

BY-LAW NO. 1

A by-law relating generally to the conduct
of the business and affairs of

BERRY RD FOOD CO-OPERATIVE INC.

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BE IT ENACTED as a by-law of the BERRY RD FOOD CO-OPERATIVE INC. as follows:

ARTICLE 1 - DEFINITIONS

- 1.1 “**AGM**” refers to the Annual General Meeting of the Co-Operative;
- 1.2 “**Articles**” means the Certificate and Articles of Incorporation, as amended from time to time;
- 1.3 “**Community Partners**” – organizations located in or outside of Ontario in Canada that share some of the social goals of the Co-Operative;
- 1.4 “**Consumers**” – individuals who use the services provided by the Co-Operative including buying the products, taking advantage of educational opportunities and making use of the café;
- 1.5 “**Co-Operative**” refers to Berry Rd Food Co-Operative Inc.;
- 1.6 “**Board of Directors**” or the “**Board**” means the board of directors of the Co-Operative and “**director**” means a member of the Board of Directors;
- 1.7 “**by-laws**” means this by-law and all other by-laws, of the Co-Operative, as amended from time to time and which are, from time to time, in force and effect;
- 1.8 “**Act**” means the *Co-operative Corporations Act* (Ontario), including the Regulations made pursuant thereto, and any statute or regulations substituted therefor, as amended from time to time;
- 1.9 “**Coordinator**” refers to the Co-Operative Food Hub/Store *Coordinator*;
- 1.10 “**Entity**” means a corporation, a trust, a partnership, a fund or an unincorporated organization;
- 1.11 “**Identity**” of the Co-Operative is a collectively owned social enterprise and as such refers to all the members who are the owners of the organization;
- 1.12 “**member**” refers to a member of the Co-Operative and as further defined in Article 3 herein;
- 1.13 “**Producer**” is primarily a small scale, sustainable, local (Ontario) individually, collectively or cooperatively owned producer of food products;
- 1.14 “**resident Canadian**” means a Canadian citizen or person lawfully admitted to Canada for a permanent residence, who is ordinarily resident in Canada;
- 1.15 “**special resolution**” means a resolution that is not effective until it is,

- (a) passed by all of the directors of the Co-Operative; and
 - (b) confirmed, with or without variation, by at least two-thirds of the votes cast at a general meeting of the members of the Co-Operative duly called for that purpose;
- 1.16 “**Superintendent**” means the Superintendent of Financial Services appointed under the *Financial Services Commission of Ontario Act, 1997*;
- “**telephonic or electronic means**” means telephone calls or messages, facsimile messages, electronic mail, transmission of data or information through automated touch-tone telephone systems, transmission of data or information through computer networks, any other similar means or any other prescribed means;
- 1.17 “**Worker**” is an individual who is a full-time employee of the Co-Operative; and
- 1.18 “**Workers Council**” refers to workers representatives elected from departmental teams to represent workers in the day-to-day operations of the Co-Operative.

ARTICLE 2 - GENERAL

- 2.1 **Head Office:** The head office of Co-Operative shall be located at the City of Toronto, Ontario. The directors of the Co-Operative may by resolution change the location of the head office within a municipality or geographic township and shall, within ten (10) days of passing the resolution, file with the Superintendent a notice of such change. The municipality or geographic township in which the head office of the Co-Operative is located may be changed by by-law to another place in Ontario. The Co-Operative shall, within ten days after a by-law has been passed by the directors and confirmed by the members changing the municipality or geographic township, file a certified copy of the by-law with the Superintendent.
- 2.2 **Corporate Seal:** The corporate seal of the Co-Operative shall have inscribed thereon the words “BERRY RD FOOD CO-OPERATIVE INC.” and the seal impressed in the margin of these by-laws is hereby adopted as the corporate seal of the Co-Operative.
- 2.3 **Objectives:** The Co-Operative's primary objective is to provide healthy and culturally appropriate food through a co-operative process. Without limiting the generality of the above objective, the Co-Operative will work to promote the following objectives:
- (a) **Democratic Ownership:**
 - (i) Create a culture of democratic ownership through the education of members in the skills of participation and co-operative decision-making and through the involvement of members in key decision-making; and

- (ii) Value each class of members equally and actively promote the creative resolution of competing values and interests.
- (b) **Health and Environment:**
- (i) Conduct meetings, conferences, workshops, courses and other events that contribute to an increased awareness of the geographic, economic, social, political, and environmental elements of the food system; and
 - (ii) Encourage the use of ecological and sustainable farming practices.
- (c) **Civic Engagement:**
- (i) Promote awareness of the food system and encourage members of the public and other organizations to become involved in activities protecting or enhancing food sustainability; and
 - (ii) Ensuring a safe and supportive work environment for Co-Operative employees and volunteers.
- (d) **Economy:**
- (i) Support research and participate in alternative forms of food system development and food provision;
 - (ii) Encourage the development of small scale, sustainable farming;
 - (iii) Increase the financial viability of farming by ensuring the Co-Operative pays fair remuneration for all products;
 - (iv) Operate in a manner that will sustain the food hub and general Co-Operative operations; and
 - (v) Encourage and support the creation of new co-operatives and other, similar social enterprises.
- (e) **International Co-Operative Principles:**
- The Co-Operative supports and promotes the International Co-Operative Principles as defined by the *International Co-Operative Alliance* including:
- (i) **Voluntary and Open Membership** – allowing all persons willing to accept the responsibilities of membership to be able to use the services of the Co-Operative;
 - (ii) **Democratic Member Control** – providing for members to actively participate in setting their policies and making decisions;

- (iii) **Member Economic Participation** – providing for members to contribute equally to, and democratically control, the capital of the Co-Operative;
- (iv) **Autonomy and Independence** – providing for an autonomous, self-help organization controlled by the members;
- (v) **Education, Training and Information** – providing for education and training for its members, elected representatives, managers, and employees so they can contribute effectively to the development of the Co-Operative;
- (vi) **Co-operation among Co-Operatives** – by working together with other co-operatives through local, national, regional and international structures to strengthen the Co-Operative movement; and
- (vii) **Concern for community** – by working for the sustainable development of their communities through policies approved by the members of the Co-Operative.

