



**CALGARY CO-OP**

***Calgary Co-operative Association Limited***

**Bylaws**

***(Cooperatives Act and Regulations)***

**(Approved by Members at the annual meeting held on  
18 February 2003; amended 21 February 2004, 12 March 2008,  
9 March 2011, 7 March 2012, 26 March 2015, 7 April 2016, 5 April 2018,  
7 April 2022, 20 April 2023, 11 April 2024)**

# *Calgary Co-operative Association Limited*

## **Bylaws**

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# Calgary Co-operative Association Limited

## Bylaws

### BYLAWS

The following bylaws constitute the Bylaws of Calgary Co-operative Association Limited (hereinafter called the “~~Co-op~~Co-op”), as amended on April ~~711~~, 20224.

### General

#### 1. Interpretation

##### 1.01 Definitions

In these Bylaws, unless otherwise specified herein or the context otherwise requires:

- (a) “Act” means the *Cooperatives Act* of Alberta, and any statute that may be substituted therefor, including the regulations thereunder, as from time to time amended;
- (b) “Adult Interdependent Partner” means an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* of Alberta, and any statute that may be substituted therefor, including the regulations thereunder, as from time to time amended;
- (c) “Adult Interdependent Relationship” means an adult interdependent relationship within the meaning of the *Adult Interdependent Relationships Act* of Alberta, and any statute that may be substituted therefor, including the regulations thereunder, as from time to time amended;
- (d) “Board” and “Directors” means the board of directors of the Co-op;
- (e) “Business Day” means any day other than a Saturday, Sunday or statutory holiday in the Province of Alberta;
- (f) “Bylaw” means and includes these Bylaws and any special bylaw of the Co-op, from time to time, in force and effect;
- (g) “Co-op Code of Conduct” means any code of ethics and/or code of conduct now or hereafter adopted by the Co-op as amended or supplemented from time to time;
- (h) ~~(g)~~ “Director” means a member of the Board;

- (i) ~~(h)~~ “Employee” means an employee of the Co-op or of a subsidiary or associate of the Co-op.
- (j) ~~(i)~~ “Individual” means a natural person;
- (k) ~~(j)~~ “Member-Owner” means an individual who has purchased a Co-op membership;
- (l) ~~(k)~~ “Member-Owner Meeting” means an annual or special meeting of the Member-Owners;
- (m) ~~(l)~~ “Membership Share” mean an ordinary membership share of the Co-op;
- (n) ~~(m)~~ “Minor” means an individual under the age of eighteen;
- (o) ~~(n)~~ “Officer” means Officer as defined in the Act;
- (p) ~~(o)~~ “Ordinary Resolution” means a resolution that is submitted to a Member-Owner Meeting or a meeting of Directors and passed at the meeting by a majority of votes cast;
- (q) ~~(p)~~ “Patronage Return” means an amount that the Directors allocate among and credits or pays to Member-Owners, based on the business done by that Member-Owner with the Co-op;
- (r) ~~(q)~~ “Regulations” means regulations passed under, and amended from time to time pursuant to, the Act;
- (s) ~~(r)~~ “Relative” means any Individual generally recognized as related to any other Individual by reason of blood, marriage, or adoption or by virtue of an Adult Interdependent Relationship;
- (t) ~~(s)~~ “Special Resolution” means a resolution that is submitted to a Member-Owner Meeting or a meeting of Directors and passed at the meeting by at least two-thirds of the votes cast;
- (u) ~~(t)~~ “Spouse” means an Individual who is the spouse of another by legal marriage and who cohabits with that other Individual;
- (v) ~~(u)~~ “Trading Area” means the Province of Alberta; and
- (w) ~~(v)~~ “Year” in relation to a Director's term of office means the period from one annual meeting to the subsequent annual meeting.

## 1.02 Gender and Number

Whenever in these Bylaws the context so requires (including in any defined terms), the singular shall include the plural and vice versa and any gender used herein shall be deemed to include the feminine, masculine and neuter.

## 1.03 Conflicts with the Act and Regulations

These Bylaws are in all respects subordinate to the Act and Regulations, and shall not be interpreted as permitting any action that is prohibited by the Act or the Regulations. Whenever these Bylaws are more restrictive than the requirements of the Act or Regulations, the restrictions of these Bylaws shall bind the Co-op and the Member-Owners.

## 2. Objects of the Co-op

### 2.01 The objects of the Co-op are:

- (a) to provide products and services that enhance the economic and cultural welfare of its Member-Owners and the community; and
- (b) to associate and network with other co-operatives to promote the co-operative model of business.

## 3. Membership

### 3.01 Membership Class

There is one class of membership shares. Joint membership, as provided for in paragraph 3.02, is permitted. No person may hold more than one membership, whether alone or as the holder of a joint membership.

