

YELLOWKNIFE DIRECT CHARGE CO-OPERATIVE LIMITED

AMENDED AND RESTATED BYLAWS

August 2021

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ARTICLE 1 - INTERPRETATION

1.01 Definitions

In these bylaws:

- (a) **“Act”** means the *Co-operative Associations Act* (Northwest Territories, 2018).
- (b) **“Adult”** means any individual nineteen (19) years of age or older.
- (c) **“Board”** means the Board of Directors of the Co-op.
- (d) **“Co-op”** means Yellowknife Direct Charge Co-operative Limited.
- (e) **“Director”** means a Member that has been elected as a Director and holds a position on the Board.
- (f) **“Fee”** means an additional charge required for a service or privilege.
- (g) **“Joint Member”** means an individual who is party to a Joint Membership.
- (h) **“Joint Membership”** means two or more Adults who hold one (1) membership in the Co-op jointly.
- (i) **“Majority”** means an amount of fifty-one percent (51%) or greater.
- (j) **“Member”** means a person who has completed all application requirements and is a Member of the Co-op. A person does not become a Member of the Co-op until their application for membership is approved by the Board.
- (k) **“Officer”** means:
 - (i) a Director elected by the Directors to hold one of the executive positions of president or vice president, and
 - (ii) a Director, employee of the Co-op, or non-Member appointed by the Directors to hold one of the executive positions of treasurer, secretary, or secretary-treasurer.
- (l) **“Patronage Dividend”** means an amount allocated among and credited or paid by the Co-op to its Members based upon the business done by each of them with or through the Co-op.
- (m) **“Personal Representative”** means:
 - (i) the administrator or executor of the estate of a deceased Member;
 - (ii) a trustee in bankruptcy of a bankrupt Member; or
 - (iii) the lawfully appointed attorney or guardian of an incompetent Member.
- (n) **“Registrar”** means the Registrar of Co-operative Associations appointed under the Act.
- (o) **“Reserve Fund”** means the reserve fund provided for at Section 30 of the Act.
- (p) **“Share Capital”** means equity in the Co-op raised by the issuance of shares, all issued Patronage Dividends not paid out in a share redemption, and contributions as otherwise described in Article 2.06 herein. Members have Share Capital, gained when they make a Share Capital Investment, and the Share Capital is stored in their Share Capital Account.

- (q) **“Share Capital Account”** means an account that holds a Member’s Share Capital.
- (r) **“Share Capital Investment”** means the money a person must pay to become a Member of the Co-op.
- (s) **“Special Resolution”** means a resolution approved by at least 2/3 of the Members in accordance with the Act.
- (t) **“Supervisor”** means the Supervisor of Co-operative Associations appointed under the Act.
- (u) **“Termination of Membership”** means termination of a Member’s membership in the Co-op in accordance with Section 12.1 or 12.2 of the Act, and the effective date of the termination shall be the date of the applicable resolution.

ARTICLE 2 - MEMBERS AND MEMBERSHIP

2.01 Application for Membership

Any person, at least 19 years of age, may apply to become a Member of the Co-op by submitting a completed application in the form approved by the Board together with the minimum Share Capital Investment.

2.02 Share Capital Investment

The minimum Share Capital Investment shall be one (1) share. Each share shall have a par value of one dollar (\$1.00).

2.03 Joint Membership

Two or more Adults living in the same household may apply to have Joint Membership in the Co-op by submitting a completed application in the form approved by the Board together with the minimum Share Capital Investment. Joint Memberships own their Share Capital jointly, and shall make decisions collectively regarding withdrawal or changes to their membership.

2.04 Board to Approve Membership

The Board shall approve or reject an application for membership.

2.05 Rights and Obligations of Members

- (a) Every Member is entitled to take part in all activities and to use all the services and facilities established by the Co-op for the promotion of its objects, subject to:
 - (i) the Act and its regulations;
 - (ii) any rules that the Board may establish; and
 - (iii) the payment of any Fees that the Board may establish for specific activities.
- (b) A Member shall:
 - (i) uphold and adhere to the objects and bylaws of the Co-op; and
 - (ii) pay any Fees at the time and in the amount as the Board may establish.