2.4 **Purpose:** The purpose of the Co-Operative is as follows:

- (a) The Co-Operative is a non-profit Co-Operative that serves to increase production, availability, and consumption of locally-grown food products in the Etobicoke area of West Toronto;
- (b) The Co-Operative shall empower its Producers, Consumers, Workers and Community Partners in Etobicoke to provide themselves with reasonable and fair compensation (producers), a living wage (workers), and healthy, local (where possible) fair trade foods and other grocery products at fair prices (consumers) within the limits imposed by the market based food system;
- (c) The Co-Operative will bring members together to make key decisions about the operations of the Co-Operative in a participatory, democratic and transparent manner; and
- (d) The Co-Operative shall endeavour to help individuals and organizations in other Toronto neighbourhoods to start and operate co-operatives similar to the Co-Operative.

2.5 **Affairs:** The affairs of the Co-Operative will be governed by and conducted in accordance with the Act. Certain provisions of that Act relate to various matters not dealt with in the by-laws of the Co-Operative and should be consulted where appropriate. If any conflict arises between the mandatory provisions of the Act and the by-laws of the Co-Operative, such provisions of the Act shall govern.

2.6 **Records:** The following records (“**Records**”) shall be kept at the head office of the Co-Operative:

- (a) the Act;
- (b) the Articles;
- (c) the by-laws;
- (d) all resolutions passed by directors and members, including special resolutions, and all minutes of meetings of members, directors and any executive or other committee;
- (e) a register of members including all persons who are or have been within ten (10) years registered as members of the Co-Operative and their addresses, including the street and number, if any, of every such person while a member;
- (f) a register of directors which sets out the names and residence addresses, including the street and number, if any, of all persons who are or who have been directors of the Co-Operative with the several dates on which they have become or ceased to be directors;
- (g) all persons who are or who have been holders of debt obligations other than debt obligations in bearer form of the Co-Operative and the address, including the street and number, if any, of every such person while a holder in which are set out the principal amount of the debt obligations held by such holder; and
- (h) all accounting records in which are set out all financial and other transactions of the Co-Operative including without limiting the generality of the foregoing, records of,
 - (i) all sums of money received and disbursed by the Co-Operative and the matters with respect to which receipt and disbursement took place,
 - (ii) all sales and purchases of the Co-Operative;
 - (iii) the assets and liabilities of the Co-Operative; and
 - (iv) all other transactions affecting the financial position of the Co-Operative.

The Records shall be available for examination by any director during normal business hours for purposes consistent with the good faith and rights and responsibilities of such director in the Co-Operative, including such records which will enable such director to ascertain quarterly with reasonable accuracy the financial position of the Co-Operative.

The Records shall be available for examination by members and creditors or their agents or personal representatives, with the exception of accounting records, resolutions of the directors and minutes of proceedings at meetings of

directors or any executive committee, during normal business hours, and any of them may make extracts therefrom.

Notwithstanding the above, any member, creditor or their agents or personal representatives, may examine any records of the Co-Operative, and make extracts thereof, upon the approval of the directors of the Co-Operative.

ARTICLE 3 - MEMBERSHIP

- 3.1 **Categories of Membership:** Members in the Co-Operative shall consist of four equal categories: Consumers, Workers, Producers and Community Partners. The Co-Operative is a collective social enterprise owned by all members and as such the categories reflect only the governance structure and not the ownership structure.
- 3.2 **Qualifications for Membership:**
- (a) The Board of Directors may admit as a member a person who:
 - (i) is an employee, user, or a Community Partner of the Co-Operative;
 - (ii) is a Producer;
 - (iii) supports the objectives and purposes of the Co-Operative as set out in Sections 2.3 and 2.4 herein;
 - (iv) has paid or is paying the membership fees as required; and
 - (v) is sixteen (16) years of age or older.
 - (b) The Board of Directors may also choose to admit as a member of the Co-Operative, other co-operatives, private businesses, government agencies, social enterprises, or non-government organizations (NGOs). Such members shall have the same status and rights as an individual or Consumer member and shall meet the same requirements.
 - (c) The Board of Directors shall reserve the right to admit members to the various member categories based on exceptional circumstances or criteria.
 - (d) There shall be a probationary period of thirty (30) days from the date a new member joins the Co-Operative and when they become eligible as a permanent member of the Co-Operative with the ability to vote at members meetings, in Board of Directors elections, or to be nominated for a Board of Directors' position.
- 3.3 **Application for Membership:** Application to become a member of the Co-Operative shall be in writing to the Board of Directors or pursuant to an

application form provided by the Co-Operative. The Board of Directors shall approve all applications for membership in the Co-Operative.

3.4 **Rejection of Application for Membership:** The directors shall have the right to reject any application for membership in the Co-Operative and shall provide such applicant with a written explanation of such rejection.

3.5 **Benefits of Membership:** Members shall enjoy the benefits of membership as shall be determined from time to time by the Board of Directors.

Transfer of Membership: Membership shall not be transferable.

3.6 **Withdrawal of a Membership:** A member of the Co-Operative may withdraw from membership by giving to the Secretary two (2) months' notice of her/his intention to withdraw. A Worker member may only withdraw from membership if she/he also terminates her/his employment effective the same date.

3.7 **Deceased Member:** A deceased member shall be deemed to have given notice of her or his intention to withdraw from the Co-Operative on the day of her or his death.

