



Bylaws of North Central Co-operative Association Ltd.

Updated July 2022

Table of Contents

1. Interpretation	6
1.01 Definitions.....	6
2. Shares, Memberships and Transfers	7
2.01 Open Membership	7
2.02 Application for Common Membership	7
2.03 Age Qualification.....	8
2.04 <u>STRUCK July 2017</u>	
2.05 Approval of Application	8
2.06 Effective Date of Membership.....	8
2.07 No Share Certificate to be Issued.....	8
2.08 Duty of Members.....	8
2.09 Deceased Members.....	8
2.10 Charge of Indebtedness	8
2.11 Dealings with Registered Owner	9
2.12 Transfer of Shares to Others.....	9
2.13 Withdrawal of Members.....	9
2.14 Effective Date of Withdrawal.....	9
2.15 Board’s Termination of Membership– Reasons	9
2.16 Notice of Board Decision Regarding Termination of Membership	10
2.17 Effective Date Regarding Termination of Membership	10
2.18 Right to Appeal a Termination to Members.....	10
2.19 Payment on Termination or Withdrawal of Membership	10
2.20 Limitation on Purchase or Redemption	10
2.21 Price upon Withdrawal or Termination of Membership.....	11
3. Meeting of Members.....	11
3.01 Annual Meetings	11
3.02 Special Meetings	11
3.03 Member Requisitions of a Meeting.....	11
3.04 Time and Place of Meetings.....	12
3.05 Record Date	12

3.06	Notice of Meetings	12
3.07	Chair.....	13
3.08	Secretary	13
3.09	Persons Entitled to be Present.....	13
3.10	Electronic Attendance.....	13
3.11	Quorum.....	13
3.12	Votes to Govern.....	13
3.13	<u>STRUCK - July 2021</u>	
3.14	<u>STRUCK - July 2021</u>	
3.15	Adjournment	13
4.	Business of the Co-operative	14
4.01	Registered Office	14
4.02	Corporate Seal.....	14
4.03	Execution of Instruments.....	14
4.04	Financial Year.....	14
4.05	Financial Arrangements	14
4.06	Information Available to Members and Creditors	14
4.07	Member Lists	15
5.	Borrowing.....	15
5.01	Borrowing Power.....	15
5.02	Delegation of Borrowing Power.....	15
6.	Board of Directors	16
6.01	Number of Directors.....	16
6.02	Qualifications	16
6.03	Member Relations and Nominations Committee.....	16
6.04	Nominating Procedure.....	16
6.05	Voting Procedure	17
6.06	Scrutineers.....	18
6.07	Term of Office	18
6.08	Re-election of Retiring Directors	18
6.09	Removal of Directors.....	18

6.10	Ceasing to Hold Office.....	18
6.11	STRUCK – July 2022	18
6.12	Quorum.....	18
6.13	Board’s Transaction of Business.....	18
6.14	Electronic Attendance.....	19
6.15	STRUCK – July 2022	19
6.16	Notice of Meeting.....	19
6.17	Regular Meetings	20
6.18	Chair.....	20
6.19	STRUCK – July 2022	20
6.20	Remuneration and Expenses.....	20
7.	Committees and Officers	21
7.01	Committees of Directors	21
7.02	Quorum and Procedure.....	21
7.03	Committees’ Transaction of Business.....	21
7.04	Appointment, Powers and Duties of Officers	21
7.05	Variations of Powers and Duties.....	22
7.06	Term of Office and Remuneration	22
7.07	Disclosure of Interests.....	22
7.08	Fidelity Bonds.....	22
8.	Duty of Care and Protection of Directors, Officers.....	22
8.01	Duty of Care of Directors and Officers.....	22
8.02	Confidentiality.....	22
8.03	Duty to Comply.....	23
8.04	Optional Indemnity	23
8.05	Mandatory Indemnity	23
8.06	Derivative Actions and Cost Advances	23
8.07	Insurance.....	24
8.08	Dissent.....	24
9.	Allocation of Revenues.....	24
9.01	General Reserve Fund.....	24



9.02 Deficits and Return on Capital..... 25

9.03 Allocation to Members..... 25

9.04 Computation of Business Done 25

9.05 Patronage Return Applied to Shares..... 25

9.06 Notice..... 25

9.07 Redemption of Membership Shares by the Co-operative..... 25

9.08 Deficits..... 26

10. Notices..... 26

10.01 Method of Giving Notice to Members, etc..... 26

10.02 Method of Giving Notices to the Co-operative..... 27

10.03 Computation of Time 27

10.04 Undelivered Notices..... 27

10.05 Omissions and Errors..... 27

10.06 Persons Entitled by Death or Operation of Law 27

10.07 Waiver of Notice..... 28

11. Effective Date, Amendment and Repeal 28

11.01 Amendment, Repeal and Replacement 28

11.02 Effective Date 28

Bylaws of North Central Co-operative Association Ltd.