2.06 Share Capital Contributions

The following contributions may be directed to a Member's Share Capital Account:

- (a) the Member's Fees, Share Capital Investment, or Patronage Dividend; and
- (b) any other Fees payable on any such categories of goods purchased at the Co-op, each as the Board may set.

2.07 Purchases on Credit

- (a) The Board may extend credit to qualified Members, and to qualified and licensed businesses in good standing, at the Board's discretion, for purchases made at the Co-op, in accordance with the Co-op's credit policy.
- (b) To the extent that a business credit account referenced in Article 2.07(a) herein remains unpaid beyond six (6) months, the Board may apply any amounts accrued to the business and held by the Co-op against such outstanding amounts to reduce the business' credit account to zero, or such other amount as decided by the Board.
- (c) To the extent that a Member's credit account referenced in Article 2.07(a) herein remains unpaid beyond six (6) months, the Board may apply any amounts of funds from the Member's Share Capital Account allocated to the Member at any time, against such amounts to reduce the Member's credit account to zero, or such other amount as decided by the Board.

2.08 Fees

The Board may set Fees to be paid by Members based on such criteria or category of goods as the Board may determine.

2.09 Cancellation of Membership Without Share Capital Account

If a Member's Share Capital Account is reduced to a zero balance for any reason, the Board shall cancel that membership.

2.10 Share Capital Account Information

Upon request, Members shall be provided information regarding their Share Capital Account.

ARTICLE 3 - SHARE CAPITAL

3.01 No Interest or Dividends on Share Capital

No interest or dividends shall be paid on Share Capital.

3.02 Repurchase of Share Capital

The Board may, by resolution, authorize and direct the repurchase of Share Capital:

- (a) from Members who have Share Capital in excess of the amount specified by the resolution, as of the effective date specified in the resolution, so that the Share Capital of those Members is reduced to the amount specified in the resolution; and

- (b) from Members who, as of the effective date of the resolution, hold a minimum Share Capital amount and meet other eligibility requirements as specified in the resolution, with the payment to each eligible Member to be calculated by multiplying the total amount of Share Capital available for repurchase (as stated in the resolution) by a fraction where the numerator is the Share Capital of that Member and the denominator is the aggregate Share Capital held by all Members who meet the eligibility criteria of the resolution, all rounded to the nearest cent.

3.03 Member Request for Repurchase of Share Capital

At the request of a Member, the Board may authorize the repurchase of the Share Capital of a Member for compassionate or financial reasons.

3.04 Limits on Repurchase of Share Capital

Notwithstanding Articles 3.02 and 3.03 herein, no payment for a Share Capital repurchase shall be made to a Member if:

- (a) the amount otherwise payable to that Member would be less than the minimum payment amount, if any, specified in the resolution authorizing the Share Capital repurchase; or
- (b) the Share Capital repurchase would reduce that Member's Share Capital below \$100.00, unless upon withdrawal or Termination of Membership.

3.05 Withdrawal from Membership

A Member may withdraw from membership in the Co-op by making a written request to the Board. The Board must process requests for withdrawal from membership within three (3) months from the date of receipt, and the date on which the request is processed shall be the "date of withdrawal".

3.06 Time for Repurchase of Share Capital on Withdrawal or Termination

The Board shall, within ninety (90) days of the date of withdrawal or Termination of Membership, repurchase the former Member's Share Capital. If the Board determines that it is in the Co-op's best interest, the Board in their discretion may postpone repurchase by up to one (1) year from the date of withdrawal or Termination of Membership.

The Board may further postpone repurchase of the former Member's Share Capital as permitted by the Act.

3.07 Fees on Withdrawal or Termination of Membership

If a Member withdraws from membership in the Co-op or if a Termination of Membership occurs, the Fees, if any, paid by the Member may be retained by the Co-op and the Member withdrawing or being terminated shall have no further claim to the Fees paid.

