks Act*, R.S.C. 1985, c. T-13 in respect of events that have occurred prior to the day the *Vintners Quality Alliance Act, 1999* comes into force.
3. VQA of Canada, excluding its officers, directors and employees in any personal capacity, shall indemnify and save harmless VOA Ontario and VOA Ontario's officers, directors and employees from all costs, losses, damages, judgements, claims, demands, suits, actions, causes of action or other proceedings of any kind or nature based on, occasioned by or attributable to the VOA of Canada's

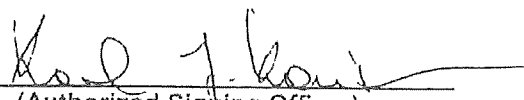
claim to ownership of or use of or actions in relation to any official mark or other mark currently published or any such mark which may be published in the future by VQA of Canada under the *Trade-Marks Act*, R.S.C. 1985, c. T-13 or any successor legislation.

4. VQA Ontario, excluding its officers, directors and employees in any personal capacity, shall indemnify and save harmless VQA of Canada and VQA of Canada's officers, directors and employees from all costs, losses, damages, judgments, claims, demands, suits, actions, causes of action or other proceedings of any kind or nature based on, occasioned by or attributable to VQA Ontario's administration or enforcement of the *Vintners Quality Alliance Act*, 1999. This paragraph is not applicable to any administrative or enforcement action which VQA Ontario may take against VQA of Canada and VQA of Canada's officers and directors under the *Vintners Quality Alliance Act*, 1999.
5. If the indemnity provisions of this agreement are to be called upon, the parties shall consult and try to reach agreement at the earliest reasonable opportunity as to the feasibility of the legal representation of the indemnified party by the indemnifying party.

IN WITNESS HEREOF, the parties have executed this Agreement.

The persons signing below for VQA of Canada and VQA Ontario are duly and properly authorized to sign and bind their respective parties.

VINTNERS QUALITY ALLIANCE OF CANADA

Per: 
(Authorized Signing Officer)

16 June 2000
Date

VINTNERS QUALITY ALLIANCE ONTARIO

Per: 
(Authorized Signing Officer)

June 16 2000
Date

SCHEDULE “E” – MEMORANDA OF UNDERSTANDING WITH LCBO

WINE AUTHORITY

ONTARIO WINE
APPELLATION AUTHORITY



LCBO

MEMORANDUM OF AGREEMENT

Between

THE LIQUOR CONTROL BOARD OF ONTARIO “LCBO”

And

WINE AUTHORITY “The Wine Appellation Authority”

DEFINITIONS

1. In this Memorandum of Agreement (“Agreement”),

“**Act**” refers to the *Vintners Quality Alliance Act, 1999*.

“**Executive Director**” refers to the Executive Director of the Wine Appellation Authority.

“**LCBO**” refers to the Liquor Control Board of Ontario.

“**LCBO President**” refers to the President & CEO of the Liquor Control Board of Ontario.

“**Member(s)**” refers to member(s) in good standing of the Wine Appellation Authority as defined by the Wine Appellation Authority under the Wine Appellation Authority bylaws.

“**Minister**” refers to the Minister responsible for the administration of the *Act*, or as the case may be, acting for and on behalf of the Crown.

“**Wine Appellation Authority Chair**” refers to the Chair of the Wine Appellation Authority.

“**VQA Regulations**” refers to Ontario Regulations 403/00, 405/00 and 406/00 made under the *Act* as amended from time to time.

“**Wine Appellation Authority Rules**” refers to all the requirements collectively contained in regulations made under the *Act*.

“**Wine Appellation Authority Submission Rules**” refers to the rules made from time to time pursuant to clauses 5 (1) (d) and (e) of the *Act*.

“**Wine Appellation Authority Winemaking Rules**” refers to the requirements contained in Ontario Regulation 406/00 made under the *Act* as amended from time to time.

time.

“VQA wine” refers to wine that is approved in accordance with the Wine Appellation Authority Submission Rules.

PURPOSE

Whereas the Minister has appointed the Wine Appellation Authority to be the authority that is responsible for administering the Act and the VQA Regulations, pursuant to Section 3(1) of the Act,

And whereas the Wine Appellation Authority requires that certain services be performed by LCBO,

And whereas the LCBO has the resources and expertise necessary to perform such services,

And whereas the LCBO, as retailer of beverage alcohol in Ontario, has an interest in ensuring the authenticity and quality of VQA wine,

And whereas the previous Memorandum of Agreement between the parties dated January 12, 2021 (the “Previous Agreement”) included references to the provision of sensory and audit services by the LCBO, which have been repatriated by the Wine Appellation Authority as of July 5, 2021,

THEREFORE, the parties hereto agree as follows:

MANDATE

2. The Wine Appellation Authority is wholly responsible for the administration and enforcement of the Act. It alone may exercise the powers provided to it under the Act. It is agreed that, notwithstanding anything contained elsewhere in this Agreement, LCBO shall not be required to make any decisions which the Wine Appellation Authority is required to make under the Act or the Wine Appellation Authority Rules. LCBO's role under this Agreement is that of a service provider who is providing data, information and other services to the Wine Appellation Authority, and LCBO shall not be required to make recommendations regarding whether a particular decision should be made by the Wine Appellation Authority. If LCBO makes such a recommendation to the Wine Appellation Authority, it shall be considered as a mere suggestion which is made at the sole option of LCBO in respect of which the Wine Appellation Authority shall be solely responsible. LCBO shall not incur any liability to the Wine Appellation Authority or any third parties regarding any such suggestion.
3. The LCBO shall perform the services which are described in this Agreement. The LCBO shall not provide any official opinion, ruling, interpretation or determination regarding the compliance of a particular wine or Member with the Wine Appellation Authority Rules.