3.8 **Expulsion of Member:** A member of the Co-Operative may be expelled from the membership by resolution of the Board of Directors passed by a majority of the directors not later than thirty (30) days before the date set for the annual meeting of the Co-Operative. A resolution passed in this regard is not valid unless:

- (a) prior written notice is given to the member setting forth the grounds upon which it is sought to expel the member;
- (b) notice is given to the member ten (10) days or more before the date of the meeting of the Board of Directors called to consider the resolution expelling that member; and
- (c) an opportunity is given to the member to appear, either personally or by a person authorized under the *Law Society Act* (Ontario) to represent the member, to make submissions at the meeting of the board of directors called to consider the resolution expelling the member.

3.9 **Grounds for Expulsion of a Member:** A member may be expelled on the following grounds:

- (a) If the member no longer meets the membership qualifications; and
- (b) Such other grounds as the Board of Directors in their discretion determines.

3.10 **Notice of Decision of Expulsion of a Member:** The Secretary of the Co-Operative shall, within five (5) days of the date of the meeting of the Board of Directors pursuant to which a member has been expelled, notify the member of

the decision of the Board of Directors by a letter address to the member at the member's latest known address, which letter shall be sent by registered mail.

- 3.11 **Right to Appeal of Expelled Member**: Where a resolution expelling a Member is passed, the Member may appeal the decision of the Board of Directors at the next annual or general meeting of the members and the Members by majority vote may confirm, vary or set aside the resolution.
- 3.12 **Notice of Appeal of Expelled Member**: A member who wishes to appeal her or his expulsion at the next annual or general meeting of the members shall give written notice of his or her intention to appeal within twenty-one (21) days of receipt of the notice of expulsion and the Board of Directors shall, if written representations are received seven (7) or more days before notice of the meeting of the annual or general meeting is sent, at the expense of the Co-Operative, forward with the notice of meeting a copy of such representations to each member.
- 3.13 **Statement of Non-Discrimination**: The Co-Operative shall not discriminate on the basis of race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, gender identity, gender expression, age, marital status, family status or disability.
- 3.14 **Refund of Member Loans on Termination of Membership**: Upon the termination of a membership, the Co-Operative shall, within six (6) months of the receipt thereof, refund any outstanding loan given by a member to the Co-Operative in the manner, and at the times required pursuant to provisions of the Act. Any member may give notice to the Co-Operative to retain all or some of the member's loans in the Co-Operative but such election shall not entitle the member to remain a member of the Co-Operative.
- 3.15 **Agreement to Comply with By-Laws**: Upon becoming a member of the Co-Operative, a person is deemed to have entered into an agreement with the Co-Operative to comply with and be bound by the by-laws of the Co-Operative, as amended from time to time.
- 3.16 **Confidentiality**: Upon being admitted to membership in the Co-Operative, members are deemed to have entered into a confidentiality agreement with the Co-Operative and shall not disclose to third parties any information pertaining to the Co-Operative which, directly or indirectly,
- (a) could be prejudicial to the interests of the Co-Operative;
 - (b) could place the Co-Operative at a competitive disadvantage with respect to existing or potential competitors; or
 - (c) could cause material damage to the reputation or image of the Co-Operative or the Co-Operative's products;

except for information which is generally known, other than as a result of a disclosure in breach of this section, is rightfully in the possession of a member prior to the date when the information was disclosed to the member by the Co-

Operative, or becomes available to the member on a non-confidential basis from a source which is not prohibited from disclosing such information by a legal, contractual or fiduciary obligation.

ARTICLE 4 - EMPLOYEES AND WORKERS OF THE CO-OPERATIVE

- 4.1 **Employee Statute Requirements:** The Co-Operative shall at all times govern itself in accordance with the requirements of the *Employers and Employees Act* (Ontario) and the *Employment Standards Act* (Ontario).
- 4.2 **Non-Members on Contract:** The Co-Operative shall not contract out work normally performed by its members to non-members or non-employees, for a period greater than three (3) months in any fiscal year, without the prior approval of at least two-thirds (2/3rd) of the Board of Directors.
- 4.3 **Volunteer Work:** The Co-Operative values volunteer labour as an expression of commitment to the Co-Operative and of the relationship between ownership, labour and community. The Co-Operative shall actively encourage all members to volunteer for the Co-Operative and shall recognize such labour as setting an example for all Co-Operative members.

ARTICLE 5 - MEETINGS OF MEMBERS

- 5.1 **Location of Meetings:** Meetings of the members may be held at any place within the province of Ontario.
- 5.2 **Meeting by Electronic Means:** A meeting of the members of the Co-Operative may be held by telephone or electronic means and a member who, through those means, votes at the meeting or establishes a communication link to the meeting is deemed to be present at the meeting.
- 5.3 **Annual Meetings:** The annual meeting of the members shall be held within six (6) months of the fiscal year end, and within fifteen (15) months of any previous annual meetings. The date, time, and location of the annual meeting shall be fixed by the Board of Directors. The annual meeting shall be held for the purpose of electing the directors, receiving the financial statements and any auditor's report thereon, and the transaction of any other business which may properly be brought before an annual meeting of the members. Any member shall have the opportunity to raise any matter relevant to the affairs and business of the Corporation, however, no item should be raised which will require the members to vote, except for procedural points and points of order.
- 5.4 **General Meetings:** General meetings of the members may be called by the Board of Directors or a minimum of five per cent (5%) of the members may requisition the directors to call a general meeting.
- 5.5 **Requisition by Members:** A requisition by the members to the directors to hold a members meeting shall state the general nature of the business to be presented at the meeting and shall be signed by the requisitionists and deposited

at the head office of the Co-Op. Upon deposit of the requisition, the Board of Directors shall forthwith call a general meeting of the members for the transaction of the business stated in the requisition. If the directors do not, within thirty (30) days from the date of deposit of the requisition call and hold the meeting, any of the requisitionists may call the meeting, which shall be held within sixty (60) days from the date of the deposit of the requisition.

