

## 6. Board of Directors

### 6.01 Number of Directors

The board shall establish, by resolution, within the minimum and maximum number stated in the articles, the number of directors required to constitute a full board.

### 6.02 Qualifications

No person shall be a director unless that person meets the requirements of Part 4 - Directors and Officers of Cooperatives, Division 1 – Number, Qualifications and Functions of Directors of the Province of Alberta *Cooperatives Act*.

### 6.03 Nominating Committee

- (a) Before director elections are held, the board will appoint a nominating committee, composed of two or more directors whose terms of office do not expire at the next annual meeting, and other members of the Co-operative that the board, in its discretion, chooses to appoint.
- (b) Except as set out in these bylaws, the procedures of the nominating committee are those determined from time to time by the board.

### 6.04 Nominating Procedure

At each annual meeting of members when a director's term of office expires:

- (a) the nominating committee will place before the meeting a list of nominations for the position of director; and
- (b) prospective candidates for the position of director, must submit their application to the nominating committee 14 business days prior to the annual meeting.

### 6.05 Voting Procedure

- (a) At each annual meeting of members when a director's term of office expires, members shall elect directors to replace those whose terms have expired.
- (b) Directors shall be elected by secret ballot if the number of nominees in an election for directors exceeds the number of directors to be elected at the election.
- (c) If then number of nominees is equal to the number of directors to be elected, those nominees are declared elected and the Co-operative will not require members to cast ballots.
- (d) The candidate who receives the greatest number of votes at an election of directors is elected a director and the other candidates who receive the next greatest number of votes are also elected directors, in descending order, until the number of directors to be elected has been elected.
- (e) If the candidates are to be elected for different terms of office, the candidate who receives the greatest number of votes in the election is elected for the longest term and the other

candidates who receive the next greatest number of votes are elected for the longest remaining terms to be filled, in descending order, until the number of directors to be elected has been elected.

(f) If candidates are to be elected for different terms of office and the members have not been required to cast ballots due to the application of paragraph 6.05(c), the directors whose terms of office do not expire at or before the end of the meeting of members at which the election is to be held, will announce which of the candidates are to be elected for the longest terms.

(g) Where:

(i) two or more candidates receive an equal number of votes for the last vacancy on the board; or

(ii) directors are to be elected for different terms and two or more candidates receive an equal number of votes for the last position of a particular term;

the chair of the meeting of members, in his or her discretion, shall decide if it is practical to hold a run-off election and, if the chair so decides, shall conduct the run-off election by secret ballot, at the meeting to determine which of the tied candidates is to be elected and, if appropriate, for which particular term.

(h) Where:

(i) two or more candidates receive an equal number of votes for the last vacancy on the board; or

(ii) directors are to be elected for different terms and two or more candidates receive an equal number of votes for the last position of a particular term;

and the chair has decided that it is not practical to hold a run-off election at the meeting of members, the directors who have already been elected in the election will determine which of the tied candidates is to be elected.

(i) A ballot that is cast for more than the number of directors to be elected is considered a spoiled ballot.

## 6.06 Scrutineers

(a) The board will appoint three or more scrutineers, who are not nominees for the position of director, to ascertain the results of director elections.

(b) The scrutineers will declare the result of the director elections.

## 6.07 Term of Office

(a) Except as set out in 6.07(b) and (c), a director holds office for three (3) years, or until his or her successor is elected.

(b) A director appointed or elected to fill a vacancy holds office for the unexpired term of the director's predecessor in office.

- (c) The Co-operative, by ordinary resolution at an annual meeting of members and before elections are held at that meeting, may provide for directors' terms of office that are shorter than as provided in 6.07(a), to provide for staggered terms.

## 6.08 Re-election of Retiring Directors

Retiring directors, if qualified, are eligible for re-election.

## 6.09 Removal of Directors

The Board of Directors may remove any director from office for cause by two-thirds (2/3) vote of all Directors then in office, at any regular or special meeting of the Board.

## 6.10 Ceasing to Hold Office

A director ceases to hold office when that director:

- (a) dies;
- (b) resigns;
- (c) is removed from office by ordinary resolution of a special meeting of members;
- (d) no longer qualifies as a director under 6.02; or
- (e) fails to attend three consecutive meetings of the board of which he or she has been properly notified, without reasonable circumstances, as determined by the board.

## 6.11 Vacancies

The Board of Directors for North Central Co-operative Association Ltd. will look to the 'Province of Alberta Cooperatives Act' for directive on the case of a vacancy on the board.