TIME PERIOD

4. This Agreement will remain in effect for a period of five (5) years from the date of execution or until amended or replaced with the approval of both parties unless earlier terminated in accordance with Section 30 of this Agreement. The Agreement may be extended beyond the specified 5-year period by written agreement of both parties.
5. Changes may be made by written agreement of both parties at any time during the continuance of this Agreement.

SERVICES TO BE PROVIDED BY THE LCBO

VQA Quality Evaluation

6. For each sample submitted by the Wine Appellation Authority for testing in accordance with VQA Rules, LCBO shall, within fifteen (15) business days of receipt of such sample, perform a laboratory analysis of such sample based on a program of testing that is agreed upon by LCBO and the Wine Appellation Authority, which shall include the preparation of a Certificate of Analysis to report the results of testing. The foregoing shall be reported in such a format as is mutually agreed upon.
7. Both parties acknowledge that the Wine Appellation Authority Submission Rules may be amended from time to time by the Wine Appellation Authority. The Wine Appellation Authority agrees to provide the LCBO with all amendments relevant to the services provided in this Agreement in writing within five (5) business days of any such change.

Data Management and Administration

8. LCBO will provide the Wine Appellation Authority with annualized aggregate data drawn from the data submitted to the LCBO by individual Members on the Vintners Quality Alliance Ontario Product Sales Report as administered by the Wine Appellation Authority. LCBO may, upon written request, provide to the Wine Appellation Authority, inventory and sales reports of individual Members' VQA wines purchased and sold by LCBO.
9. LCBO and the Wine Appellation Authority will maintain and enter data into their respective electronic databases related to the information received as part of the wine approvals process described in the Wine Appellation Authority Submission Rules.
10. LCBO and the Wine Appellation Authority share information related to each submission and the status of each submission via an electronic transfer of information. Both parties shall ensure that their respective data management systems allow for the timely transfer of information and that information is kept up to date.

Additional Services

11. The Wine Appellation Authority may request LCBO to perform additional services under this Agreement. Nothing in this Agreement obligates the LCBO to perform any additional services requested. Additional services shall not be performed or required unless and until both parties execute a written change order that includes a description of the additional services to be performed, the charges for such services and signatures of each party.

REPORTING & USE OF INFORMATION

12. Once all analyses required under Section 6 are completed in full, LCBO shall provide the Wine Appellation Authority with a report in a form which is mutually agreed upon in writing.
13. The reporting referred to under Section 12 may be fulfilled by the creation of a shared electronic database or the electronic exchange of information.
14. The LCBO shall not release any information contained in any report, except to the Wine Appellation Authority as provided for under this Agreement or except as may be required by law provided that where LCBO is of the opinion that any sample that has been submitted by or on behalf of the Wine Appellation Authority may indicate a health and safety problem, then the LCBO may notify such persons as it deems necessary to properly deal with the issue.
15. Notwithstanding Section 14, LCBO may respond directly to inquiries from Members for purposes of clarifying and/or explaining the Wine Appellation Authority submission procedures or laboratory testing methodologies.
16. Notwithstanding Section 15, LCBO will not provide Members with any official opinion, ruling or interpretation with regard to the compliance of Members or wines with the Wine Appellation Authority Rules.

MAINTENANCE OF RECORDS

17. Any information, in whatever form, that is generated, collected, compiled or otherwise comes into existence exclusively for the purposes of fulfilling the services defined in this Agreement, is the sole and exclusive property of the Wine Appellation Authority.
18. In accordance with Section 17, the LCBO shall, to the extent reasonable under the circumstances, separate the storage and handling of all such records from other records in the possession of the LCBO.
19. LCBO shall retain the following records for the specified period, or such other period as is mutually agreed upon by the LCBO and the Wine Appellation Authority in writing, following which all such records will be provided to Wine Appellation Authority:
 - a) the results of each laboratory analysis conducted under Section 6, for a period of three (3) years.
20. VQA procedures require two (2) containers (stable finished packaged samples or ready-to-package tank samples, each at least 500 mL in volume): one for laboratory analysis, and one for sensory evaluation by the Wine Appellation Authority.
21. Upon receipt of two (2) containers of the wine sample, LCBO will set aside one (1) container for each sample to be retrieved by the Wine Appellation Authority. Where the LCBO identifies a sample to be unstable at any time while in LCBO possession, the LCBO will halt further processing and may dispose of such sample. The LCBO will notify the Wine Appellation Authority and may accept new samples that are re-submitted at the Wine Appellation Authority's sole cost and expense.