- 5.6 **Business Transacted at General Meetings:** At a general meeting of the members called pursuant to section 5.4 above only the business stated in the notice calling such a meeting may be transacted.
- 5.7 **Persons Entitled to be Present** - The only persons entitled to be present at a meeting of members shall be those entitled to vote thereat, the directors and the auditor of the Corporation and such other persons who are entitled or required under any provision of the Act, articles or by-laws of the Corporation to be present at the meeting. Any other person may be admitted only on the invitation of the chairperson of the meeting or with the consent of the meeting.
- 5.8 **Notice of Meetings:**
- Notice of the time and place of a meeting of members shall be sent not less than ten (10) days and not more than fifty (50) days before the date of the meeting:
- (a) to each member (according to the records of the Corporation at the close of business on the day preceding the giving of the notice);
 - (b) to each director; and
 - (c) to the auditor of the Corporation.
- 5.9 **Auditor May Attend:** The auditor of the Co-Operative is entitled to attend any meeting of the members of the Co-Operative and to receive all notices and other communications relating to any such meeting that a member is entitled to receive, and to be heard at any such meeting that the auditor attends on any part of the business of the meeting that concerns the auditor as auditor of the Co-Operative. Any member of the Co-Operative may by notice in writing to the Co-Operative given five (5) days or more before any meeting of members, require the attendance of the auditor at such meeting.
- 5.10 **Invalidation of Proceedings:** When notice is received generally by the members, the accidental omission to give notice to any member thereof or the non-receipt of any notice by any member thereof shall not invalidate any resolution passed or any proceedings taken at such meeting.
- 5.11 **Waiver of Notice:** Notwithstanding anything contained in these by-laws, no notice of any annual or general meeting of the members shall be necessary:

- (a) where all the members entitled to vote at such a meeting are present in person, and in the case of an annual meeting, consent to the transaction of the business, or in the case of a general meeting, consent to the transaction of the business for which such meeting is being held; or
 - (b) where all members entitled to vote at such meeting who are not present either before or after the meeting waive in writing notice of the meeting, or in the case of a general meeting, notice of the meeting and the purpose for which it is being held.
- 5.12 **One Member One Vote:** Each member, who is not a probationary member at the time of a meeting, is entitled to one and only one vote on any matter requiring membership voting.
- 5.13 **Proxies:** Voting by proxy shall not be permitted at members meetings. A member of the Co-Operative which is a corporation, may appoint one of its directors or officers to attend and vote on its behalf.
- 5.14 **Voting:** All questions proposed for the consideration arising at any meeting of the members shall be decided by a simple majority. The Chairperson of the meeting shall not have a casting vote.
- 5.15 **Quorum:** A quorum for any meeting of the members shall be the lesser of five per cent (5%) of the members or forty (40) members. No business shall be transacted at any meeting unless the requisite quorum is present.
- 5.16 **Absence of Quorum:** If at any meeting of the members, other than requisitioned meetings, a quorum is not present within thirty (30) minutes of the time for which the meeting is called, the presiding officer shall adjourn the meeting to a date not less than seven (7) and not more than fifteen (15) days thereafter. Notice of the reconvened meeting shall be given by the Secretary at least five (5) days previous to the date of the meeting. The decisions of the reconvened meeting shall be binding upon the Co-Operative provided that a quorum is present. In the case of a requisitioned meeting of the members, if a quorum is not present within thirty (30) minutes of the time for which the meeting is called, the meeting shall be dissolved.
- 5.17 **Presiding Officer:** The Chairperson, if there is one, or the President or other designee, as determined by the Board of Directors, shall act as Chairperson at membership meetings. However, if at a meeting the Board's designee is not present within fifteen (15) minutes after the time appointed for the holding of the meeting, the members present shall choose a person from their number to be the Chairperson, provided a quorum is present.

ARTICLE 6 - BOARD OF DIRECTORS

- 6.1 **Powers:** The business of the Co-Operative shall be under the direction and control of a board of directors who may exercise all such powers and may do all such acts and things as may be exercised or done by the Co-Operative and are

not by the by-laws of the Co-Operative or by statute expressly directed or required to be done by the Co-Operative at a meeting of the members.

- 6.2 **Qualifications:** The qualifications of each director shall be as follows:
- (a) She/he must be at least eighteen (18) years of age;
 - (b) She/he shall not be an undischarged bankrupt or person who is incapable of managing property within the meaning of the *Substitute Decisions Act, 1992* (Ontario) and a director who becomes bankrupt or incapable of managing property must cease to be a director; and
 - (c) She/he does not have to be a member of the Co-Operative or a director, officer, shareholder, member of a corporate member of the Co-Operative;
- 6.3 **Resident Canadians:** A majority of the Board of Directors must be resident Canadians.
- 6.4 **Consent to Act:** A person who is elected or appointed a director is not a director unless:
- (a) the person was present at the meeting when he or she was elected or appointed and did not refuse at the meeting to act as a director; or
 - (b) where the person was not present at the meeting when he or she was elected or appointed, the person consented to act as a director of the Co-Operative in writing before his or her election or appointment or within ten (10) days thereafter.
- 6.5 **Number of Directors:** The number of directors of the Corporation shall be a minimum of five (5) and a maximum of twelve (12). The number of directors of the Co-Operative, within the minimum and maximum number, shall be determined by a special resolution or, if authorized by special resolution, by a resolution of the directors.
- 6.6 **Election and Size:**
- (a) Directors shall be elected for a term of two (2) years arranged so that one-third (1/3) of the Directors are elected each year.
 - (b) The election of new or renewing directors shall take place yearly at a general meeting of the members. If an election of directors is not held within the prescribed period, the current directors continue in office until their successors are elected.
 - (c) Directors shall be eligible for re-election upon completion of their term, and the maximum number of consecutive terms a director may serve is **three (3)** .

