

YELLOWKNIFE DIRECT CHARGE CO-OPERATIVE LIMITED

AMENDED BYLAWS

As amended by the Members at a duly convened Annual General Meeting held April 27, 2015.

INTERPRETATION

2. In these by-laws,
 - 2.1. “Act” means the *Co-operative Associations Act*;
 - 2.2. “the Co-op” means Yellowknife Direct Charge Co-operative Limited;
 - 2.3. “member” includes a member-owner who has paid the required fee and completed the application for membership, but does not include an applicant who has not yet been formally accepted by the board of directors;
 - 2.4. “personal representative” means:
 - a) the administrator or executor of the estate of a deceased member;
 - b) a trustee in bankruptcy of a bankrupt member; or
 - c) the lawfully appointed attorney or guardian of an incompetent member; and
 - 2.5. “Supervisor” means the Supervisor of Co-operative Associations appointed under the Act.

MEMBERS, MEMBERSHIP & SHARE CAPITAL

Application for Membership

3. Any individual 19 years of age or older may become a member of the Co-op upon submission of a completed application in the form approved by the Board from time to time together with the minimum share capital investment.
4.
 - a) The minimum share capital investment shall be 1 share.
 - b) Except upon withdrawal of membership, no share capital repurchase shall reduce a member’s share capital below \$100.
5. Two or more adults living in the same home may apply for membership jointly and own all share capital jointly.
6. The Board shall approve or reject all applications for membership and shall cause the applicant to be notified accordingly.
7. Even though an application for membership will not be official until it has been approved by the board of directors, an applicant for membership shall be entitled to the benefits and obligations of membership upon submission of an application and purchase of the required share capital.

Fees and Charges

8. Members shall pay a charge of 2% of groceries purchased as a contribution to their share capital account.

9. The Board may set service fees to be paid by members based on such criteria as the Board may determine from time to time.

Suspension of Membership for Non-payment of Fees

10. If a member fails to pay applicable service fees for 20 weeks, the member shall be suspended and shall not be eligible for membership benefits, including, but not limited to patronage dividends or gas discounts, while the member remains suspended. (amended 2011)
11. Upon payment of outstanding service fees, a member shall be reinstated.

Share Capital

12. No interest or dividends shall be paid on share capital.
13. The Board may from time to time, 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 Board in 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 by the Board in the resolution;
 - b) from all members who, as of the effective date of the resolution, have a specified minimum share capital amount and meet other eligibility requirements specified in the resolution, with the payment to each eligible member to be calculated by multiplying the total amount available for repurchase of share capital by a fraction, the numerator of which is the share capital of that eligible member and the denominator of which is the aggregate share capital held by all members who meet the eligibility criteria, all rounded to the nearest cent; or
 - c) a combination of the above.
- 13.1. Notwithstanding section 13 above, 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 the minimum share capital investment required by section 4 of these Bylaws.
14. At the request of a member, the Board may authorize the full or partial repurchase of the share capital of a member for compassionate or financial hardship reasons.

Withdrawal from Membership or Transfer of Capital Account

15. A member who has been a member for at least six months may withdraw from membership by making a written request to the Board. The Board may waive the six-month minimum membership requirement. The Board shall have 3 months from the date of receipt of a request to withdraw to approve the request. The Board may, at its discretion, postpone repayment of the member's share capital by up to 1 year if the Board determines the

postponement is necessary or desirable to meet anticipated cash flow requirements of the Co-op.

16. If a member dies or becomes incompetent or bankrupt, his or her personal representative may request a withdrawal from membership and request the member's capital be refunded or transferred to the account of another member.
17. If owners of a jointly held membership wish to split the membership for any reason, they may give instructions to transfer all or any portion of the share capital balance into one or more other membership accounts, provided that each such account must have the minimum required share capital contribution after the transfer of capital.