3.08 Request to Transfer or Repurchase by Personal Representative

- (a) A Member may nominate a person to whom their Share Capital is to be transferred to upon the death of the Member, in accordance with Section 9 of the Act.
- (b) If a Member dies or becomes incompetent or bankrupt, their Personal Representative may request a withdrawal from membership and request the Member's Share Capital be transferred to the account of another Member or be repurchased. The Board has the discretion to decide whether to transfer or repurchase such Share Capital.

(c) Share Capital is only transferrable under the circumstances described in this Article 3.08.

3.09 Severing Joint Membership

A request for withdrawal of a Joint Membership or a request to vary the composition of a Joint Membership must be signed by all Joint Members comprising the Joint Membership.

Where a Joint Membership is being split into individual memberships, the total Share Capital in the Joint Membership Share Capital Account must be distributed to the new individual Member Share Capital Accounts, and each membership account must not reduce a Member's Share Capital below one hundred dollars (\$100.00).

ARTICLE 4 - ANNUAL GENERAL MEETINGS AND SPECIAL GENERAL MEETINGS

4.01 Annual General Meeting

The Co-op shall hold an annual general meeting once in every calendar year at a place to be determined by the Board.

4.02 Special General Meeting

The Board:

- (a) may, at any time, call a special general meeting of the Co-op; and
- (b) shall, on the request of ten percent (10%) of the Members, call a special general meeting of the Co-op.

4.03 Notice of Annual General Meetings and Special General Meetings

A notice of every annual general meeting and every special general meeting, together with a statement of the purpose of the meeting, shall be posted on bulletin boards and in entryways to Co-op premises not less than ten (10) days before the date of the meeting. However, where a Special Resolution is to be presented, the notice:

- (a) shall be posted not less than twenty-one (21) days before the date of the meeting; and
- (b) shall specify the intention to propose the Special Resolution.

4.04 Restriction on Business of Special General Meeting

No business other than that specified in the notice shall be transacted at a special general meeting.

4.05 Non-Receipt of Notice

The non-receipt by Members of a notice of an annual general meeting or special general meeting does not invalidate the proceedings at said meeting.

4.06 Electronic Meeting

Any meeting of the Co-op may be held entirely by electronic means, by telephone or any other form of electronic communication, provided the communication method permits all Members participating in the meeting to communicate adequately with each other during the meeting.

4.07 Power of Members to Call Meeting

If the Co-op fails to hold an annual general meeting or fails to hold a special general meeting when requested to do so by the Members under Article 4.02(b) herein, any Member may call a meeting of the Co-op.

4.08 Quorum at Meetings of Members

At any annual general meeting or special general meeting, a quorum shall consist of forty (40) Members in attendance at said meeting.

4.09 Adjournment of Meeting of Members

If, within one (1) hour from the time appointed for any meeting of the Co-op, a quorum is not present, the meeting shall be adjourned until called again by the Board.

4.10 Amendment of Bylaws

- (a) The Members may enact, amend, repeal or replace a bylaw only by a resolution approved by the Majority of the members who are present at an annual general meeting or special general meeting and cast votes on the resolution, where written notice of the proposed enactment, amendment, repeal or replacement is provided to each member not less than fourteen (14) days before the meeting.
- (b) Any change to the bylaws shall have no force or effect until it is registered in accordance with the Act.

4.11 Order of Business at Annual General Meeting

The order of business at an annual general meeting of the Co-op shall be as follows:

- (a) call to order by the president or an appointed chairperson;
- (b) reading and approval of the minutes of the preceding annual general meeting;
- (c) business arising from the minutes;
- (d) reports of general manager, president, Directors, Officers and committee chairs;
- (e) reports of the auditors and consideration of the financial statements;
- (f) discussion, consideration and setting aside of reports set out in paragraphs (d) and (e);
- (g) resolutions, recommendations and bylaws;
- (h) election of Directors;
- (i) unfinished business;
- (j) appointment of auditors;
- (k) new business;
- (l) adjournment.