- (d) Notwithstanding the above, no director shall be elected for a term of more than five (5) years and at least two (2) directors shall retire from office in each year.
- (e) The members of each category of membership shall elect at least one (1) director and a maximum of three (3) Directors each year.
- (f) Every member entitled to vote at an election of directors, if the member votes, shall cast at the election a number of votes equal to the number of directors to be elected, and the member shall distribute the votes among the candidates in such manner as the member sees fit, but no candidate shall receive more than one vote from each member.

6.7 **Nominations**: Nominations shall be on an individual basis and the chairperson shall not accept a blanket motion to elect directors until after nominations have been closed. At any annual or general meeting called for the purpose of electing directors, nominations may be made from the floor. The Co-Operative shall request a call for candidates forty-five (45) days before the annual meeting. The Co-Operative shall endeavour to provide all members, through email and the website, with a profile of all candidates nominated at least thirty (30) days prior to the AGM.

6.8 **Vacation of Office**: The office of a director shall be vacated:

- (a) if she/he ceases to have the necessary qualifications for office;
- (b) if she/he is absent without leave of the directors for three (3) consecutive regular meetings of the directors. In such case the director shall be given written notice by the Board that the director did not have leave and thus will cease to be a director. In this case the director shall have ten (10) days to respond.
- (c) if by notice in writing to the Co-Operative she/he resigns her/his office; or
- (d) if by resolution passed by a majority of the votes cast at a general meeting of the members duly called for that purpose, she/he is removed from office.

6.9 **Vacancy**: Whenever any vacancy occurs on the Board of Directors, provided a quorum of directors remains in office, the directors may appoint a director to fill such vacancy, to serve for a term ending on the date of the next annual general meeting. Where there is not a quorum of directors in office when a vacancy occurs, the directors then in office shall forthwith call a general meeting of the members to fill the vacancy. Where a vacancy occurs upon an increase in the number of directors of the Co-Operative, the vacancy shall be filled by election at a general meeting of the members duly called for that purpose.

ARTICLE 7 - DIRECTORS MEETINGS

- 7.1 **Meetings of Directors:** Regular meetings of the directors shall be held as often as the business of the Co-Operative may require but in any event not less than every four months.
- 7.2 **Place of Meeting and Notice:** Meetings of the directors may be held either at the head office of the Co-Operative or elsewhere within or outside Ontario as the directors from time to time may determine, but in any financial year of the Co-Operative a majority of the meetings shall be held at a place within Canada. A meeting of the directors may be convened by the President or any three directors at any time. Notice of such meeting shall be delivered, or mailed or e-mailed or faxed or telephoned to each director not less than seven (7) days (exclusive of the day on which notice is delivered, mailed, faxed or telephoned, but inclusive of the day for which the notice is given) before the meeting is to take place; provided meetings of the directors may be held at any time without formal notice if all the directors are present or those absent have waived notice or have signified their consent in writing to the meeting being held in their absence. Notice of any meeting or any irregularity in any meeting or notice thereof may be waived by a director.
- In the case of the first meeting of the directors to be held immediately following an annual meeting, or in the case of a director elected to fill a vacancy of the Board, it shall not be necessary to give notice of such a meeting to the newly elected director or directors in order to legally constitute the meeting, provided that a quorum of directors is present.
- 7.3 **Quorum:** A majority of the number of directors authorized shall constitute a quorum at any meeting of the directors but in no case shall a quorum be less than two-fifths of the Board of Directors. No business shall be transacted unless a majority of the directors in attendance constituting the quorum are resident Canadians.
- 7.4 **Voting:** Resolutions and motions arising at any meeting of the Board of Directors shall be decided by simple majority vote. The Chairperson of the meeting shall not have a casting vote.
- 7.5 **Remuneration:** The directors shall serve without remuneration for their work as directors. However, the directors may be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the Board or any committee thereof or incurred by them as directors in connection with the business of the Co-Operative. Nothing herein contained shall preclude any director from serving the Co-Operative in any other capacity and receiving remuneration therefore where approved by the Board of Directors.
- 7.6 **Executive Committee:** Where the number of directors is more than six, the directors may elect from among their number an executive committee consisting of not fewer than three (3) of whom a majority shall be resident Canadians, and

may delegate to the executive committee any powers of the Board of Directors, subject to the restrictions, if any, imposed from time to time by the directors.

- 7.7 **Quorum at Executive Committee Meeting:** A majority of the executive committee shall constitute a quorum but no business shall be transacted unless a majority of the quorum are resident Canadians.
- 7.8 **Telephone Meetings:** If all directors of the Co-Operative consent thereto generally or in respect of a particular meeting, a director may participate in a meeting of the Board of Directors or of a committee of the Board of Directors by means of such telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other, simultaneously and instantaneously, and a director participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the Board and of committees of the Board. If a majority of the directors participating in a meeting so held are then in Canada, the meeting shall be deemed to have been held in Canada.
- 7.9 **Adjourned Meeting:** Notice of an adjourned meeting of the directors is not required if the time and place of the adjourned meeting is announced at the original meeting.
- 7.10 **Regular Meetings:** The directors may, by resolution, appoint a day or days in any month or months for regular meetings of the Board at a place and hour named. A copy of any such resolution shall be sent to each director after it has passed, and no other notice shall be required for any such regular meeting. Regular meetings may occur in person or, where agreed to by a majority of the Board members, electronically either on-line or via telephone.
- 7.11 **Conflict of Interest:** A director of the Co-Operative who is a party to, or has a material interest in any person who is a party to, a material contract or transaction or proposed material contract or transaction with the Co-Operative, unless the subject of the contract or transaction is of a type available to all members of the Co-Operative, shall:
- (a) disclose to the Co-Operative the nature and extent of her/his interest at the time and in the manner provided by the Act;
 - (b) shall abstain from discussion of and shall not vote on any resolution to approve such a material contract or transaction except as provided by the Act; and
 - (c) shall not attend or otherwise participate in any portion of a meeting of the Board of Directors at which the Board is considering engaging such director in any capacity for remuneration, other than in her or his capacity as a director of the Co-Operative.
- 7.12 **Deemed Material Interest:** For the purposes of section 7.11 above, and without limiting its generality, a director shall be deemed to have a material interest in a