1. Interpretation

1.01 Definitions

(a) In the bylaws of the Co-operative, unless the context otherwise requires:

- (i) “Act” means *The Co-operatives Act*, and any statute that may be substituted for it, as amended from time to time;
- (ii) “Articles” means the articles of incorporation of the Co-operative and amendments to them;
- (iii) “Board” means the board of directors of the Co-operative;
- (iv) “Bylaws” means these bylaws and all amendments, additions, deletions or replacements from time to time in force and effect;
- (v) “Co-operative” means North Central Co-operative Association Ltd. North Central Co-operative Association Ltd. is the recognized formal name on all formal documents. The abbreviations of NCCOOP, NCC, North Central and North Central Co-op will be recognized as same, in informal communication and documents internal to North Central Co-operative Association Ltd.;
- (vi) “Director” means a member of the board of directors of the Co-operative;
- (vii) “Entity” means a corporation, a trust, a partnership, a fund, or an unincorporated organization;
- (viii) “Meeting of members” means an annual meeting of members or a special meeting of members of the Co-operative;
- (ix) “Officer” includes the chair of the board, a vice-chair of the board, the president, a vice-president, the secretary, an assistant secretary, the treasurer, an assistant treasurer, and the general manager of the Co-operative and any other individual designated as an officer of the Co-operative by bylaw or by resolution of the directions, or any other individual who performs functions for the Co-operative similar to those normally performed by an individual occupying any such office;
- (x) “Ordinary resolution” means a resolution that is submitted to a meeting of members or a meeting of directors and passed at the meeting by a majority of the votes cast;
- (xi) “Patronage return” means an amount that the Co-operative allocates among and credits or pays to its members, based on the business done by them with the Co-operative;
- (xii) “Person” means an individual or an entity and includes a legal representative;
“recorded address” means:
 - in the case of a member, the address of the member is recorded in the member’s register; and

- in the case of the director, officer, auditor or member of a committee, the latest address of the person as recorded in the records of the Co-operative; and
- (xiii) “Regulations” means regulations prescribed under the Act;
- (xiv) “Special resolution” means a resolution that is submitted to a meeting of members or a meeting of directors and passed at the meeting by at least 2/3 of the votes cast;
- (xv) “Surplus” means the amount that, in any financial year of the Co-operative, remains after deducting from its operation revenue, charges to members and patrons, and other revenue in that financial year;
 - its operating expenses and losses in that financial year, including proper allowances for depreciation, for expenses incurred but not paid, and for other proper charges against its operations; and
 - any refunds and interim and final payments to members and patrons made in that financial year or required to be made in, or in respect of, that financial year and not made in a previous financial year;
- (xvi) “Trading area” means the geographic area or areas in which the Co-operative carries on its business activities.
- (b) Words and expressions defined in the Act have the same meanings when used in these bylaws.
- (c) Words expressing the singular number include the plural and vice versa; words expressing gender include masculine, feminine and neutral genders.
- (d) If the bylaws and the Act or regulations conflict or are inconsistent, the Act and regulations govern.

2. Shares, Memberships and Transfers

2.01 Open Membership

Subject to the qualifications in 2.02 to and including 2.05, membership in the Co-operative is open to all persons who can reasonably use the services of the Co-operative and meet the responsibilities of membership.

2.02 Application for Common Membership

A person who wishes to become a member must submit to the Co-operative:

- (a) A written application for common membership in the form provided by the Co-operative for that purpose; and
- (b) Payment for the purchase of the required 5 common membership shares at the cost of \$1.00 each.

2.03 Age Qualification

To be eligible for common membership and membership benefits in the Co-operative, an individual must be at least 16 years of age.

2.04 STRUCK July 12, 2017**2.05 Approval of Application**

The directors may approve or refuse an application for membership and may postpone consideration of an application for membership.

2.06 Effective Date of Membership

Membership is effective on the day that the application for membership is approved under 2.05.

2.07 No Share Certificate to be Issued

- (a) The Co-operative is not required to issue membership share certificates.
- (b) The Co-operative must prepare and maintain, at its registered office, a list of members in a members' register, setting out their names and addresses, and the number of membership shares of the Co-operative owned by each member.
- (c) If requested by a member, the Co-operative shall provide a statement of the number of membership shares held by that member.

2.08 Duty of Members

- (a) A member must reasonably support and promote the business and affairs of the Co-operative.
- (b) A member is bound by the articles and bylaws of the Co-operative as if they formed a contract between the member and the Co-operative.

2.09 Deceased Members

If an individual who holds a membership share dies, the Co-operative is not required to make any entry in the members' register, or any payment in respect of the death until all the documents required by law have been provided to the Co-operative and there has been compliance with the reasonable requirements of the Co-operative.

2.10 Charge of Indebtedness

- (a) The Co-operative has a charge on every membership share and all amounts outstanding to the credit of member or the legal representative of a member, for a debt of that member to the Co-operative.
- (b) The Co-operative may:
 - (i) Enforce the charge specified in (a) by the sale of any membership share affected by the charge or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity; or

- (ii) Apply any money standing to the credit of a member toward payment of a debt due by the member of the Co-operative.
- (c) Pending enforcement of the charge specified in (a), the Co-operative may refuse to register a transfer, or acknowledge any assignment, of any membership share or any other interest or any sum payable affected by the charge.