22. Notwithstanding Section 14, the LCBO may be required to respond to requests for disclosure under the Freedom of Information and Protection of Privacy Act, R.S.O. 1990, as amended, and other applicable laws, with respect to documents it holds in relation to this Agreement. Where any request relates to information that is held by the LCBO on behalf of the Wine Appellation Authority, then the LCBO will notify the Wine Appellation Authority of the request and will not release such information without the consent of the Wine Appellation Authority unless required to do so by law.
23. With regard to the Previous Agreement:
- c) LCBO shall transfer the following records to the Wine Appellation Authority:
 - i) Audit working papers compiled to support conclusions reached on the "VQA Audit Program" as defined under the Previous Agreement for the most recent audit conducted for each winery audited under the Previous Agreement on behalf of the Wine Appellation Authority.
 - b) LCBO shall retain the following records for the specified period, or such other period as is mutually agreed upon by the LCBO and the Wine Appellation Authority in writing:
 - i) the number and disposition of votes resulting from organoleptic (sensory) evaluation carried out under the Previous Agreement from April 1, 2019 to March 31, 2020, will be retained until March 3, 2023; and
 - ii) Audit working papers compiled to support conclusions reached on the "VQA Audit Program" under the Previous Agreement from the period commencing April 1, 2014 to July 1, 2021, will be retained for a period of seven (7) years from the date on which after the audit is completed, following which they may be destroyed.

PAYMENT OF COSTS

24. The LCBO shall invoice the Wine Appellation Authority for services performed under this Agreement. Services and fees for these services are detailed in Schedule "A".
25. The Wine Appellation Authority shall remit payment within thirty (30) days of receipt of an invoice. Any unpaid amounts shall bear interest at the rate of 1½ % per month (18% per annum) calculated monthly.

RELEASE, INDEMNITY & INSURANCE

26. The parties acknowledge and agree that LCBO shall have no liability to the Wine Appellation Authority or any third parties regarding LCBO's services under this Agreement unless such liability arises out of the gross negligence or wilful default of LCBO. For example, if LCBO fails to perform a service or makes an error in connection with a service, LCBO shall have no liability unless such failure or error arises out of the gross negligence or wilful default of LCBO. The Wine Appellation Authority hereby releases the LCBO, its officers, directors, employees and agents from all claims, demands, suits, actions, causes of action and proceedings the Wine Appellation Authority may have from time to time against the LCBO in connection

with the LCBO's provision of services as provided herein unless the same arise out of LCBO's gross negligence or wilful default. The Wine Appellation Authority hereby indemnifies and holds harmless the LCBO, its officers, directors, employees and agents from all claims, demands, suits, actions, causes of action, damages, losses, costs, liabilities and expenses (including legal fees and expenses) howsoever incurred or suffered by the LCBO as a result of the LCBO's provision of services as provided herein unless the same arise out of LCBO's gross negligence or wilful default. This release and indemnity shall survive any expiration or termination of this Agreement.

27. The Wine Appellation Authority shall maintain in full force at all times during the term of this Agreement both commercial general liability insurance policies and professional liability insurance policies in such amounts and covering such risks so as to adequately insure the LCBO from claims made against the LCBO in providing services hereunder. The commercial general liability insurance policy shall be endorsed to add the LCBO as an additional insured but only in respect of services performed by the LCBO under this Agreement. All policies shall include a provision requiring the insurer to give a minimum of thirty (30) days' prior written notice to the LCBO in the event that the policy of insurance is to be cancelled. The Wine Appellation Authority shall provide a certificate of insurance at the time of execution of this agreement and again upon the expiry or cancellation of such insurance during the term of this agreement.
28. The LCBO hereby indemnifies and holds harmless The Wine Appellation Authority, its officers, directors, employees and agents from all claims, demands, suits, actions, causes of action, damages, losses, costs, liabilities and expenses (including legal fees and expenses) howsoever incurred or suffered by the Wine Appellation Authority as a result of the LCBO's gross negligence or wilful default in connection with LCBO's provision of services as provided herein. This release and indemnity shall survive any expiration or termination of this Memorandum.
29. This Agreement does not affect, modify or interfere with the responsibilities of either the LCBO or the Wine Appellation Authority under law. Should there be a conflict between the provisions of this Agreement and the law, the law shall prevail.

TERMINATION

30. This Agreement shall terminate immediately upon any one of the following events:
 - a) if a party fails to make any monetary payment that it is required to make pursuant to this Agreement or fails to perform any other obligation under this Agreement and such failure continues for a period of twenty-one (21) days after receipt by the defaulting party of written notice thereof from the other party which specifies such failure;
 - b) without cause, if one party gives the other party at least ninety (90) days prior written notice of termination of this Agreement; or
 - c) a mutual agreement of the parties in writing.

All provisions of this Agreement which by their terms or by reasonable implication are intended to survive expiration or termination of this Agreement shall survive such

expiration or termination. No right or remedy of a party under this paragraph shall be deemed to be exclusive of any other right or remedy under this Agreement and a party shall be entitled to exercise such rights or remedies separately or cumulatively.