### 3.02 Joint Membership

- (a) Two persons may apply to be joint holders of a membership.
- (b) Any notice to the joint holders of a membership is sufficient if given, in the manner specified in paragraph 4.06 or 7.01, to one of the joint holders.
- (c) The business that the joint holders of a membership do with the Co-op in a financial year is deemed to be business that the joint membership has done in that year.
- (d) Each Member-Owner who holds a joint membership has one vote on all matters to be decided by the Member-Owners.

- (e) The signature, on a written resolution, of any one of the persons who are joint holders of a membership is sufficient signature for both of the joint holders of that membership.
- (f) An application for withdrawal or transfer by a joint membership must be in writing and signed by both holders or the surviving holder of the joint membership.
- (g) If the Co-op receives proof satisfactory to it that one of the joint holders of a membership has died, it may treat the surviving joint holder as the holder of the membership.
- (h) The death of one of the joint holders of a membership does not have the same effect as a notice of withdrawal.
- (i) Only one individual of the joint holders of a membership is entitled to be a Director at any one time.

### 3.03 Membership Requirements and Qualifications

Membership in the Co-op is open to any Individual or entity, who meets the obligations of membership and who:

- (a) in the case of an Individual, is 15 years of age or older;
- (b) purchases, as a condition of membership, at least one Membership Share; and
- (c) submits to the Co-op:
  - (i) an application for membership in the form approved by the Directors for that purpose; and
  - (ii) payment for the Membership Share(s) required under paragraph 3.03(b).

### 3.04 Approval of Application

- (a) The Directors may approve, refuse, or postpone consideration of an application for membership.
- (b) The Directors may delegate the powers in paragraph 3.04(a) to one or more Officers or Member-Owners.
- (c) Membership is effective on the day that the application is approved.

### 3.05 Rights and Obligations

- (a) The rights and obligations of Member-Owners are as set out in the Act, the Regulations, articles, and these Bylaws.

- (b) Each Member-Owner, including each Member-Owner who holds a joint membership, has one vote on all matters to be decided by the Member-Owners.
- (c) If requested by a Member-Owner, the Co-op shall provide a statement of the number of Membership Shares held by that Member-Owner.
- (d) A Member-Owner must be willing and able to accept the responsibilities of and abide by the terms of membership.
- (e) A Member-Owner is expected to support and promote the Co-op.
- (f) A Member-Owner is bound by the articles and Bylaws as if they formed a contract between the Member-Owner and the Co-op.
- (g) Member-Owners and creditors of the Co-op, or their legal representatives, during the usual business hours of the Co-op may examine the following records:
  - (i) the articles and Bylaws;
  - (ii) the minutes of Member-Owner Meetings;
  - (iii) copies of all notices of who is a Director and notices of change of Directors; and
  - (iv) the 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.
- (h) Requested extracts of the records provided in paragraph 3.05(g) shall be made available free of charge and copies shall be provided on payment of a reasonable fee.

### 3.06 Transfer of Membership Shares

- (a) Membership Shares may be transferred in the method approved by the Directors.
- (b) A transfer of a Membership Share is valid if it is approved by the Directors or by those authorized by the Directors.

### 3.07 Withdrawal of Member-Owners

- (a) A membership may be voluntarily withdrawn by written application, in a form approved by the Directors, and the Co-op will redeem the Member-Owner's Membership Shares, if the Member-Owner:
  - (i) no longer resides in the Trading Area, or in the case of a joint membership, when both holders of a joint membership no longer reside in the Trading Area;



- (ii) is deceased, except as provided for in paragraph 3.02(g) in the case of joint holders of a membership;
  - (iii) has reached the age sixty-five, or in the case of joint holders of a membership, when both holders have reached the age of sixty-five; or
  - (iv) makes a request in any other circumstances;
- and such application is approved by the Directors.

- (b) Subject to paragraph 3.02(h), notice to the Co-op of the death or bankruptcy of an Individual Member-Owner has the same force and effect as a notice of intention to withdraw.
- (c) The withdrawal of a Member-Owner is effective on the date on which the notice of request is approved by the Directors.
- (d) Subject to paragraph 3.07(a), where a Member-Owner withdraws from membership, the Co-op shall, not later than one year after the effective date of the withdrawal, redeem all Membership Shares held by the Member-Owner, unless the Co-op would not then be permitted to redeem the Membership Shares under the Act.