2.11 Dealings with Registered Owner

Subject to the Act, the Co-operative shall treat as absolute owner any membership share, membership, or other interest in the Co-operative the person in whose name it is registered or recorded in the members' register or other records of the Co-operative, as if that person has full legal capacity and authority to exercise all rights of ownership despite any indication to the contrary through knowledge, notice, or description in the Co-operative's records.

2.12 Transfer of Shares to Others

- (a) Membership shares may be transferred only in accordance with the articles and using the form approved by the directors.
- (b) No transfer of a share is valid unless approved by ordinary resolution of the directors.

2.13 Withdrawal of Members

- (a) A member may apply to withdraw from membership in the Co-operative by giving to the secretary of the Co-operative at least six months' notice of the intention to withdraw.
- (b) The board may accept any application for withdrawal upon shorter notice than six months if the board determines it is appropriate.
- (c) Subject to 3.05, notice to the Co-operative of the death or bankruptcy of an individual member has the same force and effect as a notice of intention to withdraw.
- (d) Notice to the Co-operative of bankruptcy or liquidation and dissolution proceedings in respect of a corporate member of the Co-operative has the same force and effect as a notice of intention to withdraw.

2.14 Effective Date of Withdrawal

The withdrawal of a member is effective on the later of the date stated in the notice of withdrawal and the date on which the Co-operative receives the notice.

2.15 Board's Termination of Membership – Reasons

The board, by special resolution, may terminate the membership of a member if:

- (a) That member has failed to transact any business with the Co-operative over a period of at least two consecutive years; or
- (b) The board, acting reasonably, considers that member's conduct to be harmful to the Co-operative.

2.16 Notice of Board Decision Regarding Termination of Membership

Within ten days after the date on which the board makes its decision to terminate the membership of a member, the Co-operative must give written notice of the termination and the reasons for it to the person whose membership has been terminated.

2.17 Effective Date Regarding Termination of Membership

The effective date of a termination of membership is the later of:

- (a) the date specified in the board's written notice of termination; and
- (b) 30 days after the member receives the board's notice of termination.

2.18 Right to Appeal a Termination to Members

The appeal rights of a member on a termination are as set out in the Act.

2.19 Payment on Termination or Withdrawal of Membership

- (a) Where the membership of a member of the Co-operative is terminated, the Co-operative, no later than one (1) year after the effective date of the termination, shall redeem all membership shares held by the member, unless the Co-operative would not be permitted to redeem the shares because of the limitations specified in 2.20.
- (b) Where a member withdraws from membership in the Co-operative, the Co-operative shall:
 - (i) not later than one year after the effective date of the withdrawal redeem all membership shares held by the member, other than shares purchased on behalf of the member by the application of patronage returns credited to the member, unless the Co-operative would not be permitted to redeem the shares because of the limitations specified in 2.20; and
 - (ii) upon withdrawal, redeem all membership shares held by the member that were purchased on behalf of the member by the application of patronage returns credited to the member, subject to and in accordance with the priorities specified in 10.07, unless the Co-operative would not be permitted to redeem the shares because of the limitations specified in 2.20.

2.20 Limitation on Purchase or Redemption

The Co-operative shall not make any payments to redeem a share if:

- (a) The directors believe, on reasonable grounds, that the redemption or payment would affect the financial well-being of the Co-operative;
- (b) The directors believe, on reasonable grounds, that:
 - (i) the Co-operative is, or after the redemption would be, unable to pay its liabilities as they become due; or
 - (ii) the realized value of the Co-operative's assets, after the redemption, would be less than the total of:
 - its liabilities; and

- the amount that would be required to pay the holders of the shares that have a right to be paid, on a redemption or liquidation, rateably with or in priority to the holders of the shares to be redeemed; or
- (c) To do so would result in the number of members of the Co-operative being reduced to fewer than 3.

2.21 Price upon Withdrawal or Termination of Membership

The price of a share redeemed by the Co-operative under 2.19 shall be its par value.

3. Meeting of Members

3.01 Annual Meetings

- (a) The board shall call an annual meeting of members not later than:
 - (i) 15 months after holding the preceding annual meeting; or
 - (ii) 6 months after the end of the preceding financial year; whichever is earlier.
- (b) At each annual meeting of members, the following business will be considered;
 - (i) consideration of the minutes of the previous annual meeting;
 - (ii) auditor's report;
 - (iii) consideration of financial statement;
 - (iv) appointment of auditor;
 - (v) reports of the board and committees;
 - (vi) remuneration of directors;
 - (vii) consideration of bylaw amendments, repeal or replacement, policy resolutions;
 - (viii) election of directors; and
 - (ix) any other business authorized by these bylaws to be transacted at any annual meeting of members.
- (c) Any business other than as listed in (b) and any matter dealt with at a special meeting of the Co-operative, is special business, but does not require a special resolution of the members unless otherwise stated in these bylaws or in the Act.

3.02 Special Meetings

The board may call a special meeting of members at any time.

3.03 Member Requisitions of a Meeting

- (a) Two or more members, who together make up 25 percent of the membership, may requisition the directors to call a meeting of members.
- (b) The members' requisition of meeting of members must be in accordance with the Act.