4.12 Order of Business at Special General Meetings of Members

The order of business at a special general meeting of the Co-op shall be as follows:

- (a) call to order by the president;
- (b) election of a chairperson if the president of the Co-op or person who calls the meeting to order is not to be chairperson of the meeting;
- (c) appointment of a secretary if the secretary of the Co-op is unable to act;
- (d) reading of notice of the meeting;
- (e) consideration and setting aside of the matter for which the meeting was called;
- (f) adjournment.

ARTICLE 5 - VOTING BY MEMBERS

5.01 Eligibility to Vote

Subject to Article 5.02 herein, each Member is entitled to one (1) vote at any meeting of the Co-op.

5.02 Voting by Joint Membership

A Joint Member present at a meeting of the Co-op may vote in the absence of any other Joint Members in that Joint Membership, but if more than one individual of that Joint Membership is present, those Joint Members only have one (1) vote between them.

5.03 Proxies Prohibited

Voting by proxy shall not be permitted at any meeting of the Co-op, which includes annual general meetings, special general meetings, and all meetings of the Board (notwithstanding the title assigned to this Article 5).

5.04 Method of Voting at Annual General Meeting and Special General Meetings

- (a) At any annual general meeting or special general meeting of the Co-op, a resolution put to a vote shall be decided by a show of hands, unless a poll is demanded by at least three (3) Members.
- (b) If a poll is demanded, it shall be taken by ballot, in such manner as the chairperson directs.
- (c) If a resolution is put to a vote, the chairperson may vote but in the event of a tie, the chairperson shall not have a deciding vote.
- (d) Unless otherwise stated in these bylaws, a motion is defeated unless a Majority of the Members eligible to vote and present at the meeting vote in favour of it. In the case of an equality of votes, the motion shall be declared lost.

ARTICLE 6 - ELECTION OF DIRECTORS

6.01 Eligibility for Election

To be eligible to be elected as a Director of the Co-op, a person must:

- (a) be an Adult;
- (b) be a Member;
- (c) have paid all Fees, if any; and
- (d) not be prohibited from running or serving as a Director under Articles 6.02 or 6.03 herein.

6.02 Joint Members

Only one (1) Joint Member of a Joint Membership may:

- (a) be a candidate for election as a Director in the same election; or
- (b) may serve as a Director at the same time.

6.03 Employees Not Eligible

An employee of the Co-op is not eligible to act, or to continue to act, as a Director of the Co-op.

6.04 Nomination of Candidates

Where a vacancy on the Board is to be filled, candidates for the position shall be nominated either by written or oral nomination at an annual general meeting or by special general meeting of the Co-op.

6.05 Nominating Committee

At or before the annual general meeting, the President may, with the approval of the Board, appoint three (3) members as a nominating committee. The nominating committee shall select a nominating committee chair and attempt to gather one or more names for each vacancy, with provision being made for further nominations from the floor at the annual general meeting.

6.06 Consent of Candidate Required

The consent of a candidate to fill a vacancy on the Board, should they be elected, shall be obtained orally or in writing before they are nominated for the position.

6.07 Acclamation of Candidates

Where the number of candidates for election does not exceed the number of Directors to be elected, all the candidates shall be declared elected.

6.08 Method of Election

Every election shall occur by secret ballot at an annual general meeting of the Co-op. All ballots shall be destroyed immediately following adjournment of the annual general meeting.

6.09 Method of Voting

On a single ballot, each Member in attendance at the annual general meeting, subject to Article 5.02 herein, shall print the name(s) of their nominee(s) of choice, in the number of Directors to be elected at that particular election. The candidate(s) receiving the highest number of votes will be declared elected.

In the case of an equality of votes among those nominees receiving enough votes to be elected, the voting process shall be repeated with only the nominees receiving an equality of votes. In the case of a further equality of votes, the position will be filled by random draw between the nominees receiving an equality of votes.

6.10 Ballots Void

Any voting ballot that contains the names of more or less candidates than the number of Directors to be elected is void.