GENERAL AND SPECIAL MEETINGS OF MEMBERS

General Meetings and Notice

18. The Co-op shall hold an annual general meeting in every calendar year and may provide for semi-annual, quarterly or other general meetings at which any matter affecting the Co-op or its affairs may be dealt with.
19. A notice of every general meeting shall be posted on bulletin boards and in entryways to Co-op premises not less than 10 days before the date of the meeting, but where an extraordinary resolution is to be presented at the meeting, the notice:
 - a) shall be posted at such time as to give the membership not less than 30 days' notice; and
 - b) shall specify the intention to propose the resolution as an extraordinary resolution.
20. If the Co-op fails to hold an annual general meeting, the Supervisor may call a general meeting of the Co-op to enable the members to secure such information regarding the Co-op's affairs as they are entitled to receive under the Act and to deal with any matter affecting the Co-op or its affairs.
21. The Supervisor may call a special meeting of the Co-op for the purpose of reporting to the members the result of any audit, examination, or other investigation of the affairs of the Co-op ordered or made by him or her.

Notice of Special Meetings

22. The directors may, at any time, call a special meeting of the members.
23. If 10% of the members request the directors to call a special meeting for the purpose of disposing of specific business, the directors shall call a special meeting.
24. Notice of all special meetings, 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 10 days before the date of the meeting, but where an extraordinary resolution is to be presented at the meeting, the notice:
 - a) shall be posted at such time as to give the membership not less than 30 days' notice; and
 - b) shall specify the intention to propose the resolution as an extraordinary resolution.
25. No business other than that specified in the notice shall be transacted at a special meeting.

Proceedings Not Invalidated

26. The non-receipt by a member of a notice of a meeting does not invalidate the proceedings at the meeting.

Quorum at Meetings

27. At any annual general or special meeting, a quorum shall consist of 40 members attending in person.

Order of Business at Annual General Meeting

28. 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 chairperson;
- b) reading and disposal of the minutes of the preceding annual general meeting;
- c) business arising out of the minutes;
- d) reports of president and committee chairs;
- e) reports of the auditors and consideration of any financial statements;
- f) discussion, consideration and disposal of reports set out in paragraphs (d) and (e);
- g) resolutions, recommendations and by-laws;
- h) election of directors;
- i) unfinished business;
- j) appointment of auditors;
- k) new business;
- l) adjournment.

Order of Business at Special Meetings of Members

29. The order of business at a special meeting of the members shall be as follows:

- a) call to order by the president or chairperson;
- 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 disposal of the matter for which the meeting was called; and
- f) adjournment.

Adjournment

30. If, within two hours from the time appointed for any meeting of the members of the Co-op, a quorum is not present, the meeting shall stand adjourned until called again by the directors, and the Supervisor shall be so notified.

VOTING BY MEMBERS

Eligibility to Vote

31. Members are entitled to one vote per membership.

32. Joint owners of a membership shall only be entitled to a single vote at any meeting of the members.

33. A member who is suspended shall not be entitled to vote at any general or special meeting of the Co-op.

34. Proxies shall not be permitted.

Method of Voting

35. At any meeting of the Co-op, a resolution put to the vote of the meeting shall be decided by a show of hands unless a poll is demanded by at least three members.

36. If a poll is demanded, it shall be taken by ballot, in such manner as the chairperson directs.

37. If a show of hands takes place or a poll is demanded, the Chairman of the meeting shall have the right to vote, but shall not be entitled to a second or casting vote in the event of a tie.

38. In case of an equality of votes, whether on a show of hands or on a poll, the motion shall be declared lost.

ELECTION AND APPOINTMENT OF DIRECTORS

Eligibility for Election

39. A member:

- a) whose application for membership has been approved by the directors;
- b) who has been allotted and paid for the minimum number of shares required;
- c) who is not an un-discharged bankrupt; and
- d) who is not then under suspension as a member

is eligible to be elected as a director of the Co-op.

40. A retiring director is eligible for re-election.

41. There is no limit on the number of terms a director may serve.

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

Appointment of Replacement Directors

43. If:

- a) a director resigns or is otherwise unable to complete his or her term as a director, 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 replace such director or fill any vacancies, provided that the term of any director so appointed shall expire at the end of the next Annual General Meeting of the Co-op.