3.04 Time and Place of Meetings

Meetings of members shall be held at the time and place in Alberta that the board determines is appropriate.

3.05 Record Date

- (a) The record date for each meeting of members is the 28th day before the meeting of members.
- (b) Only those members whose names have been entered on the members' register by the record date are entitled to vote at the meeting of members.

3.06 Notice of Meetings

- (a) Notice of the date, time and place of each meeting of members shall be given by:
 - (i) posting the notice all the locations of the Co-operative and at the registered office of the Co-operative; and
 - (ii) publishing the notice at least once in a newspaper having a general circulation in the Co-operative's trading area, where the first day of the publication is between 14 and 30 days before the meeting, and/or
 - (iii) the Co-operative's social media sites between 14 to 30 days prior to the meeting.
- (b) In addition to providing notice of a meeting of members as specified in (a), the Co-operative must also give notice to each director and, in the case of an annual meeting, to the auditor.
- (c) A notice of a meeting of members to consider the regular business set out in 3.01(b) need not contain any special reference to that regular business.
- (d) If a meeting of members has been called for any purpose other than the regular business listed in 3.01(b), the notice of the meeting must state the nature of that business in sufficient detail to permit the recipient to form a reasoned judgement on the business.
- (e) If a special resolution is to be considered at a meeting of members, the notice of the meeting must contain the text of that special resolution or, if the text is too long to be included in the notice, the notice must contain the statement in sufficient detail to permit the recipient to form a reasoned judgement about the resolution and a statement that the full text of the resolution is available at any business location and website of the Co-operative.
- (f) Failure to receive a notice of a meeting of members does not deprive a member of a right to vote at the meeting of members.
- (g) A member may, in any manner, waive notice of or otherwise consent to a meeting of members.
- (h) Attendance at a meeting of the Co-operative is a waiver of notice of the meeting, except when a person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

3.07 Chair

- (a) Subject to 3.07(b), the board will appoint an individual, who need not be a member, to chair any meeting of members.
- (b) If the board does not appoint an individual to chair the meeting of members, the members present at the meeting shall appoint an individual, who need not be a member, to chair the meeting.

3.08 Secretary

- (a) Subject to 3.08(b), the board will appoint an individual, who need not be a member, to act as secretary at any meeting of members.
- (b) If the board does not appoint an individual to act as secretary at the meeting of members, the members present shall appoint an individual, who need not be a member, to act as secretary of the meeting.

3.09 Persons Entitled to be Present

- (a) The only persons entitled to be present at a meeting of members are those entitled to vote at the meeting, the auditor of the Co-operative, and others who are entitled or required under any provision of the Act, the articles, or the bylaws to be present at the meeting.
- (b) Any person other than those specified in 3.09(a) may be admitted to a meeting of members only on the invitation of the chair or with the consent of the members.

3.10 Electronic Attendance

Members are entitled to participate in a meeting of members by means of telephonic, electronic or other communication facility.

3.11 Quorum

A quorum for the transaction of business at any meeting of members is five plus the minimum number of directors constituting a full board, as specified in the articles.

3.12 Votes to Govern

- (a) Each member is entitled to one member, one vote at a meeting of members.
- (b) At any meeting of members, unless otherwise required by the Act, the articles, or these bylaws, every question shall be determined by ordinary resolution.
- (c) In case of an equality of votes, a motion is lost.

3.13 STRUCK July 2021

3.14 STRUCK July 2021

3.15 Adjournment

- (a) If a meeting of its members is adjourned for fewer than 30 days, it is not necessary to

give notice of the adjourned meeting, other than by announcement at the meeting that it is adjourned.

- (b) If a meeting of members is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting must be given in the same manner as for an original meeting.

4. Business of the Co-operative

4.01 Registered Office

- (a) The registered office of the Co-operative is at the place in Alberta specified in the articles.
- (b) The Co-operative, by special resolution of its members to amend the articles, may change the location of its registered office to another place in Alberta.
- (c) The board may change the address of the registered office with the place specified in the articles.

4.02 Corporate Seal

- (a) If the Co-operative has a corporate seal, it will be in the form determined by the board.
- (b) The corporate seal is not to be affixed to any instrument except by authority of the board.
- (c) The corporate seal shall be used in the presence, and its use authenticated by the signatures, of the president and secretary.

4.03 Execution of Instruments

Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Co-operative by the person(s) designated from time to time by the board.

4.04 Financial Year

The financial year of the Co-operative ends on January 31.

4.05 Financial Arrangements

- (a) The financial business of the Co-operative, including, but not limited to, borrowing money and giving security for it, shall be transacted with credit unions, credit union centrals, banks, trust companies or other bodies corporate or organizations that the board designates from time to time.
- (b) The Co-operative will transact its financial business or any part of it under agreements, instructions and delegations of powers that the board specifies or authorizes from time to time.

4.06 Information Available to Members and Creditors

- (a) Members and creditors of the Co-operative, their legal representatives, and the directors may examine the following records of the Co-operative during the usual

business hours of the Co-operative.