6.11 Term of Office for Directors

- (a) Subject to Article 6.11(b) herein, each Director shall be elected for a term of three (3) years and shall hold office until the conclusion of the third annual general meeting following that Director's election.
- (b) If a Director leaves their position before the expiry of their term, the Director that is elected at the next annual general meeting to replace them will fill the remainder of the unexpired term, whatever the remaining length may be. If there is more than one new Director, the incoming Director allotted the reduced term will be decided by mutual agreement, or failing that, by random draw.

6.12 No Limit on Terms

There is no limit on the number of terms a Director may serve. A retiring Director is eligible for re-election.

6.13 Removal of Directors for Cause

A Director may only be removed from the Board for cause by a resolution approved by at least 2/3 of the Directors present at a meeting called for that purpose (excluding the Director to be removed), provided that the numbers of Directors so voting are sufficient for quorum. If applicable, a Director elected by preferred shareholders may otherwise be removed from the Board in accordance with the Act.

6.14 Appointment of Replacement Directors

If a vacancy on the Board occurs because:

- (a) a Director departs their position prior to the expiry of their term; or
- (b) not enough candidates were available to fill all vacancies on the Board at the last annual general meeting,

the remaining Directors may appoint a Member of the Co-op to fill any vacancies until the conclusion of the next annual general meeting.

ARTICLE 7 - BOARD OF DIRECTORS

7.01 Composition

The Board shall consist of seven (7) to eleven (11) Directors.

7.02 Duty to Insure Assets

The Board shall ensure that all assets of the Co-op are adequately insured.

7.03 Board May Appoint Signing Officers

Subject to Article 13.02 herein, the Board may, by resolution, appoint signing officers to sign cheques, documents, contracts, or other documents on behalf of the Co-op. For greater certainty, signing authorities may be delegated to one or more employees of the Co-op, whether with or without the necessity of the counter-signature of a Director or Officer of the Co-op, except where the corporate seal must be applied.

7.04 Fiscal Year

The fiscal year of the Co-op shall be the period beginning on November 1 in one year and ending on October 31 in the following year.

7.05 Surplus from Business

- (a) Patronage Dividends will not be allocated to the Members of the Co-op if:
 - (i) the Co-op is unable to pay its liabilities as they become due; or
 - (ii) the realizable value of the Co-op's assets are less than the total of:
 - (A) its liabilities; and
 - (B) the amount that would be required to pay shareholders or those with membership interests that have a right to be paid on a redemption or liquidation.
- (b) The surplus of net profits of a fiscal year arising from the operations of the Co-op shall be apportioned as follows:
 - (i) first by applying the surplus against any deficit arising from the circumstances described in Article 7.05(a) herein, until the deficit is eliminated;
 - (ii) second, by setting aside five percent (5%) of the surplus to the Reserve Fund, unless the reserve set out at Article 7.06(a) herein is satisfied; and
 - (iii) finally, the Board may, in their discretion, apply remaining surplus to any one or more of the following functions:
 - (A) reduce Fees;
 - (B) repurchase Share Capital;
 - (C) allocate Patronage Dividends to Members;
 - (D) retain for operating purposes;

or as otherwise in accordance with Section 2.1(2)(f) of the Act.

7.06 Reserve Fund

- (a) The Co-op must establish and maintain a Reserve Fund equal to at least ten percent (10%) of the total assets of the Co-op as shown in the audited year-end financial statements.
- (b) If the Reserve Fund is depleted as a result of losses being charged against it, the Co-op must place at least twenty percent (20%) of its annual surplus in the Reserve Fund each year until the Reserve Fund equals at least ten percent (10%) of the total assets of the Co-op again.

7.07 Allocation of Patronage Dividend

Within six (6) months after the end of each fiscal year, the Board must allocate the amount of Patronage Dividends available for distribution to Members at the end of the fiscal year, subject to Article 7.05 and 7.09 herein.

7.08 Determination of Fees

The Board may establish Fees by a resolution approved by at least 2/3 of the Directors present at a meeting.

7.09 Board May Establish Patronage Dividend Rates

The Board may allocate Patronage Dividends based on Board-approved rates by category of goods. Some purchase categories may not be eligible for Patronage Dividends.