Nominations

44. Where a vacancy on the board of directors is to be filled at an election, candidates for the position shall be nominated either by written or oral nomination at a general or special meeting of the Co-op.
45. At or before a general meeting, the president may, with the approval of the directors, appoint three members as a nominating committee. The nominating committee shall place in nomination one or more names for each vacancy, with provision being made for further nominations from the floor at the meeting.
46. The consent of a candidate to fill a vacancy on the board of directors shall be obtained orally or in writing before he or she is nominated for the position.
47. Every election shall be by secret ballot.

Method of Election

48. The method of electing directors shall be that, with only one ballot, the number of candidates receiving the highest number of votes shall be declared elected.

Number of Candidates

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

Voting for Directors to be Elected

50. Every member voting shall vote for the number of directors to be elected, and any ballot that contains the names of more or less than the number to be elected is void.

Term of Office for Directors

51. Each director shall be elected for a term of three (3) years, provided that if more than three directors are to be elected in any year due to the early departure of one or more directors before the expiry of their terms, the additional directors shall be elected for terms of one or two years, as the circumstances require, so that:
 - a) 1/3 of the directors shall hold office until the third following annual general meeting;
 - b) 1/3 of the directors shall hold office until the second following annual general meeting;and
 - c) 1/3 of the directors shall hold office until the next annual general meeting.
52. If some directors are to be elected for terms of less than three years, the directors who are elected may choose the length of their respective terms between themselves or, in the absence of agreement, shall determine their respective terms by drawing from a hat.

Removal of Directors for Cause

52.1. A director may be removed for cause by the unanimous vote of the directors present at a meeting, excluding the director to be removed, provided that the numbers of directors so voting are sufficient for quorum.

Election Report to the Supervisor

53. A report of the results of every election, appointments of directors by the directors to fill vacancies, the removal of directors, and the election and appointment of officers by the directors, shall be forwarded to the Supervisor by the secretary of the Co-op within 15 days after the date on which the election, removal or appointment took place. The report shall state

- a) the name, address and occupation of the person elected, appointed, or removed; and
- b) the position to which the person was elected, appointed, or removed from and the period during which he or she will hold office.

BOARD OF DIRECTORS

Composition and Quorum

54. The Board shall consist of nine directors.

55. Quorum for a meeting of the Board of Directors shall be a majority of the directors present in person or participating by telephone or by videoconference.

Specific Duties of Directors

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

57. The Board may, by resolution, appoint signing officers from time to time 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 an officer or director of the Co-op.

58. The Board may, after setting aside any reserves required by the Act, apply net profits for a fiscal year: (a)

- a) to reduce services fees;
- b) to pay patronage dividends to members based on the eligible purchases the member made during that fiscal year; or
- c) to use for operating purposes.

59. The Board may from time to time determine categories of purchases that will not be eligible for patronage dividends.

Transfer of Shares or Membership of a Director

60. Where an assignment, transfer, redemption or repurchase of shares or membership certificates is applied for by a director, he or she shall not have a vote respecting the assignment, transfer, redemption or repurchase.

Appointment of Officers and Employees

61. The directors may appoint, 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.

Remuneration of Directors

62. The remuneration of the members of the board of directors, if any, shall be fixed by a written policy approved by the members of the Co-op at the annual general meeting.

Examination of the Business by the Directors

63. The directors shall examine carefully and regularly the business and property of the Co-op and shall require the manager or secretary-treasurer or another employee in charge of the records of the Co-op to furnish monthly or at such other times as the directors may determine, a report or reports disclosing the results of the operations of the Co-op during a specified period, including information respecting accounts receivable and payable, assets and liabilities, income and expenses, purchases and sales and a comparison of that information with the results of operations during the corresponding period of the preceding fiscal year.