### 3.08 Termination

- (a) The Directors, by Special Resolution, may terminate the membership of a Member-Owner.
- (b) Within ten days after the date on which the Directors make a decision to terminate the membership of a Member-Owner, the Co-op must give written notice of the termination, and the reasons for it to the person whose membership has been terminated.
- (c) The effective date of a termination is one day after the Member-Owner receives the notice.
- (d) Within thirty days after receiving notice of termination of membership, the Member-Owner may give to the Co-op written notice of intent to appeal the decision of the Directors at the next Member-Owner Meeting.
- (e) If a Member-Owner gives written notice to appeal, the Member-Owner remains a Member-Owner until the appeal is determined.
- (f) If a Member-Owner appeals a termination of membership, a vote by Ordinary Resolution must be taken at the next Member-Owner Meeting as to whether the membership should be terminated as of the effective date referred to in paragraph 3.08(c).

- (g) Notwithstanding any other provision in the Bylaws, the Co-op may terminate the membership of a Member-Owner by written notice, if the Member-Owner has failed for at least two consecutive years, to transact any business with the Co-op.
- (h) A person whose membership has been terminated by the Directors may be readmitted to membership by a Special Resolution of the Directors after a period of not less than one year from the effective date of the termination, provided that with the application for readmission reasonable evidence that the circumstances that caused the termination have been overcome accompanies the application.
- (i) A person whose membership has been terminated by the Member-Owners may be readmitted to membership by a Special Resolution of the Member-Owners after a period of not less than two years from the effective date of the termination, provided that with the application for readmission reasonable evidence that the circumstances that caused the termination have been overcome accompanies the application.
- (j) Where the membership of a Member-Owner is terminated, the Co-op, no later than one year after the effective date of the termination, shall redeem all Membership Shares held by the Member-Owner, unless the Co-op is permitted to delay the redemption of the Membership Shares under the Act.

### 3.09 Member-Owner Lists

- (a) Member-Owners and their legal representatives, in accordance with this paragraph 3.09, may request in writing that the Co-op provide them with a list of Member-Owners.
- (b) A request for the list under paragraph 3.09(a) must be accompanied by:
  - (i) a reasonable fee set by the Co-op;
  - (ii) the name and address of the person making the request; and
  - (iii) an undertaking that:
    - (A) the list of Member-Owners will not be used except in connection with (1) an effort to influence voting of Member-Owners or (2) any other matter specifically relating to the affairs of the Co-op; and
    - (B) the person making the request will not disseminate, distribute or disclose the list of Member-Owners other than in connection with paragraph 3.09(b)(iii)(A).
- (c) A list requested pursuant to paragraph 3.09(a) shall be provided not later than ten (10) days after receipt of a complete and valid application.
- (d) A Member-Owner may advise the Co-op in writing not to include that person's name on the list referred to in paragraph 3.09(a), in which case that name is to be

deleted from the list and notice shall be provided on the list that the list is incomplete.

#### **4. Member-Owner Meetings**

##### 4.01 Annual Meetings

- (a) The annual meeting will be held within six months of the financial year-end.
- (b) All matters dealt with at an annual meeting are special business, except the following, which are matters of ordinary business:
  - (i) reports of financial matters and consideration of financial statements;
  - (ii) an auditor's report and consideration of that report;
  - (iii) any aspect concerning the election of Directors;
  - (iv) reports of the Directors, Officers, committees and management and consideration of those reports;
  - (v) the remuneration of Directors;
  - (vi) appointment of an auditor;
  - (vii) the minutes of and consideration of the minutes of the previous annual meeting or any special meeting;
  - (viii) reports on policy matters and consideration of policy resolutions; and
  - (ix) any unfinished business arising from the previous annual meeting and any unfinished business from a meeting that was adjourned.

##### 4.02 Special Meetings

The Directors may call a special meeting at any time.

##### 4.03 Requisition of Special Meeting

- (a) Two or more Member-Owners, who together hold at least five percent of the voting rights that could be exercised at a meeting of Member-Owners, may requisition the Directors to call a special meeting.
- (b) A requisitioned special meeting must be called for and held in accordance with the Act.

#### 4.04 Time and Place of Meetings

Member-Owner Meetings shall be held at the time and place in Alberta as determined by the Directors.

#### 4.05 Record Date

- (a) The record date for each Member-Owner Meeting is the final day of the preceding financial year.
- (b) Only those Member-Owners whose names have been entered on the Member-Owner register by the record date are entitled to vote at the Member-Owner Meeting and in the election of Directors.
- (c) The record date, if any, to determine the persons entitled to receive payment of a patronage return, or for any other purpose, is the day fixed by the Directors, which must be not more than sixty days before the particular action is to be taken.