party if, where the party is a corporation, the director is a director or officer of that corporation or beneficially owns, directly or indirectly, securities holding more than ten per cent of the voting rights of that corporation, or, where the party is a natural person, if the director is the spouse, parent, son, daughter, brother or sister, or close relative of such party.

- 7.13 **Member Attendance at Board Meeting:** Members shall reserve the right to attend Board meetings provided they give seven (7) days' notice of their intention to do so. Members may observe all portions of a Board meeting with exception of in-camera sessions. Members shall refrain from speaking during a Board meeting unless given prior permission to do so.

ARTICLE 8 - CO-OPERATIVE STRUCTURE AND ORGANIZATION

- 8.1 **Executive Director:** The Board of Directors shall employ an Executive Director who shall not be one of the directors of the Co-Operative. By the authority of the Board of Directors, the Executive Director shall have full authority to manage and direct the affairs of the Cooperative (except such matters and duties as by law must be transacted or performed by the directors or by the members at a general meeting) as determined by the Board. The Executive Director shall be responsible for employment, discharge, and fixing of wages or salaries of temporary agents and employees of the Cooperative, pursuant to the terms of a Human Resources policy, or such other duties and responsibilities as may be determined by the Board of Directors. The Executive Director shall report to the Board of Directors and/or the Executive Committee if applicable and at all reasonable times shall give to the directors, or any of them, all information they require regarding the affairs of the Co-Operative.
- 8.2 **Human Resources Committee:** A Human Resources Committee shall be formed consisting of the Executive Director and two Board members, one of which must be a director appointed by the Workers member category and the other being appointed by a non-worker member category. The committee will oversee all hirings, terminations, and disciplinary actions. The Human Resources Committee shall report to the Board of Directors. A quorum for Human Resources Committee meetings shall be three (3).

ARTICLE 9 - RELATIONSHIP WITH OTHER CO-OPERATIVES

- 9.1 **Membership in other Co-Operatives:** The Co-Operative may belong to the following Co-Operatives: Ontario Natural Food Co-Operative, Ontario Co-Operative Association, Canadian Co-Operative Association, and Canadian Worker Co-Operative Federation. Further, the Co-Operative may choose, from time to time, to join other Co-Operatives.
- 9.2 **Creation of Other Co-Operatives:** The Co-Operative shall make all reasonable efforts to support other individuals and organizations in the creation of Co-Operatives similar to the Co-Operative.

- 9.3 **Co-Operatives in Developing Countries and Regions:** The Co-Operative shall build relationships of solidarity with Co-Operatives in developing countries and regions whenever feasible and possible.

ARTICLE 10 - OFFICERS

- 10.1 **Election and Appointment:** The directors shall annually or as often as may be required, appoint a President, Secretary and Treasurer. The President of the Corporation must be a director of the Co-Operative. The directors may annually or as often as may be required appoint a Chairperson, any number of Vice-Presidents, a Treasurer or any other officers. The Chairperson must be a director of the Corporation. Any two of the aforesaid offices may be held by the same person, except those of the President and Vice President. In the case and whenever the same person holds the office of Secretary and Treasurer, she/he may, but need not be known as the Secretary-Treasurer. A vote of the majority of the directors shall be necessary for the election of the said officers. The directors may from time to time elect or appoint such other officers and agents as they shall deem necessary whom shall have such authority and shall perform such duties as the directors from time to time shall prescribe.
- 10.2 **Remuneration:** The remuneration of all officers appointed by the directors shall be determined from time to time by resolution of the directors. The fact that any officer or employee is a director or member of the Co-Operative shall not disqualify her/him from receiving remuneration as may be determined. No officer elected or appointed shall receive remuneration for attending Board meetings, committee meetings or Executive meetings.
- 10.3 **Removal:** All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the directors at any time, with or without cause.
- 10.4 **Delegation:** In the case of the absence or inability to act of the President, Vice President or any other officer of the Co-Operative or for any other reason that the directors may deem sufficient, the directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being, provided that a majority of directors concur therein.
- 10.5 **Duties of the Chairperson:** The Board of Directors may assign the Chairperson any of the powers and duties which, pursuant to the by-laws, are capable of being assigned to the President or any other officer of the Co-Operative. During the absence or disability of the Chairperson, the President shall assume all his powers and duties. The Chairperson shall act as Chairperson of all meetings of the Board of Directors and meetings of members.
- 10.6 **Duties of President:** The President shall, if present and if there is no Chairperson, preside at all meetings of members and directors. She/he shall sign all instruments which require her/his signature and shall perform all duties incident to her/his office and shall have such other powers and duties as may from time to time be assigned to her/him, by the directors.