7.10 Employees

The Board shall define the duties and fix the remuneration of the general manager and such other employees as they consider necessary for carrying on the business of the Co-op.

7.11 Examination of the Business by the Board

The Board shall examine carefully and regularly the business and property of the Co-op and shall require the general manager or delegate to furnish monthly, or at such other times as the Board may determine, financial and statistical reports disclosing the results of the operations of the Co-op during a specified period.

7.12 Membership Engagement

At the annual general meeting or as otherwise deemed necessary by the Board, the Board shall keep the Members informed of the business of the Co-op and encourage interest, discussion, and support on the part of the Members and, with the objective of developing and fostering a sense of ownership and responsibility on the part of the membership, by taking the following action at the Board's discretion:

- (a) presenting information or reports regarding the condition of the business and the operations of various business policies to the Members;
- (b) publicizing the activities of the Co-op in the local press and other mediums;
- (c) arranging for business and educational meetings of the Co-op as frequently as conditions warrant;

- (d) maintaining direct contact with Members to explain the business and progress of the Co-op and solicit Member support;
- (e) encouraging active participation in the affairs of the Co-op at meetings and appoint committees of the Members where feasible, publicizing the activities of committees; and
- (f) encouraging the organization of study and discussion groups regarding the principles and practices of co-operation and dissemination of co-operative literature.

ARTICLE 8 - BOARD MEETINGS

8.01 Meetings of the Board

Regular meetings of the Board shall be held at such times as may be required by the business of the Co-op. A meeting of the Board shall be held at least once every three (3) months.

8.02 Meeting Dates and Times

Unless otherwise provided by resolution of the Directors, the Board shall set the date and time of the next regular Board meeting at the end of each Board meeting.

8.03 Special Board Meeting

The President:

- (a) may call a special meeting of the Board at any time; and
- (b) shall, on the written request of the Majority of the Directors, call a special meeting of the Board.

8.04 Notice of Special Meeting of the Board

Unless otherwise provided by resolution of the Board, notification specifying the time, place and purpose of any special meeting of the Board shall be sent to each Director by email, not less than five (5) days before the special meeting.

8.05 Electronic Meeting

Any meeting of the Board may be held entirely by electronic means, by telephone or any other form of electronic communication, provided the communication method permits all Directors participating in the meeting to communicate adequately with each other during the meeting.

8.06 Meetings Closed

Board meetings are closed to Members and the public.

8.07 Meeting Deemed Duly Constituted

A Board meeting is properly constituted, even without the notice required by Article 8 herein, if all Directors are present.

8.08 Quorum at Board Meetings

Quorum for a meeting of the Board shall be the Majority of Directors then-elected to the Board, either in person or participating by electronic communication.

8.09 Method of Voting at Board and Committee Meetings

- (a) Any voting method approved by the Board or committee is acceptable.
- (b) The president or an appointed chairperson may vote, but in the event of a tie they shall not have a deciding vote.
- (c) Unless otherwise stated in these bylaws, a motion is defeated unless a Majority of the Board or the committee members, as the case may be, eligible to vote and present at the meeting vote in favour of it. In the case of an equality of votes, the motion shall be declared lost.

8.10 Order of Business at Regular Meeting of the Board

The order of business at a regular meeting of the Board shall be as follows:

- (a) call to order by the president or, in their absence, the vice president;
- (b) approval of the minutes of the preceding meeting;
- (c) business arising from the minutes;
- (d) general manager's report on the condition of the business;
- (e) discussion, consideration and setting aside of general manager's report;
- (f) report of committees, if any;
- (g) discussion, consideration and setting aside of reports of committees;
- (h) consideration of correspondence received;
- (i) consideration and setting aside of applications for membership;
- (j) consideration and setting aside of notices of withdrawal of memberships;
- (k) new business;
- (l) adjournment.

8.11 Order of Business at Special Meeting of the Board

The order of business at a special meeting of the Board shall be as follows:

- (a) call to order by the president or, in their absence, the vice president;
- (b) reading of notice of special meeting;
- (c) consideration and setting aside of the matter for which the meeting was called;
- (d) adjournment.