- (i) the Co-operative's articles and bylaws, including any amendments;
 - (ii) the minutes of meetings of the members;
 - (iii) copies of all notices of who is a director and notices of change of directors;
 - (iv) a register of its directors, setting out the names and addresses of the individuals who are or who have been directors and the dates on which they became or ceased to be directors;
- (b) The rules relating to providing copies of records to members and creditors are those specified in the Act.

4.07 Member Lists

- (a) Members and their legal representatives, in accordance with this section, may make a written request that the Co-operative provide them with a list of the names of the members.
- (b) A request for the list under 4.07(a) must be accompanied by:
- (i) a reasonable fee, if any, set by the directors;
 - (ii) the name and address of the person making the request;
 - (iii) the specific reason(s) for the request; and
 - (iv) an undertaking that the list of members will not be used except in connection with a matter specifically relating to the affairs of the Co-operative, as set out in detail in the request and as approved by the directors.
- (c) Any misuse of a list provided under 4.07(b) may be subject to financial penalty or legal action at the discretion of the board.

5. Borrowing

5.01 Borrowing Power

The directors may, without the authorization of the members;

- (a) Borrow money;
- (b) Give debt obligations;
- (c) Subject to the Act, give guarantees; and
- (d) Create security interests in its property.

5.02 Delegation of Borrowing Power

The board may delegate all or any of its borrowing powers to the extent and in the manner that the board determines is appropriate at the time of each delegation.

6. Board of Directors

6.01 Number of Directors

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

6.02 Qualifications

In addition to the requirements set out in Part 4 – Directors and Officers of Co-operatives, Division 1 – Number, Qualifications and Functions of Directors of the Province of Alberta Co-operatives Act, no person shall continue as a director if that person is an individual who:

- (a) Is an officer of team member in the labour union that represents the team members of North Central Co-operative Association Ltd.
- (b) Is a partner, parent, or child of an officer of the North Central Co-operative Association Ltd.
- (c) Is a relative residing in the same dwelling of (b)
- (d) Is a current team member of, or a retired team member, within the last five years of the Senior Leadership Team of Federated Co-operatives Association Ltd.
- (e) Is a current member of the Board of Directors of Federated Co-operative Association Ltd.
- (f) Is a current member of a board of directors of another Co-operative within the Co-operative Retail System
- (g) Is a terminated team member of North Central Co-operative Association Ltd.
- (h) Is a retired team member of the North Central Co-operative Association Ltd., within the last five years
- (i) Has an account with North Central Co-operative Association Ltd., or within the Co-operative Retail System that is more than 90 days in arrears
- (j) Has the status of “in bankruptcy” or has declared bankruptcy in the last three years
- (k) Has purchased goods or services, or a combination of both, from North Central Co-operative Association Ltd. during the last fiscal year of the Co-operative, worth the collective amount of less than \$2,500

6.03 Member Relations and Nomination Committees

Before director elections are held, the Member Relations Committee 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 Senior Leadership team that the CEO, at their discretion, chooses to appoint. Except as set out by 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) Prospective candidates for the position of director must submit their application to the Nominating Committee a minimum of 75 days prior to the annual meeting.
- (b) The Nominating Committee will place a list of qualified nominations for the position of director to be voted on by the membership prior to the annual meeting.

6.05 Voting Procedure

Prior to each annual meeting of members, when a director's term of office will be expiring, members shall elect from a ballot of qualified directors (as listed in 6.02) to replace those whose terms will expire.

- (a) 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.
- (b) If the number of nominees is equal to the number of directors to be elected, those nominees are declared appointed, and the Co-operative will not require members to cast ballots.
- (c) The candidate who receives the greatest number of votes at an election of directors is elected a director and the other candidates who received the next greatest number of votes are also elected directors, in descending order, until the number of directors to be elected has been elected.
- (d) 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.
- (e) 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 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.
- (f) 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;
- (g) Where:
 - i) two are 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;
- (h) The directors who have already been elected in the election will determine which of the tied candidates will 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) An independent third party will conduct the electronic voting process for the election of board members. Results of the voting process will be sent directly to a scrutineer appointed by the board.
- (b) The scrutineer will declare the result of the director elections to the board in advance of the annual general meeting.

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 their 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, may provide for director's 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 directors from office for cause by 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 in accordance to Part 4 – Directors and Officers of Co-operatives, Division 4 – Resignation and Termination of Directors of the Province of Alberta Co-operatives Act.

In addition:

- a) No longer qualifies as a director under 6.02
- b) Fails to attend three (3) consecutive meetings of the board of which they have been properly notified, without reasonable circumstances, as determined by the board.