INTERPRETATION AND AMENDMENT

31. Schedule "A" attached hereto shall form part of this Agreement. Conflicts and inconsistencies between any materials forming part of this Agreement shall be resolved in priority, firstly to the terms of this Agreement and secondly to the provisions of Schedule "A" attached hereto.
32. If there is any dispute with respect to the interpretation of any provisions of this Agreement, the Wine Appellation Authority Chair and the LCBO President, acting jointly, shall attempt to resolve the dispute.
33. If the Wine Appellation Authority Chair and the LCBO President do not resolve a dispute related to interpretation within ten (10) business days after it is referred to them (or such longer period as the Wine Appellation Authority Chair and the LCBO President may agree upon), then the dispute shall be resolved through alternate dispute resolution procedures, either by a single mediator or a three member panel of arbitrators jointly selected by the parties.
34. No amendment to any provision of this Agreement shall be effective unless made in writing and duly signed by the LCBO President and Wine Appellation Authority Chair.
35. A copy of this Agreement shall be forwarded to the Minister of Government and Consumer Services and the Minister of Finance.
36. Neither party shall be liable for damages caused by delay or failure to perform its obligations under this Agreement where such delay or failure is caused by an event beyond its reasonable control. An event is not considered beyond one's reasonable control if a reasonable business person applying due diligence in the same or similar circumstances under the same or similar obligations as those contained in this Agreement would have put in place contingency plans to either materially mitigate or negate the effects of such event. Without limiting the generality of the foregoing, force majeure events include epidemics, pandemics, natural disasters, strikes and acts of war, insurrection and terrorism but do not include shortages or delays relating to supplies or services. If a party seeks to excuse itself from its obligations under this Agreement due to a force majeure event, that party shall immediately notify the other party of the delay or non- performance, the reason for such delay or non-performance and the anticipated period of delay or non-performance. If the anticipated or actual delay or non- performance exceeds thirty (30) Business Days, the other party may immediately terminate this Agreement by giving written notice of termination.

[signature page follows]

Memorandum of Agreement dated this 3rd day of December, 2021.

DocuSigned by:

 12/5/2021
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George Soleas
President & Chief Executive Officer
Liquor Control Board of Ontario



Brian Schmidt President
and Chair
Vintners Quality Alliance Ontario

SCHEDULE 'A' of MEMORANDA OF UNDERSTANDING WITH LCBO

Fee Schedule

The LCBO shall invoice The Wine Appellation Authority for services performed under this Agreement as follows:

- o) on a weekly basis, fees calculated at the following rates for items submitted for a lab analysis:
 - i) \$250 per each sample submitted for full-analysis as first-time submission;
 - ii) \$375 per each sample submitted for full-analysis as a first-time submission where the Member or the Wine Appellation Authority has requested the analysis be expedited as a "Rush" priority;
 - iii) an additional \$30 per sample shall be applied to i) and ii) when an Export Certificate (VI-1) form is requested by the Wine Appellation Authority;
 - iv) single component analysis and non-standard analysis will be invoiced based on the LCBO's *Chemical Testing Services for Wine Authority Laboratory Analysis* fee schedule for each sample submitted by the Wine Appellation Authority.

Service fees listed in this Schedule shall be subject to applicable federal and provincial taxes.

LCBO may revise the service fees specified in this Agreement. LCBO will provide at least 90 days written notice to the Wine Appellation Authority for any changes in service fees.

SCHEDULE “F” – CODE OF CONDUCT FOR DIRECTORS

WINE AUTHORITY

DIRECTOR’S CODE OF CONDUCT

Director’s Duty

A director’s duty is owed first and foremost to the corporation. A director, including an ex-officio director, must act in the best interests of the corporation, with honesty, good faith and avoiding conflicts of interest. For the Wine Authority, the standard of care is variable in nature; each director’s liability will reflect his or her own personal knowledge and expertise.

Director’s Conduct

The director shall:

- Uphold the purpose of the VQA Act and the vision, mission and goals of the Wine Authority
- Maintain independence and objectivity
- Conduct him or herself with a sense of fairness, ethics and personal integrity and hold the public interest paramount at all times
- Maintain autonomy from the administration of the rules and regulations under the *Vintners Quality Alliance Act, 1999*
- Be honest about and disclose any real or perceived conflicts of interest to the Board in a timely fashion
- Dedicate sufficient time to the Director’s role and make all reasonable efforts to be properly informed about the business of the Wine Authority
- Participate in Board deliberations and respect and support decisions made by the Board

Conflicts of Interest

General

A director must act scrupulously to avoid actual, perceived and potential conflicts of interest. Conflicts may arise where a director’s personal, professional or business interests conflict with that of the corporation. Conflicts may also arise where the director may be in a position to obtain confidential information that could be used for personal or professional gain or to further the interest of another organization.

Disclosure

If a director is aware of, or believes that an actual, perceived or potential conflict may exist, the director must immediately disclose the conflict and the nature of the conflict to the Chair of the Board. Every director who is in any way directly or indirectly interested in a matter of policy, regulation, proposed contract or other similar instrument shall declare his or her interest at a meeting of directors.

Abstention from Meetings/Voting

Following the disclosure of a conflict of interest, and when the Board agrees it is appropriate, the director with the declared conflict shall not attend or be involved in any Board discussion giving rise to the conflict and the director with the declared conflict must abstain from any vote of the directors on the issue.