## 6.12 Quorum

A quorum of the board is a majority of the number of directors that the board has established, pursuant to 7.01, as the number required to constitute a full board.

## 6.13 Board's Transaction of Business

- (a) The board may exercise its powers:
  - (i) by ordinary resolution passed at a meeting of the directors at which a quorum is present;
  - (ii) where these bylaws or the Act require a special resolution of the directors, by a special resolution passed at a meeting of directors at which a quorum is present; or
  - (iii) by written resolution, signed by all the directors entitled to vote on that resolution at a meeting of directors.
- (b) A written board resolution; signed by all directors entitled to vote on that resolution at a board meeting;
  - (i) is valid as either an ordinary resolution or a special resolution; and

- (ii) must be kept with the minutes of meetings of the directors.
- (c) Where there is an equality of votes on an ordinary resolution at a meeting of the directors, the motion is lost, neither the chair of the meeting nor the president is entitled to a casting vote.
- (d) If there is a vacancy on the board, the remaining directors may exercise all the powers of the board as long as a quorum remains on the board.

#### 6.14 Electronic Attendance

A director may attend a meeting of the directors by means of a telephonic, electronic or other communication facility that permits all persons participating in the meeting to communicate adequately with each other during the meeting, and a director participating in a meeting by these means is considered to be present at the meeting.

#### 6.15 Time and Place of Meetings

The board may meet at the time and place in Canada that the board determines is appropriate, and if the does not determine the time and place, the president or any two directors may make that determination.

#### 6.16 Notice of Meeting

- (a) Except as otherwise provided in the bylaws, notice of the date, time and place of each board meeting must be given to each director:
  - (i) at least five days before the board meeting is to be held, if the notice is delivered personally to each director or by transmitted, electronic or recorded communication; or
  - (ii) at least ten days before the board meeting is to be held, if the notice is given by any other method.
- (b) In case of an emergency, the president or the vice-president is entitled to call a special board meeting by giving each director at least 48 hours notice by transmitted, electronic, or recorded communication.
- (c) A notice of a board meeting need not specify the purpose of, or the business to be transacted at, the meeting unless the meeting is called to deal with an emergency or unless the meeting involves;
  - (i) filing a vacancy among the directors or in the office of auditor, or appointing additional directors;
  - (ii) declaring patronage returns or dividends on shares;
  - (iii) approving financial statement of the Co-operative;
  - (iv) submitting to the members any question or matter required to be approved at a meeting of the Co-operative;

- (v) making decisions that, by the Act or the articles, are required to be made by a special resolutions of the directors;
  - (vi) redeeming or otherwise acquiring membership shares issued by the Co-operative;
  - (vii) issuing securities, except in the manner and on the terms authorized by the directors;  
or
  - (viii) enacting or amending the bylaws.
- (d) Notice of an adjourned board meeting is not required if the time and place of the adjourned meeting is announced at the original meeting.
- (e) A director may, in any manner, waive notice of or otherwise consent to a board meeting and attendance at a meeting constitutes waiver of notice unless the director is attending for the purpose of objecting to the meeting on the ground that it was not lawfully called.
- (f) There is no need to give notice for a board meeting that immediately follows an annual meeting.

### 6.17 Regular Meetings

- (a) The board may appoint a day or days in any month or months for regular board meetings at places and hours to be determined by the board.
- (b) A copy of any resolution of the board fixing the places and times of regular board meetings must be sent to each director immediately after being passed, and no other notice is required for any regular board meeting, except where the Act requires the purpose of the meeting or the business to be transacted at it to be specified in the notice, as specified in 6.16(c).

### 6.18 Chair

- (a) Subject to 6.18(b), (c) and (d), the chair of any board meeting is the president.
- (b) If the president is absent from the board meeting, the directors present shall appoint a vice-president to be chair.
- (c) If neither the president nor a vice-president is present at a board meeting, the directors present shall appoint one of their number to be chair.
- (d) The president, although present at a board meeting, may designate one of the directors present to chair all or a portion of any board meeting.

### 6.19 Disclosure of Interests

The rules relating to directors' disclosure of interests are those specified in the Act.

### 6.20 Remuneration and Expenses

- (a) The directors shall be paid remuneration for their services at the rates the members determine from time to time by ordinary resolution at a meeting of members.

- (b) The Co-operative shall reimburse the directors for travelling and other expenses they have properly incurred in attending meetings of the board and committees and for performing other functions authorized from time to time by the board.