6.11 Struck to align with Part 4 – Directors and Officers of Co-operatives, Division 3 – Terms and Vacancies, Section 60 – Vacancy on the board of directors of the Province of Alberta Co-operatives Act – July 2022

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 a written resolution, signed by all the directors entitled to vote on that resolution at a meeting of the 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 the 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 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 Struck to align with Part 4 – Directors and Officers of Co-operatives, Division 5 – Meetings and Quorum of Directors of the Province of Alberta Co-operatives Act – July 2022

6.16 Notice of Meetings

- a) Except as otherwise provided in the bylaws, notice of time, date and place of all required meetings of the elected directors will be presented to and approved annually by the directors:
 - i) At least five (5) business days before the meeting is to be held, if the notice is delivered personally to each director, or by transmitted, electronic or recorded communication.
 - ii) At least ten (10) 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;

- i) approving financial statements of the Co-operative;
 - ii) submitting to the members any questions or matter required to be approved at a meeting of the Co-operative;
 - iii) making decisions that, by the Act or the Articles, are required to be made by a special resolution of the directors;
 - iv) redeeming or otherwise acquiring membership shares issued by the Co-operative;
 - v) issuing securities, except in the manner and on the terms authorized by the directors, or;
 - vi) 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 grounds that it was unlawfully 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 or 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 6.17 (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 meeting.

6.19 Disclosure of Interests – STRUCK to align with Part 4 – Directors and Officers of Co-operatives, Division 7 – Disclosure of Interests of the Province of Alberta Co-operatives Act – July 2022

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.

7. Committees and Officers

7.01 Committees of Directors

The board may appoint committees, composed of directors and non-directors, however designated, and the functions of a committee can be either only to advise the board, or the board may delegate to it any of the board's powers except those that, under the Act, the board is prohibited from delegating.

7.02 Quorum and Procedure

Unless the board determines otherwise, each committee has the power to fix its quorum at not less than a majority of directors, to elect its chair, and to regulate its procedure.

7.03 Committees' Transaction of Business

- (a) A committee may exercise its powers:
 - (i) by ordinary resolution passed at a committee meeting at which a quorum is present; or
 - (ii) by written resolution signed by all the committee members entitled to vote on that resolution at a committee meeting.
- (b) A written resolution of a committee of the board, signed by all the committee members entitled to vote on that resolution at a committee meeting:
 - (i) is valid as an ordinary resolution of the committee; and
 - (ii) must be kept with the minutes of the meetings of the committee.
- (c) Where there is an equality of votes in an ordinary resolution at a committee meeting, the motion is lost; the chair of the meeting is not entitled to a second or casting vote.
- (d) If there is a vacancy on a committee, the remaining committee members may exercise all the powers of the committee as long as a quorum of the committee as specified in 7.02 remains in office.

7.04 Appointment, Powers and Duties of Officers

- (a) The board shall appoint, from among the directors, a president and one or more vice-presidents.
- (b) The board may appoint a secretary, a treasurer and other officers that the board determines are necessary.
- (c) Except for the president and vice-presidents, the officers may, but need not, be directors of the Co-operative.
- (d) One person may hold more than one office.
- (e) The board shall specify the powers and duties of the officers appointed, except that the board will not delegate any powers to the officers that, under the Act, the board

is prohibited from delegating.

7.05 Variations of Powers and Duties

Subject to the Act, the regulations and these bylaws, the board may vary, add to, or limit the powers, duties and responsibilities of any committee or officer.

7.06 Term of Office and Remuneration

- (a) The board shall determine the term of office and the remuneration of any officer it appoints.
- (b) Each officer appointed by the board holds office until the officer's successor is appointed, but the board, in its discretion, may remove an officer of the Co-operative without prejudice to that officer's rights under any employment contract.

7.07 Disclosure of Interests

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

7.08 Fidelity Bonds

The board may require the Co-operative's officers, employees and agents, as the board determines appropriate, to furnish bonds for the faithful discharge of their powers and duties, in the form and with the surety that the board, from time to time, determines appropriate.

8. Duty of Care and Protection of Directors, Officers

8.01 Duty of Care of Directors and Officers

- (a) Directors and officers of the Co-operative, in exercising their powers and discharging their duties, must;
 - (i) act honestly and in good faith with a view to the best interests of the Co-operative; and
 - (ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- (b) Every director and officer must comply with the Act, the regulations, the articles and the bylaws.

8.02 Confidentiality

Directors and officers of the Co-operative shall treat in the strictest confidence all information received in their capacity as directors or officers, and shall not divulge it to any third party whatsoever.

8.03 Duty to Comply

No provision in a contract, the articles, the bylaws, or a resolution relieves directors or officers from complying with this Act and the regulations, or relieves them from liability for breach of that duty.

8.04 Optional Indemnity

(a) The Co-operative may indemnify an individual who is or was a director or officer of the Co-operative or who at the Co-operative's request acts or has acted:

- (i) as a director or officer of the Co-operative;
- (ii) as a director or officer of another entity; or
- (iii) as an individual in a similar capacity for the Co-operative or other entity;

Against all costs, charges and expenses, including an amount paid to settle an action or satisfy a claim reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding (except in respect of an action by or on behalf of the Co-operative or entity unless the Court so orders) in which the individual is involved by reason of the individual's association with the Co-operative or entity.

(b) The Co-operative shall not indemnify an individual under (a) unless the individual:

- (i) acted honestly and in good faith with a view to the best interests of the Co-operative or, as the case may be, to the best interest of the entity for which the individual acted as a director or officer or in a similar capacity at the Co-operative's request; and
- (ii) in the case of a criminal or administrative proceeding, had reasonable grounds for believing that the individual's conduct was lawful.