Determination of Conflict

If a director is unsure of whether he or she has a conflict of interest on an issue, he or she may wish to obtain independent legal advice on the matter or he or she may wish to put the matter before the Board for its consideration. If the majority of the Board believes that the director has an actual, perceived or potential conflict of interest, the Board will declare a conflict of interest on behalf of the Director and guide his or her participation accordingly.

Confidentiality

In carrying out his/her duties and responsibilities, the director will become knowledgeable to sensitive information of a private, confidential or proprietary nature relating to the Wine Authority's current and planned activities. No director will disclose any information of a confidential or proprietary nature outside the corporation, either during or after their tenure as a board member.

Except where noted, all materials provided to directors to support Board decision-making are confidential. Any information related to winery members that is not considered to be within the public domain is confidential and shall not be disclosed.

Directors with Affiliations within the Wine Industry

A director on the board by virtue of a winery affiliation shall be suspended if that winery is charged with an offence under the VQA Act and shall resign if the winery is convicted of such an offence, or if the winery membership in the Wine Authority is revoked for any reason. Winery directors should make their best efforts not to become directly involved in ongoing enforcement actions involving a winery they are employed with.

Directors shall uphold the spirit and intent of the VQA Act and Regulations and shall not knowingly participate in any activity or business transaction that contradicts the intent and purpose of the legislation or brings the Wine Authority into disrepute.

Directors that have fiduciary duties to another organization, such as a trade organization, shall ensure that confidentiality of information is maintained between the organizations and

must declare any conflict of duty that may arise due to their affiliation with another organization.

Separation from Regulatory Operations

Directors shall not become involved in any way with the administration of regulatory operations such as membership, inspections, investigations, audits or wine evaluation and testing. Directors should not comment on the interpretation of the regulations or provide advice as to compliance. Under no circumstances should directors interfere with or attempt to influence specific regulatory decisions made by staff.

General Conduct

Duty to Public

Directors should remind themselves frequently that the Wine Authority is a public authority rooted in a consumer protection statute. Decisions must be made with consideration of the public interest and benefit and with a high standard of transparency and fairness to the wine industry.

Attendance at Meetings

Directors are expected to make every effort to attend Board meetings and other meetings related to their duties on the Board. Directors should not miss more than 2 meetings in any given year.

Public Representation

Directors must not act as public spokespersons for the Board unless formally designated by the Board to do so. Directors shall uphold the decisions of the Board and the policies of the corporation in all public forums, Directors shall not engage in behavior which undermines the reputation, effectiveness or financial viability of the corporation.

Vintners Quality Alliance Ontario



Chair of the Board

Date: March 7, 2023

**His Majesty the King in right of
Ontario**



Minister of Public and Business Service
Delivery

Date: 03/13/2023

SCHEDULE “G” – CORPORATE PLANNING AND REPORTING

WINE AUTHORITY

The corporate planning and reporting documents of the Wine Authority are essential communications vehicles for demonstrating responsible stewardship of regulatory authority in the achievement of consumer protection. As such, the Wine Authority will strive to continuously improve and strengthen linkages between strategic planning, business planning and reporting.

Recognizing that corporate planning and reporting documents have a broad audience that includes government, sector stakeholders and the public, the Wine Authority will use plain language so that the objectives and performance of the Wine Authority are clear and easy for the average reader to understand.

The corporate planning and reporting documents should easily allow for comparisons between them. For example, the strategic objectives, commitments and activities in the business plan should be aligned with the outcomes contained in the annual report.

The Wine Authority's corporate planning and reporting documents will support the accountability framework as laid out in the Agreement and the Act.

In addition to the requirements specified directly in the Agreement, the Wine Authority's corporate planning and reporting documents shall include, at a minimum, the following:

1. BUSINESS PLAN

The Wine Authority will draft a business plan annually that identifies a coordinated set of activities to achieve the Wine Authority's strategic objectives for the next three-year period. The business plan will state the specific activities that will be undertaken in the fiscal year, as well as identify resources to achieve the Wine Authority's strategic objectives and successfully deliver its services. The business plan shall include, at a minimum, the following:

1.1 Corporate Overview

A general overview of the Wine Authority, including its mandate, mission, vision and values. It will also describe the Wine Authority's structure, services, regulated sector and include a description of the nature of the relationships between the Wine Authority and the government and the Minister.

1.2 Objectives, Activities and Performance Measures

Details on the performance measures that link the Wine Authority's objectives to the

statistical outcomes that will be reported in the annual report, including, at a minimum, the following:

- (a) **Strategic Objectives** (priority outcomes that the Wine Authority proposes to achieve to successfully administer the Act, including those aimed at enhancing protections for consumers and wine certification standards). Should the Wine Authority's objectives change at any point during a given year, the Wine Authority will notify the Minister prior to the start of the next fiscal year.
- (b) **Strategies** (the initiatives and approaches that will be employed to undertake activities in order to achieve objectives);
- (c) **Outcome measures** (details about how outcomes for the planning period will be measured or assessed);
- (d) **Outcome targets** (annual targets for the outcome measures):
 - Outcome measures and targets should enable year-to-year comparisons demonstrating the Wine Authority's overall performance:
 - Effectiveness
 - Efficiency and
 - Performance based on customer and stakeholder satisfaction.
 - Where a year-to-year comparison is not possible because of a change in performance measures, the Wine Authority shall provide a rationale regarding the change, and sufficient information to enable a comparison.
- (e) **Activities** (planned annual actions that will support the execution of the strategies to achieve the objectives):
 - The business plan must include descriptions of the Wine Authority's means to:
 - manage and resolve complaints;
 - provide French language services to the public; and
 - undertake activities to ensure that the goods, services and facilities are accessible in accordance with the Accessibility for Ontarians with Disabilities Act, 2005 and any other relevant accessibility activities.