ARTICLE 9 - BOARD COMMITTEES

9.01 Creation of Committees

- (a) The Board may appoint committees for purposes such as carrying out programs for financial oversight, governance, membership relations, human resources, public relations, or other activities.
- (b) The committees shall carry out the duties and functions assigned to them, subject to the general direction and control of the Board.
- (c) A meeting of a committee may be called by the president or appointed chairperson of the committee whenever they consider necessary. The Board may fix the minimum and maximum number of meetings to be held by each committee.
- (d) Minutes of committee meetings shall be kept, or caused to be kept, by the secretary of the Co-op. Reports, recommendations, or minutes of each committee shall be presented at the next regular Board meeting.

ARTICLE 10 - OFFICERS

10.01 Election of Officers

The Board shall meet within fourteen (14) days after each annual general meeting of the Co-op and shall elect, for the current year until the completion of the next annual general meeting, from their number, a president and one or more vice presidents, and shall appoint a treasurer and a secretary, or a secretary-treasurer, who is not required to be a Member of the Co-op.

10.02 No Limits on Terms

There are no limits on the number of terms an Officer may serve.

10.03 Removal of Officer

The Directors may at any time remove an Officer from the office they hold by a resolution approved by at least 2/3 of the Directors present at a meeting called for that purpose (excluding the Officer to be removed), provided that the numbers of Directors so voting are sufficient for quorum, and may elect or appoint, as the case may require, another Member or Director to fill the vacancy.

ARTICLE 11 - DUTIES OF DIRECTORS AND OFFICERS

11.01 Duty of Honesty and Good Faith

Every Director and Officer of the Co-op, in exercising their power and duties of a Director or Officer, shall act honestly and in good faith with a view to the best interests of the Co-op, and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

11.02 Disclosure Required

Directors and Officers must disclose any conflict of interest that may arise, in accordance with Section 18.2 of the Act.

11.03 Remuneration of Directors and Officers

Remuneration of Directors and Officers shall be fixed by a resolution at an annual general meeting or special general meeting.

11.04 Duties of Director and Officers

Directors and Officers:

- (a) must comply with the Act and its regulations, and the Co-op's memorandum of association, bylaws and policies, and shall assure the integrity and fulfilment of the Board's processes;
- (b) shall attend all Board meetings, applicable committee meetings, annual general meetings and special general meetings of the membership. Directors and Officers who are absent for more than three (3) consecutive meetings may be asked to step down from their position on the Board, or may otherwise be removed in accordance with these bylaws;
- (c) shall acknowledge and agree to abide by the Co-op's current code of conduct policy.

11.05 Other Duties of Directors

- (a) The Directors may delegate to, define the duties of, and fix the remuneration of the general manager and any other employee they consider necessary for carrying on the business of the Co-op.
- (b) The Directors shall have the general direction and oversight of the affairs and business of the Co-op. The general manager has the authority to manage the affairs of the Co-op.
- (c) The Directors shall keep the members informed of the business of the Co-op and encourage interest, discussion and support on the part of the Members, with the objective of developing and fostering a sense of ownership and responsibility among the Members.

11.06 Other Duties of Officers: The President

- (a) The president shall, unless another Director is appointed at a meeting, preside and chair all Board meetings and membership meetings.
- (b) The president, or the president's appointed delegate, is an *ex officio* member of all committees.
- (c) The general manager of the Co-op has a direct reporting relationship to the president on behalf of the Board, and the president shall provide periodic updates to the Board about the general manager's performance.
- (d) The president shall submit the Board's report of the Co-op's affairs at the Co-op's annual general meeting.

11.07 Other Duties of Officers: The Vice President

- (a) The vice president shall perform any of the duties of the president if the president is absent or unable to act.
- (b) If the office of the president becomes vacant, the Directors may select the vice president or any other Director to be president until the next annual general meeting.