8.05 Mandatory Indemnity

An individual referred to in 8.04 is entitled to indemnity from the Co-operative for the costs, charges and expenses referred to in 8.04, if the individual:

- (a) was judged by the Court not to have committed any fault or omitted to do anything that the individual ought to have done;
- (b) fulfills the conditions of 8.04(b); and
- (c) is fairly and reasonably entitled to indemnity.

8.06 Derivative Actions and Cost Advances

The Co-operative, in accordance with and as specified in the Act, may advance money to an individual referred to in 8.04 for the costs of a proceeding referred to in 8.04, but the individual must repay the money if the Court determines that the individual did not fulfill

the conditions of 8.04(b), unless the directors decide by ordinary resolution that the individual need not repay the money.

8.07 Insurance

Subject to the Act, the Co-operative may purchase and maintain insurance for the benefit of any individual referred to in 8.04 in amounts the board, from time to time, determines appropriate.

8.08 Dissent

- (a) A director who votes for or expressly consents to a resolution or action taken at a meeting of directors or of a committee is not entitled to dissent later.
- (b) A director who is present at a meeting of directors or a meeting of a committee is deemed to have consented to any resolution made or action taken at the meeting unless:
 - (i) the director requests that a dissent be entered in the minutes of the meeting. The dissent is so entered;
 - (ii) the director sends a written dissent to the secretary of the meeting before it is adjourned; or
 - (iii) immediately after the meeting is adjourned, the director sends a written dissent by confirmed delivery service, or delivers it personally, to the registered office of the Co-operative.
- (c) A director who was not present at a meeting of directors or a meeting of a committee is deemed to have consented to any resolution made or action taken at the meeting unless, within seven days after circulation of the resolution or action, the director:
 - (i) causes a dissent to be entered in the minutes of the meeting; or
 - (ii) sends a written dissent by confirmed delivery service, or delivers it personally, to the registered office of the Co-operative.

9. Allocation of Revenues

9.01 General Reserve Fund

- (a) The minimum amount that the Co-operative must transfer to its general reserve fund in each financial year is 10% of the Co-operative's surplus in that financial year. The Co-operative is entitled to transfer more to its general reserve fund if its directors choose to do so via an ordinary resolution.
- (b) If the Co-operative's general reserve fund is below 10% of its total assets, as shown on its last annual audited financial statement, the Co-operative must transfer from its surplus to its general reserve fund before it allocates any surplus to its members.

9.02 Deficits and Return on Capital

- (a) After the Co-operative has transferred the required amounts to its general reserve fund as specified in 9.01, but before it distributes any patronage return to its members, the Co-operative must use the remainder of its surplus to first retire all or a portion of the Co-operative's deficits previously incurred, as the board determines is appropriate.
- (b) After providing for deficits as specified in 9.02(a), the Co-operative may pay, out of the surplus of the Co-operative, dividends on the membership shares up to the rate determined by the directors, but in no event greater than the rate, if any, specified in the articles.

9.03 Allocation to Members

After providing for the matters specified in 9.01 and for income tax, the Co-operative may allocate among and credit or pay to the members the surplus in a financial year in proportion to the business done by the members with the Co-operative in that financial year, calculated by the board in the manner specified in 9.04 and at a rate set by the board.

9.04 Computation of Business Done

The directors may calculate the amount of the business done by each member with the Co-operative in a financial year by taking into account:

- (a) The quantity, quality, kind and value of things sold by the Co-operative; or
- (b) The services rendered by the Co-operative to the member;

With appropriate differences that are, in the opinion of the directors, appropriate for the different classes, grades or qualities of things and services.

9.05 Patronage Return Applied to Shares

In each financial year of the Co-operative, the whole of the patronage return of each member shall be applied to purchase on behalf of the member additional membership shares of the Co-operative.

9.06 Notice

The Board of Directors for North Central Cooperative Association Ltd. will look to the Province of Alberta *Cooperatives Act* for directive in regards to notice.

9.07 Redemption of Membership Shares by the Co-operative

Subject to 2.20, the Co-operative may annually return equity to the members by application of patronage allocation credited to the members, according to the following priorities:

- (a) To the estates of individual members, notice of whose death the Co-operative has received;
- (b) To individual members who have reached the age of 65 years the Co-operative will not reduce the number of shares held by that member below the minimum number of

shares required for membership under bylaw 2.04;

- (c) To individual members who have permanently moved their residence out of the trading area or corporate members who have permanently moved their registered office out of the trading area;
- (d) To the remaining members according to a formula as determined from time to time by the board, but the Co-operative will not reduce the number of shares held by any member below the minimum number of shares required for membership under bylaw 2.04;
- (e) To members who have withdrawn for other reasons including, but not limited to:
 - (i) liquidation and dissolution, or receivership, of a member that is an entity;
 - (ii) bankruptcy of the member; and
 - (iii) compassionate reasons, as determined by the board.