(f) **Activity measures** (details about how activities will be measured or assessed to evaluate performance):

- Measures can be quantitative or qualitative.

(g) **Activity targets** (measurable activity targets set for the fiscal year).

1.3 Resources Needed to Meet Objectives

- Assess the adequacy of financial, human and other resources required by the Wine Authority to meet its objectives over the planning horizon.
- Forecast anticipated revenues (derived from regulatory and non-regulatory business, if applicable) and planned expenditures for the next three-year period.

2. ANNUAL REPORT

The Wine Authority's annual report is the primary mechanism for reporting results for the previous year. The annual report shall include, at a minimum, the following:

2.1 Organizational Overview

This section of the annual report shall set out:

- Introduction
- Mandate, mission, vision and values
- Overview of the organization
- Message from the President and Chair
- Message from the Executive Director

2.2 Report on Performance

The Wine Authority shall report results for each performance measure as set out in the business plan. If the target has not been met, the Wine Authority shall explain why achievement was not possible in that fiscal year.

(a) Performance Statistics:

Performance statistics reported should, at a minimum, include:

- The activities completed over the prior year which reflect the activity measures in the business plan;
- The outcome results achieved in the previous year, which reflect performance

against outcome measures and targets established in the business plan, in these areas:

- Wine approvals, compliance and enforcement, complaint resolution, inspections, investigations, prosecutions;
- Efficiency, such as turn-around times for product evaluation, complaints, inspections, and
- Education and awareness initiatives, and handling of complaints;

(b) Review of Legislation, By-Law and Policy Changes:

Outline any changes made to the Act and regulations, the Wine Authority by-laws or policies during the fiscal year.

(c) French Language Services:

Report on the provision of French language services including how those services were provided, the total number of inquiries that were received in French during the reporting period, and any other statistics that the Wine Authority considers relevant.

(d) Complaint Handling Process and Outcomes:

Review of the complaints received by the Wine Authority including resolution processes and outcomes, and information to the public on how to register complaints about VQA wines and against the Wine Authority.

(e) Accessible Goods, Services, or Facilities:

Report on the provision of accessible goods, services or facilities pursuant to the Accessibility for Ontarians with Disabilities Act, 2005, including how those goods, services or facilities were provided, the total number of inquiries that were received for accessible goods, services or facilities during the reporting period, and any other statistics that the Wine Authority considers relevant.

2.3 Corporate Governance

This section shall provide a summary of how the Wine Authority is governed by providing, at a minimum, the following information, which may alternatively be posted on its web site:

- Role of the Board
- Election/appointment process of the Board
- Basic qualifications of the Board

- Committees of the Board
- Code of Conduct for Directors
- Board of Directors (including biographies)
- Directors' terms of election/appointment
- Officers (including biographies)
- Organization chart
- Wine Authority's contact information and address

2.4 Financial Statements and Notes

The annual report shall include the audited financial statements, including any notes.

2.5 Management Discussion and Analysis

This section shall provide a discussion and analysis intended to assist with an understanding of the material financial changes in the Wine Authority's operations over the past fiscal year, to be read along with the financial statements and accompanying notes. This discussion shall include a breakdown of regulatory and non-regulatory business, if applicable.

3. RISK MANAGEMENT FRAMEWORK AND RISK MANAGEMENT PLAN

Utilizing a risk-based approach to mandate fulfillment and service delivery, the Wine Authority will conduct a risk assessment to identify, assess and mitigate risks and develop a risk management plan that will include:

- (a) The Wine Authority's objectives;
- (b) Risks to the achievement of those objectives
- (c) Risk mitigation strategies; and
- (d) Maintenance of a system of internal controls to minimize risk.

In order to facilitate informed and coordinated responses to any issues that emerge, twice annually the Wine Authority will provide the Minister with reports on high and medium risks with corresponding mitigation strategies.

A summary of the risk management plan including a summary of key information that conveys how the authority will ensure continuous delivery of critical business services in the event of an emergency (e.g., expansion of digital service delivery), shall be provided to the Minister annually for review at the same time as, or as a component of, the Wine Authority's annual business plan. The occurrence of any risk(s) that required the use of any mitigations can be reported through the Annual Report.

4. ANNUAL BURDEN REDUCTION PLAN

Acknowledging that the Wine Authority is required to perform the agreement in a manner consistent with the effective administration of the Act with minimum regulatory and cost burden to both consumers and regulated entities, upon request from the Minister (or Ministry), the Wine Authority must provide a burden reduction plan that identifies opportunities that the Wine Authority could implement to respond to the government's commitment to cut red tape and reduce regulatory burden in Ontario. These opportunities could include legislative and regulatory proposals but should also consider how the Wine Authority can operate more effectively and efficiently and provide improved or increased digital services to their regulated sectors and consumers.