Membership Administration

64. 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 and, with the objective of developing and fostering a sense of ownership and responsibility on the part of the membership, shall

- a) present to the members periodic reports regarding the condition of the business and the operations of various business policies;
- b) publicize the activities of the Co-op in the local press and in other ways;
- c) \arrange for business and educational meetings of the Co-op as frequently as conditions warrant;
- d) maintain direct and personal contact with members to explain the business and progress of the Co-op and solicit their support;
- e) encourage active participation in the affairs of the Co-op at meetings, appoint special committees of the members where feasible and publicize the activities of committees;
- f) encourage the organization of study and discussion groups regarding the principles and practices of co-operation and dissemination of co-operative literature;

- g) make available at each annual meeting, to each member of the Co-op, a statement showing his or her share capital or other amounts held to his or her credit in the Co-op at the end of the previous fiscal year and the amounts, if any, credited to him or her out of the apportionment of the surplus resulting from the operations of the Co-op during such fiscal year.

DIRECTORS MEETINGS

Meetings of the Directors

- 65. Regular meetings of the directors shall be held at such times as may be required by the business of the Co-op. Unless otherwise approved by the Supervisor, a meeting shall be held at least once every three months.
- 66. The president may call a special meeting of the directors at any time.
- 67. The president shall, on the written request of the majority of the directors, call a special meeting.
- 68. The directors shall, by resolution, set out the manner in which notice for regular meetings of the directors shall be given.
- 69. Unless otherwise provided by resolution of the directors, the secretary shall send to each director, not less than five days before a special meeting, a notice specifying the time, place and purpose of the special meeting.
- 70. When all directors are present at any meeting of the directors, however called or notified, the meeting shall be deemed to have been regularly and properly constituted.
- 71. The quorum necessary for the transaction of business by the directors at a regular or special meeting is a majority of the directors
- 72. Questions arising at any meeting of the directors shall be decided by a majority vote.
- 73. The president or other presiding officer may vote on any question, but shall not have a second or casting vote in the event of a tie.
- 74. If there is not a majority vote in favour of a motion, the motion shall be declared lost.

Order of Business at Regular Meetings of Directors

- 75. Unless otherwise agreed at any meeting of the directors, the order of business at regular meetings of the directors shall be as follows:
 - a) call to order by the president or, in his or her absence, by the vice-president;
 - b) declarations of conflict of interest;
 - c) reading and disposal of the minutes of the preceding meeting;
 - d) business arising out of the minutes;
 - e) reports of special committees, if any;
 - f) discussion, consideration and disposal of reports of special committees;
 - g) manager's report on the condition of the business;

- h) discussion, consideration and disposal of manager's report;
- i) communications received;
- j) consideration and disposal of applications for membership;
- k) consideration and disposal of applications for transfers and withdrawals from membership;
- l) new business; and
- m) adjournment.

Order of Business at Special Meetings of Directors

76. Unless otherwise agreed by all directors present, the order of business at special meetings of the directors shall be as follows:
- a) call to order by the president or, in his or her absence, by the vice-president;
 - b) declarations of conflict of interest;
 - c) reading of notice of special meeting;
 - d) consideration and disposal of the matter for which the meeting was called; and
 - e) adjournment.

BOARD COMMITTEES

Executive Committee

77. The directors may appoint an executive committee which shall consist of the president, vice-president, secretary and treasurer of the board of directors for the purpose of making such recommendations to the directors regarding the business of the Co-op as may be necessary from time to time.

Other Committees

78. The directors may appoint other committees for purposes such as carrying out programs for financial oversight, governance, member relations, public relations, or other activities.
79. The executive committee and other committees appointed by the directors shall carry out such duties and functions allotted to them by the directors as are not required by the Act or these bylaws to be carried out by the directors themselves. All committees appointed by the directors shall be subject to the general direction and control of the board of directors.
80. Meetings of committees appointed by the directors or by the members may be called by the president or the chairperson of the committee whenever he or she considers it necessary, but the directors or members may prescribe the minimum number or frequency of meetings to be held by committees.
81. The secretary of the Co-op shall keep minutes of all committee meetings.
82. Copies of all minutes and reports of committee meetings shall be sent to all directors following committee meetings.

83. All minutes shall be submitted to the next directors' meeting, but shall have no effect unless approved at the meeting.