- 10.7 **Duties of Vice President:** In the absence or disability or refusal to act of the President, the Vice President shall be vested with all the powers and she/he shall perform all the duties of the President.
- 10.8 **Duties of Secretary:** The Secretary shall issue or cause to be issued notices for all meetings of the members and directors when directed to do so, and shall keep or cause to be kept all Records required by section 2.6 of these by-laws. She/he shall perform such other duties as the terms of her/his engagement call for or the directors may from time to time require of her/him.
- 10.9 **Duties of Treasurer:** The Treasurer or some other officer specifically charged with the duty shall have the care and custody of all the funds and securities of the Co-Operative and shall cause such funds and securities to be deposited in the name of the Co-Operative in such credit union(s), bank(s), or with such depository(ies) as the directors may direct. She/he shall keep or cause to be kept proper accounting records in accordance with the Act. She/he shall at all reasonable times exhibit her/his books and accounts to any director upon application at the office of the Co-Operative during business hours. She/he shall sign or countersign such instruments as require her/his signature and shall perform all duties or cause to be performed all duties incident to her/his office or that are properly required of her/him by the directors. She/he shall be required to give or cause to be given such bond as the directors in their uncontrolled discretion may require and no director shall be liable for failure to require any bond or for the insufficiency of any bond or for any loss by reason of the failure of the Co-Operative to receive any indemnity thereby provided.
- 10.10 **Vacancy:** If one or more of the offices held by any officer of the Co-Operative shall become vacant by reason of death, resignation, disqualification or otherwise, the directors by resolution may elect or appoint an officer to fill such vacancy.
- 10.11 **Reports:** The President, Secretary and Treasurer, and/or other officers appointed by the Board of Directors shall report regularly and at such frequency as the Board may require from time to time including providing the Board of Directors with any reports, financial statements or other documents requiring the review of the Board.

ARTICLE 11 - INDEMNIFICATION OF DIRECTORS AND OFFICERS

- 11.1 **Indemnity:** Subject to section 11.2 of these by-laws, every director and officer of the Co-Operative, a former director or officer of the Co-Operative or a person who acts or acted at the Co-Operative's request as a director or officer or a person acting in a similar capacity, of another Entity, and her/his heirs, executors, administrators and legal personal representatives, shall be indemnified and saved harmless by the Co-Operative from and against,
- (a) any liability and all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment reasonably incurred by her/him in respect of any civil, criminal or administrative action or proceeding to which she or he is made a party by reason of being or

having been a director or officer of the Co-Operative or of having been a director or officer, or acting or having acted in a similar capacity, of another Entity on behalf of the Co-Operative, that she/he sustains or incurs in respect of any action, suit or proceeding that is proposed or commenced against her/him for or in respect of anything done or permitted by her/him in respect of the execution of the duties of office; and

- (b) all other costs, charges and expenses that she/he sustains or incurs in respect of the affairs of the Co-Operative;

provided (i) she or he 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 interests of the Entity for which she or he 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 action or proceeding that is enforced by a monetary penalty, she or he had reasonable grounds for believing that her or his conduct was lawful.

- 11.2 **Insurance:** The Co-Operative will, if affordable, purchase and maintain insurance and/or fidelity bonds for the benefit of its directors and officers, except insurance against a liability, cost, charge or expense of the director or officer incurred as a result of a contravention of the standard of care required of officers and directors by the *Act*.

ARTICLE 12 - AUDITORS

- 12.1 **Appointment and Remuneration:** Subject to section 12.3, the members at each annual meeting shall appoint an auditor who is familiar with the Co-Operative accounting and practice. The auditor when appointed shall hold office until the next annual meeting, and if an appointment is not made, the auditor in office shall continue until a successor is appointed. The directors of the Co-Operative may fill any casual vacancy in the office of auditor.
- 12.2 **Remuneration of Auditor:** The remuneration of the auditor shall be fixed by the Board of Directors.
- 12.3 **Exemption from Appointment of an Auditor:** A Co-Operative is exempt from appointing an auditor in a given year if:

- (a) the Co-Operative has fewer than fifty-one (51) members; and
- (b) none of the following, as shown on the financial statement of the Co-Operative for the preceding year, exceed the prescribed maximums as set out in the Regulations to the Act, for an audit exemption:
 - (i) capital;
 - (ii) assets;
 - (iii) gross revenue or sales; and
- (c) no government grant or subsidy that the Co-Operative receives has a condition requiring the Co-Operative to be audited.

If the Co-Operative meets the requirements above, the Co-Operative shall be exempt from the appointment of an auditor if it:

- (i) has fifteen (15) members or less and all the members consent in writing to the exemption; or
- (ii) has more than fifteen (15) members but fewer than fifty-one (51) members and the exemption is approved by a special resolution.

- 12.4 **Notice of Appointment:** The Co-Operative shall give notice in writing to the auditor of its appointment.

Disqualified Auditors: No person shall be appointed or act as an auditor of the Co-Operative who is a director, officer or employee, or who has been, during the two years immediately preceding the proposed date of the person's appointment as auditor, a director, officer or employee of the Co-Operative or who is a partner, employer or employee of such director, officer or employee or who is a related person to any director or officer of the Co-Operative. No person shall be appointed to act as an auditor of the Co-Operative if the person or any partner or employer of or related person to the person transacts a material amount of business with the Co-Operative.

- 12.5 **Removal of Auditor:** The members of the Co-Operative may by resolution passed by a majority of the votes cast at a general meeting, remove an auditor before the expiration of the auditor's term of office and shall appoint another auditor for the remainder of the term. The Co-Operative shall give the auditor at least fifteen (15) days before notice of the meeting is sent (a) written notice of the intention to call the meeting specifying the proposed date for sending notice; and (b) a copy of all material proposed to be sent to the members in connection with the meeting.

- 12.6 **Access to Books and Information:** The auditor shall at all reasonable times have access to the books, accounts and vouchers of the Co-Operative and may require from the directors and officers such information and explanations as may be necessary for the performance of her/his duties.