Vintners Quality Alliance Ontario



Chair of the Board

Date: March 7, 2023

His Majesty the King in right of
Ontario



Minister of Public and Business Service
Delivery

Date: 03/13/2023

SCHEDULE “H” – FEE SETTING PROCESS AND CRITERIA

WINE AUTHORITY

Application

This Schedule applies exclusively to fees, costs or other charges (“fees”) set in accordance with clause 5(4)(b) of the Act by the Wine Authority.

Objectives

In setting fees, the Wine Authority has the following objectives:

- To comply with clause 5(4)(b) of the Act to set and collect fees relating to the administration of the Act;
- To ensure the development of fees that are consistent with the Wine Authority's operating principles, business plans and obligations under the Act and this Agreement, including the obligation to ensure that the Wine Authority has adequate resources to comply with the Agreement, and the Act;
- To achieve full recovery of all delivery costs, consistent with the ongoing viability of the Wine Authority as a not-for-profit corporation and at the same time provide service delivery value for stakeholders;
- To ensure that the Board considers the impact of a new fee or a fee change on consumers and the regulated sector; and
- To ensure that, in the case of new fees or fee changes greater than of the cost of inflation, stakeholders have the opportunity to provide input into the fee setting process.

No new fee, or fee change, shall come into effect unless it has been approved by the Board and the relevant steps outlined in this Schedule have been completed. The Minister may waive the process, steps in the process, or the required notice timeframes if the Board provides evidence satisfactory to the Minister that the requirement to undertake any or all of these steps would result in the Wine Authority not having the resources needed to comply with the Agreement, and the Act, or creates undue burden on the organization.

The Wine Authority may establish a fee policy related to the recovery of testing or service fees established by a third party such as by the Liquor Control Board of Ontario (LCBO), over which the Wine Authority has no control. Such policy will include a process to notify the ministry, and may include a process for cost recovery of the actual cost of the third-

party service provided to an individual or company within the regulated sector, including any fee adjustments made by the third party from time to time. In this circumstance, the Fee Review Analysis, including the Consultation and Criteria described below, shall not apply to any fee changes made by the third party and recovered from the regulated sector.

Process for fee change reduction

Where the Board has approved a fee change that would temporarily or permanently reduce the amount of, or eliminate, a fee, the Wine Authority shall provide the Minister with written notice containing the details and rationale for the change at least 30 days in advance of the fee reduction taking effect.

The notice must include the rationale demonstrating the reduced revenue does not adversely impact its operations and financial sustainability. In this circumstance, the Fee Review Analysis, including the Consultation and Criteria described below, is not required.

Process for fee changes no greater than the cost of inflation

Where the Board has approved a fee increase that is no greater than the cost of inflation, the Wine Authority shall provide the Minister advance written notice of the proposed fee change, following which at least 30 days written notice shall be provided to the regulated sector. In this circumstance, the Fee Review Analysis, including the Consultation and Criteria described below, is not required.

Process for new fees or fee changes greater than the cost of inflation

Every proposal to establish a new fee, or a fee increase greater than the cost of inflation, shall be subject to a Fee Review Analysis and consultation conducted by the Wine Authority in accordance with the Fee Review Analysis, Consultation and Notice, and Criteria sections set out below.

Fee Review Analysis

The Wine Authority shall prepare a Fee Review Analysis that shall be in the form of a business case consisting of a written analysis for the new fee or fee increase greater than the cost of inflation that may include:

- a scan of trends that may be occurring in the regulated sector relevant to the fee increase or otherwise that could impact the Wine Authority;
- estimated costs for new, existing or expanded programs;
- estimated costs associated with implementing new or amended legislation;
- a rationale based on the Wine Authority's historical, actual and projected revenues and expenses as well as impact on standards of service; and

- a summary of stakeholder comments solicited in accordance with the Consultation and Notice process set out below.

The Wine Authority shall notify the Minister when it intends to commence the Consultation and provide a copy of the new fee or fee change proposal, including the Fee Review Analysis at this time and in advance of the initiation of the Consultation.

Consultation and Notice

The Wine Authority shall solicit comments from members and sector stakeholder groups on the proposed new fee or fee change greater than inflation for a period of at least 30 days in advance of the written notice described below.

Written notice shall be given to members and sector stakeholders at least 30 days prior to the new fee or fee change greater than the cost of inflation taking effect. The Wine Authority shall provide the Minister with an advance copy of such notice. An amended Fee Review Analysis, taking into account comments received from members and sector stakeholders if any, shall also be submitted to the Minister at this time.