9.08 Deficits

- (a) If the calculation of surplus in accordance with the Act produces a negative amount, this amount shall be the deficit of the Co-operative for that financial year.
- (b) The Co-operative shall carry forward the deficit and deduct it from surpluses accruing in subsequent financial years of the Co-operative, or charge the deficit against the general reserve fund, or charge part of the deficit against the general reserve fund and carry forward the balance, as the board determines appropriate.

10. Notices

10.01 Method of Giving Notice to Members, etc.

- (a) This section applies to any notice (including, but not limited to, any communication or document) to be given, sent, delivered or served according to the Act, the regulations, the articles, the bylaws, or otherwise to a member, director, officer, auditor, or a member of a committee.
- (b) Except for notice of meetings of members, the procedure for which is specified in 4.06, any notice is sufficiently given if delivered personally to the person to whom it is given, or if delivered to the person's recorded address, or if mailed to the person at the person's recorded address by prepaid ordinary or air mail, or if sent to the person's recorded address by means of prepaid electronic means.
- (c) A notice delivered in the manner specified in 10.01(b) is deemed to have been given when it is delivered personally or when it is delivered to the recorded address.
- (d) A notice mailed in the manner specified in 10.01(b) is deemed to have been received 10 days after it was sent, unless there is reasonable grounds to believe that the person did not receive the notice or document at that time or at all.
- (e) A notice may be sent or given electronically if:
 - (i) the recipient asks or agrees to receive it electronically;



- (ii) in the case of an electronic notice that does not involve direct delivery to the recipient, the recipient is informed directly without delay of the availability of the document, notice or other information and where it may be found or how it may be accessed; and the method of sending or giving permits the recipient to have easy access to the document, notice or information and to retain it in a permanent form.
- (f) A notice sent or given electronically is deemed to have been received at the time the notice is sent electronically.
- (g) The Co-operative may change or cause to be changed the recorded address of any member, director, officer, auditor or member of a committee in accordance with any information believed by the Co-operative to be reliable.

10.02 Method of Giving Notices to the Co-operative

- (a) A notice is required to be sent to or served upon the Co-operative may be sent to or served on the registered office of the Co-operative shown in the last notice of registered office filed with the Director.
- (b) A notice given in the manner specified in 10.02(a) is deemed to have been received 7 days after it was sent, unless there are reasonable grounds to believe that the Co-operative did not receive the notice or document at that time or at all.

10.03 Computation of Time

In computing the date when the notice must be given under any provisions requiring a specified number of days` notice of any meeting or other event, the date of giving notice shall be excluded and the date of the meeting or other event shall be included.

10.04 Undelivered Notices

If any notice sent by the Co-operative is returned on two consecutive occasions because the member cannot be found, the Co-operative is not required to send any further notices or documents to that member until the Co-operative is informed in writing of the member`s new address.

10.05 Omissions and Errors

The accidental omission to give any notice to any member, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance of it does not invalidate any action taken at any meeting held pursuant to that notice or otherwise founded on that notice.

10.06 Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death of a member, or any other means becomes entitled to any membership share or membership in the Co-operative, is bound

by every notice in respect of the membership share or membership in the Co-operative that has been duly given to the member from whom that person derives title to the share or membership before the person's name and address were entered on the members' register (whether the notice was given before or after the happening of the event that entitled that person to the share or membership) and before the person furnished the Co-operative with the proof of authority or evidence of the person's entitlement as specified by the Act.

10.07 Waiver of Notice

Subject to these bylaws, when a notice or document is required to be sent by the Act, the regulations, the articles, the bylaws or otherwise, the sending of the notice or document may be waived or the time for sending of the notice or document may be waived at any time with the written consent of the person who is entitled to it.

11. Effective Date, Amendment and Repeal

11.01 Amendment, Repeal and Replacement

- (a) The board, by ordinary resolution, may make or amend a bylaw of the Co-operative in the manner provided for in the Act.
- (b) The members of the Co-operative may make, amend, repeal, or replace a bylaw by ordinary resolution, but only if written notice of the proposed bylaw, amendment, repeal or replacement has been provided to the members with the notice of meeting at which the bylaw, amendment, repeal or replacement is considered.
- (c) The notice of the proposed bylaw, amendment, repeal or replacement required in (b) must contain the text of the resolution that contains the proposed bylaw, amendment, repeal or replacement, or, if the text is too long to be included in the notice, the notice must contain a statement in sufficient detail to permit the recipient to form a reasoned judgement about the resolution and a statement that the full text of the resolution is available at any business location of the Co-operative.
- (d) A member may make a proposal to make, amend or repeal a bylaw in the manner set out in the regulations.

11.02 Effective Date

- (a) A bylaw or an amendment to a bylaw enacted by the board is effective from:
 - (i) the day the bylaw or the amendment is made; or
 - (ii) any later date specified in the bylaw or amendment, or in the resolution adopting either of them;
- (b) Until it is confirmed by a meeting of members, with or without amendments, as specified in the Act, or until it is repealed by a member of members, as specified in the Act.



- (c) A bylaw or an amendment, repeal, or replacement of a bylaw enacted by the members is effective from:
 - (i) the day the bylaw or the amendment, repeal or replacement is made; or
 - (ii) any later date specified in the bylaw or the amendment, repeal or replacement, or in the resolution adopting any of them.