11.08 Other Duties of Officers: The Secretary

- (a) The secretary shall:
 - (i) attend all Board meetings, committee meetings, annual general meetings and special general meetings of the membership;
 - (ii) keep accurate minutes of those meetings; and
 - (iii) provide the minutes to the Directors.
- (b) The secretary shall conduct the correspondence of the Co-op, and shall have charge of all records, papers, books and documents.
- (c) The secretary shall file all necessary documents of the Co-op to the Registrar and the Supervisor, as required by the Act.
- (d) The secretary may prepare any necessary resolutions or other documents for all Board meetings, committee meetings, annual general meetings and special general meetings of the membership.
- (e) Duties of the secretary may be delegated by the Board to the general manager or any other employee or contractor of the Co-op, and the secretary shall work with the individuals who are delegated the tasks of the secretary.

11.09 Other Duties of Officers: The Treasurer

- (a) The treasurer shall ensure that an accurate and complete set of books are kept by the Co-op, consistent with generally accepted accounting principles, and shall, on request, present to the Directors a full and detailed account of all receipts and disbursements.
- (b) The treasurer shall prepare financial analysis and reporting documents (including interim financial statements) for submission to any Board meeting or special general meeting as requested by the Directors.
- (c) The treasurer shall prepare a complete statement of the financial position of the Co-op for submission at the Co-op's annual general meeting.
- (d) Duties of the treasurer may be delegated by the Board to the general manager or any other employee or contractor of the Co-op, and the treasurer shall work with the individuals who are delegated the tasks of the treasurer.

11.10 Other Duties of Officers: The Secretary-Treasurer

The secretary and treasurer positions may be held by one Officer to be known as the secretary-treasurer, whose duties are set out in Articles 11.08 and 11.09 herein.

ARTICLE 12 - INDEMNITY OF DIRECTORS AND OFFICERS

12.01 Co-op to Indemnify Directors and Officers

The Co-op shall indemnify every current and former Director and Officer of the Co-op who:

- (a) acted honestly and in good faith with a view to the best interests of the Co-op, and exercised the care, diligence and skill that a reasonable prudent person would exercise in comparable circumstances; or
- (b) relies and acts in good faith on:
 - (i) statements of fact represented to them by an Officer of the Co-op to be correct; or
 - (ii) on statements of a professional person engaged by the Co-op who is competent to give advice with respect to the matter;

against:

- (c) an amount paid to settle an action or satisfy a judgment, including costs, charges and expenses reasonably incurred by that person with respect to civil, criminal or administrative actions or proceedings to which that person is made a party by reason of being or having been a Director or Officer of the Co-op; and
- (d) costs, charges, and expenses reasonably incurred by a Director or Officer who has been substantially successful in a defence of civil, criminal or administrative actions or proceedings to which that person is made a party by reason of being or having been a Director or Officer of the Co-op.

ARTICLE 13 - SEAL OF THE CO-OP

13.01 Custody of Seal

The secretary or their designate shall have custody of the seal of the Co-op.

13.02 Directors to Approve Use of Seal

The seal of the Co-op shall not be affixed to any instrument except by the authority of a resolution of the Board and shall be affixed only by the president and secretary or such other person as the Board may appoint, and two (2) Directors shall sign every instrument to which the seal of the Co-op is affixed.

ARTICLE 14 - NOTICES

14.01 Manner of Service of Directors and Members

- (a) Any notice required or permitted to be served on a Director or a Member by the Act or these bylaws may be served by mail, fax or email to the address provided in the register of members.
- (b) Notice may be served on a Joint Membership by sending such notice by any method described in this Article 14.01 to any Joint Member of the Joint Membership.

ARTICLE 15 - AMALGAMATION AND DISSOLUTION

15.01 Amalgamation

If the Co-op wishes to amalgamate with another co-operative association, the Co-op shall follow the amalgamation process outlined in the Act.

15.02 Dissolution

If the Co-op is to be dissolved under Section 32 of the Act, an audit of the Co-op's books, as at a date not more than two (2) months before the meeting to consider dissolution, shall be made and the auditor's report and financial statement showing the financial position at the time of the audit, shall be read at the meeting.