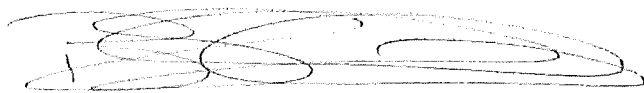
Criteria

In developing a proposed new fee or fee change greater than the cost of inflation, the Wine Authority shall give appropriate consideration to the objectives set out in this Schedule. In addition, the following criteria shall be considered and addressed:

- Fees shall be set on a cost recovery basis and designed to cover all of the Wine Authority's costs including those which cannot be directly attributable to the payees, including complaint handling, inspection, investigation, prosecution, public awareness campaigns, website development and maintenance, governance programs and general administration.
- The relative fees charged for different services and membership types shall reflect:
 - the comparative costs to the Wine Authority for processing applications or providing the services;
 - the period during which a membership shall be effective; and
 - uniformity of application regardless of geographic location.
- All fees shall be payable when an application is made or when a service is requested or provided unless otherwise agreed upon by the parties involved. Refunds and late fees may be applied depending on the circumstances and in line with the Wine Authority's policies.

- In establishing or revising a fee, appropriate consideration shall be given to deterring breaches of the Act.

Vintners Quality Alliance Ontario

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Chair of the Board

Date: March 7, 2023

His Majesty the King in right of
Ontario

A stylized, cursive signature in black ink, appearing to read 'D. Lam'.

Minister of Public and Business Service
Delivery

Date: 03/13/2023

SCHEDULE “I” – ACCESS AND PRIVACY CODE

WINE AUTHORITY

A new Access and Privacy Code to be developed by the Wine Authority and, upon approval by the Minister, to be attached here and to come into effect on the effective date set out in Schedule “K”. The existing Access and Privacy Code will remain in effect until that time.

A copy of the Wine Authority's code is available at the following link: [Microsoft Word - OWAA-ACCESS PRIVACY CODE-2022-EN-FINAL.docx \(vqaontario.ca\)](#)

SCHEDULE "J" – NON-REGULATORY BUSINESS POLICY

WINE AUTHORITY

Authority

This Schedule authorizes the Wine Authority to undertake non-regulatory business, that is, business in addition to its Statutory Mandate.

Policy

The Wine Authority will only enter into non-regulatory business arrangements that support a fair, safe and informed marketplace and a competitive economy and are consistent with its objects, vision and mission. It will operate in compliance with the principles outlined in this policy. The Wine Authority will ensure that all of its employees are aware of and act in accordance with this policy.

Policy Principles

- Commitment to Core Responsibilities and Regulatory Integrity: The Wine Authority will at all times conduct itself in a manner that maintains its ability to effectively deliver its Statutory Mandate, with high standards of integrity and in a non-conflicted manner.
- Fair Business Practices: The Wine Authority will not use its authority as a regulator to create an unfair business advantage.
- Fair Competition: The Wine Authority shall ensure that all contracts, agreements or understandings are consistent with competition law.
- Financial Independence: The Wine Authority will only deliver non-regulatory business services that enhance consumer protection and generate revenues generally to the benefit – and never to the detriment – of its regulatory responsibilities. The Wine Authority will ensure independent financial reporting of non-regulatory business services.

Compliance

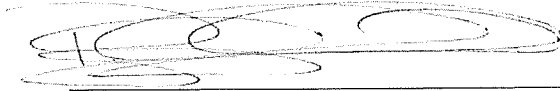
The Wine Authority will submit to the Minister a statement for each non-regulatory business arrangement confirming that it will not negatively impact its Statutory Mandate and regulatory business and is consistent with this policy. This statement shall be provided to the Minister a minimum of ten (10) business days prior to entering into or bidding on a legally binding contract. The statement shall contain the duration and parties of each contract, and the nature of the work.

The Wine Authority will communicate this policy to its stakeholders and members to ensure a broad base of understanding. The Wine Authority will monitor its business development activities to ensure this policy is being consistently applied.

The Wine Authority will implement this policy to ensure appropriate treatment of confidential information, proper disclosure of the Wine Authority's role, and decision-making that is fair and sound.

Upon request of the Minister, the Wine Authority will engage a third-party to conduct a review of compliance with this policy. In addition, the Wine Authority shall make a summary of findings of the review available to the public, including by posting on the Wine Authority's website.


Vintners Quality Alliance Ontario

A stylized, cursive signature in black ink, appearing to be a series of loops and curves.

Chair of the Board

Date: March 7, 2023

**His Majesty the King in right of
Ontario**

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Minister of Public and Business Service
Delivery

Date: 03/13/2023

SCHEDULE "K" – EFFECTIVE DATES OF CERTAIN PROVISIONS OF THE ADMINISTRATIVE AGREEMENT

WINE AUTHORITY

The provisions of the Agreement specified in column A of the table below take effect on the date specified in column B of the table. For any provision listed below, the equivalent provision of the most recent prior agreement continues in effect until the date listed in column B.

A. Provision	B. Effective Date
Section 13 – Records, Privacy and Access Schedule "I" – Access and Privacy Code	December 31, 2023 The Wine Authority's existing access and privacy code is to remain in effect until this time. A copy of the Wine Authority's code is available at the following link: Microsoft Word - OWAA-ACCESS PRIVACY CODE-2022-EN-FINAL.docx (vqaontario.ca)
Section 18 – Code of Conduct for Compliance Personnel	December 31, 2023

Vintners Quality Alliance Ontario



Chair of the Board

His Majesty the King in right of
Ontario



Minister of Public and Business Service
Delivery

Date: March 7, 2023

Date: 03/13/2023