- 12.7 **Report**: The auditor or the Treasurer, if requested by the members, shall make a report on the financial statements to be laid before the Co-Operative at each annual meeting during her/his term of office and shall state in her/his report whether in her/his opinion the financial statements referred to therein presents fairly the financial position of the Co-Operative and the results of its operation for the period under review.
- 12.8 **Audit Committee**: The directors of the Co-Operative may elect annually from among their number a committee to be known as the audit committee which shall be composed of not fewer than three directors, of whom a majority shall not be officers or employees of the Co-Operative. The members of the audit committee shall elect a chair from among their number. The audit committee shall have the right to determine its quorum for the transaction of business at any meeting. If the Co-Operative has an Audit Committee, it shall submit the financial statements of the Co-Operative to the Audit Committee for its review prior to submitting the financial statements to the directors for approval.

ARTICLE 13 - CHEQUES, DRAFTS AND NOTES

- 13.1 **Cheques, Drafts, Etc.**: All cheques, drafts or other orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers or person or persons whether or not officers of the Co-Operative and in such manner as the directors may from time to time designate.

ARTICLE 14 - CUSTODY OF SECURITIES

- 14.1 **Shares and Securities**: All shares and securities owned by the Co-Operative shall be placed for safe keeping (in the name of the Co-Operative) with a credit union, or with such other corporation as may be determined from time to time by the directors.
- 14.2 **Surplus**: As a non-profit enterprise, all surplus generated by the Co-Operative shall be allocated to capital expenses and improvements, debt, and community programming. The formula for allocation shall be decided by the Board.

ARTICLE 15 - EXECUTION OF INSTRUMENTS

- 15.1 **Execution of Instruments**: Contracts, documents or instruments in writing requiring the signature of the Co-Operative shall be signed by any two (2) of the directors, officers and/or staff members who have been given signing authority by the directors. All contracts, documents and instruments in writing so signed shall be binding upon the Co-Operative without any further authorization or formality. The directors shall have power from time to time by resolution to appoint any officer or officers, person or persons to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents and instruments in writing on behalf of the Co-Operative.
- 15.2 **Use of Seal**: The seal of the Co-Operative shall be in the custody of the Secretary and may when required, be affixed by her/him or by any officer or

officers, person or persons appointed by resolution of the directors to contracts, documents and instruments in writing signed as aforesaid.

ARTICLE 16 - FISCAL YEAR

- 16.1 **Fiscal Year**: The directors of the Corporation shall determine the financial year end of the Corporation.

ARTICLE 17 - DISSOLUTION

- 17.1 **Dissolution**: In the event of dissolution of the Co-Operative, or upon its conversion to another business form, after payment of all debts and liabilities of the Co-Operative, the remaining property of the Co-Operative shall be distributed or disposed of to non-profit or charity organizations carrying on their activities solely within Canada.

ARTICLE 18 - NOTICES

- 18.1 **Signatures**: The signatures to any notice to be given by the Co-Operative may be written, stamped, typewritten, electronic or printed.
- 18.2 **Method of Giving Notices**: Any notice, communication or other document required to be given by the Corporation to a member, director, officer, member of a committee of the board or auditor of the Corporation pursuant to the Act, the regulations, the articles or by-laws or otherwise shall be sufficiently given to such person if:
- (a) delivered personally to her or him, in which case it shall be deemed to have been given when so delivered;
 - (b) delivered to her or his address as recorded in the Records of the Co-Operative, in which case it shall be deemed to have been given when so delivered;
 - (c) mailed to her or him at the address in the Records by prepaid ordinary mail, in which case it shall be deemed to have been given on the fifth day after it is deposited in a post office or public letter box; or
 - (d) sent to her or him at the address recorded in the Records by telephonic or electronic means; in which case it shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch.
- 18.3 **More Than One Name**: All notices with respect to any loans registered in more than one name shall be given to whichever of the persons is named first in the books of the Co-Operative and notice so given shall be sufficient notice to all holders of such loan.

- 18.4 **Transfer of Loans:** Every person who by operation of law, transfer or by other means whatsoever shall become entitled to any share or loan shall be bound by every notice in respect of such loan which previous to her/his name and address being entered on the books of the Co-Operative was duly given to the person from whom she/he derives her/his title to such loan.

- 18.5 **Where Member is Deceased:** Any notice or document delivered or sent by post or left at the address of any member as the name appears in the books of the Co-Operative shall, notwithstanding that such member be then deceased, and whether or not the Co-Operative has notice of her/his decease, be deemed to have been duly served in respect of the member loan whether held solely or with other persons by such member until some other person be entered in her/his stead in the books of the Co-Operative as the holder or one of the holders thereof and such service shall for all purposes be deemed as sufficient service of such notice or document on her/his heirs, executors or administrators and on all persons, if any, interested with her/him in such loans.

- 18.6 **Certificate of Secretary:** A certificate of the Secretary or other duly authorized officer of the Co-Operative in office at the time of the mailing of the certificate, as to facts in relation to the mailing and delivery of any notice to any member, director or officer or publication of any notice shall be conclusive and binding on every member, director or officer of the Co-Operative as the case may be.

ARTICLE 19 - AMENDMENTS

- 19.1 **Confirmation:** Neither these by-laws nor any by-laws to amend these by-laws are effective until they are passed by the directors and confirmed, with or without variation, by at least two thirds of the votes cast at a general meeting of members of the Co-Operative duly called for that purpose.

ARTICLE 20 - INTERPRETATION

- 20.1 **Interpretation:** In all by-laws of the Co-Operative, the singular shall include the plural and the plural the singular; the masculine shall include the feminine and the feminine the masculine and the word "person" shall include firms and corporations. Whenever reference is made in this by-law to any statute or section thereof, such reference shall be deemed to extend and apply to any amendment to said statute or section, as the case may be.

THE FOREGOING BY-LAW is hereby enacted by the directors and confirmed by the members of the Co-Operative pursuant to the requirements of the *Co-Operative Corporations Act* (Ontario) on the _____ day of _____, 2016.

President

Secretary