OFFICERS

Election of Presiding Officers

84. The directors shall meet within 14 days after each general meeting of the Co-op and shall elect for the current year, from their number, a president and one or more vice-presidents, and shall appoint a secretary-treasurer or secretary and treasurer, who may or may not be a member of the Co-op.

85. The directors may at any time remove the president or any appointee from the office to which he or she has been elected or appointed by them and may elect or appoint, as the case may require, another person to fill the vacancy.

Duties of President

86. The president shall, unless some other member is appointed by the meeting to do so, preside at all meetings of the Co-op and shall preside at meetings of the directors and of the executive committee, if any.

87. The president is ex officio a member of all committees established by the Board or the members.

88. The president shall submit to the annual general meeting of the Co-op, the directors' report of the affairs of the Co-op.

Duties of Vice-President

89. Where the president is absent or unable to act, the vice-president shall discharge the duties of the president.

90. If the office of the president becomes vacant, the directors may appoint the vice-president or any other director to be president until the next annual general meeting.

Duties of Secretary

91. The secretary shall attend all meetings of the Co-op, of the directors and of the executive committee, if any, keep correct minutes of those meetings, and keep the directors informed with respect to the minutes of any committee meetings.

92. The secretary shall conduct the correspondence of the Co-op and shall have charge of all records, books, papers and documents.

Duties of Treasurer

93. The treasurer shall receive and deposit in a chartered bank, which the directors may designate, all moneys received by or paid to the Co-op and shall give receipts for the moneys.

94. If the Co-op is a member of another incorporated co-operative association or co-operative organization, the treasurer may, with the consent of the directors, transfer the moneys to the incorporated co-operative association or co-operative organization.
95. The treasurer shall ensure employees of the Co-op keep a proper set of books showing accurately all transactions of the Co-op and shall, on request, cause the employees to present to the directors a full and detailed account of all receipts and disbursements.
96. The treasurer shall cause to be prepared for submission to the annual general meeting a complete statement of the financial position of the Co-op and shall cause to be prepared interim financial statements for submission to any semi-annual meeting or any other general or special meeting for which submission is requested by the directors.

Duties of Secretary-Treasurer

97. The office of the secretary and treasurer may be held by one person to be known as the secretary-treasurer, whose duties shall be as stated above.

Duties May Be Delegated to Staff Members

98. The duties of secretary, treasurer or secretary-treasurer may be modified and the directors may assign all or any part of the duties to the General Manager or any other employees of the Co-op. Where the duties of secretary, treasurer or secretary-treasurer are so modified, the Board shall provide the employees concerned with written instructions regarding the duties assigned to them.

INDEMNITY OF DIRECTORS & OFFICERS

99. Except as noted below, the Co-op shall indemnify:
 - a) every director and officer of the Co-op; and
 - b) every former director and officer of the Co-op
 - c) against
 - i. 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;
 - ii. costs, charges, and expenses reasonably incurred by a director or officer who has been substantially successful in a defense 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.
100. The Co-op shall indemnify the director or officer if:
 - a) The director or officer:
 - i. acted honestly and in good faith with a view to the best interest of the Co-op; and

- ii. in the case of a criminal or administrative action or proceeding that if enforced by monetary penalty, the director or officer has reasonable grounds for believing the conduct was lawful; or
- b) the director or officer has been substantially in defense of a civil or criminal action or proceeding.

SEAL OF THE CO-OP

Custody and Use of Seal

- 101. The secretary or secretary-treasurer shall have custody of the seal of the Co-op.
- 102. The seal of the Co-op shall not be affixed to any instrument except by the authority of a resolution of the directors and shall be affixed only by the president and secretary or secretary-treasurer or such other person as the directors may appoint.

NOTICES

- 103. Any notice required or permitted to be served on a director or a member by the Act or these bylaws may be served by:
 - a) mailing to a mailing address provided by the member or director, in which case the notice shall be deemed to have been received 3 business days after mailing;
 - b) faxing to a fax number provided by the member or director for the purpose of receiving notices; or
 - c) by e-mailing to an electronic mail address provided by such member or director for the purpose of receiving notices.
- 104. If shares are held jointly, a notice may be validly served by sending it to any of the joint holders of such shares.