#### 4.06 Notice of Meetings

- (a) Notice of the date, time and place of a Member-Owner Meeting must be given not less than ten and not more than sixty days before the date of the Member-Owner Meeting to each person entitled to vote at the Member-Owner Meeting, to each Director, and, in the case of an annual meeting, to the auditor.
- (b) Notice of the date, time and place of each Member-Owner Meeting shall be given by:
  - (i) posting the notice at the registered office and centres of the Co-op, and on its website; and
  - (ii) publishing the notice at least once in a newspaper having a general circulation in the Co-op's Trading Area.
- (c) A notice of a Member-Owner Meeting to consider ordinary business need not contain any reference to that ordinary business in the notice.
- (d) If a Member-Owner Meeting has been called for any purpose other than ordinary business, the notice of the meeting must state the nature of that business in sufficient detail to permit the recipient to form a reasoned judgement about that business.
- (e) If a Special Resolution is to be considered at a Member-Owner Meeting, the notice of the Member-Owner 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 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 on the website of the Co-op, or a hard copy may be obtained from customer service at any food centre.

- (f) Failure to receive a notice does not deprive a Member-Owner of the right to vote at a Member-Owner Meeting.
- (g) A Member-Owner may, in any manner, waive notice of or otherwise consent to a Member-Owner Meeting.
- (h) Attendance at a Member-Owner Meeting is a waiver of notice of the Member-Owner Meeting, except when a person attends the Member-Owner Meeting for the express purpose of objecting to the transaction of any business on the grounds that the Member-Owner Meeting is not lawfully called.

#### 4.07 Chair and Secretary

- (a) The Directors may appoint Individuals, who need not be Member-Owners, to chair and to act as secretary at any Member-Owner Meeting.
- (b) If the Directors do not appoint Individuals to chair and act as secretary at the Member-Owner Meeting, the Member-Owners present at the Member-Owner Meeting shall appoint Individuals, who need not be Member-Owners, to chair and act as secretary of the Member-Owner Meeting.

#### 4.08 Electronic Attendance

If authorized by the Board, a Member-Owner Meeting may be held partially or entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, and if a person participates in a meeting in this way, that person is to be considered to be present at the meeting.

#### 4.09 Quorum

One-tenth of Member-Owners or fifty Member-Owners, whichever is the lesser, constitutes a quorum for a Member-Owner Meeting.

#### 4.10 Proposals

- (a) A Member-Owner may submit notice in writing to the Co-op of any matter that the Member-Owner proposes to raise at an annual meeting.
- (b) Except as otherwise provided in these Bylaws, notice in writing of a proposal shall be submitted to the Board Secretary of the Co-op, or designate of the Board, 15 days prior to commencement of an annual meeting.
- (c) A proposal by a Director or Member-Owner to amend the articles of incorporation shall be submitted in writing before the end of the financial year preceding the

financial year in which the next annual meeting of the Member-Owners is to be held, and shall comply with the Act and Regulations.

- (d) A proposal submitted after the date specified in paragraph 4.10(c), in any given year, will not be attached to or accompany the notice of an annual meeting.
- (e) A proposal submitted prior to the date specified in paragraph 4.10(c), considering the nature and length of the proposal, in any given year, may be attached to or accompany the notice of a Member-Owner Meeting.
- (f) A Member-Owner may briefly discuss any matter at an annual meeting even if a proposal, or notice of a proposal, has not been submitted, if the matter to be discussed concerns a subject that the Member-Owner would have been entitled to submit as a proposal.

#### 4.11 Voting

- (a) Each Member-Owner, including each Member-Owner who holds a joint membership, has one vote on all matters to be decided by the Member-Owners.
- (b) At any Member-Owner Meeting, unless otherwise required by the Act, the articles, or these Bylaws, every question shall be determined by Ordinary Resolution.
- (c) Except for the election of Directors, the procedure for which is specified in paragraph 5.07, and subject to paragraph 4.11(d), any question at a Member-Owner Meeting shall be decided by a show of hands or by electronic voting.
- (d) A question to be decided, or that has been voted on by a show of hands or by electronic voting, may be voted on by ballot if the Member-Owners so decide by Ordinary Resolution.
- (e) Whenever a vote has been taken by a show of hands or by electronic voting, the chair of the meeting is entitled to declare that the vote on the question has been carried, or carried by a particular majority, or not carried, and an entry to that effect in the minutes of the meeting is *prima facie* evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the motion or other proceeding in respect of the question, and the result of the vote taken is the decision of the Member-Owners on the question.

## 5. Directors and Officers

### 5.01 Number of Directors

The Board will consist of nine Directors, three being elected each year.

## 5.02 Term of Office

- (a) Except as set out in paragraphs 5.02(c) and 5.02(e), a Director who is re-elected or who is elected to replace one whose term of office has expired holds office for three years, or until his or her successor is elected.
- (b) A Director appointed by the Board to fill a vacancy holds office until the next annual meeting of Member-Owners.
- (c) A Director elected to fill a vacancy holds office for the unexpired term of the Director's predecessor in office.
- (d) Subject to paragraph 5.02(e), retiring Directors, if qualified, are eligible for re-election.
- (e) A Director, regardless of the date he or she was first elected to the Board, may only serve a total of three elected terms.

## 5.03 Functions of Directors

The Directors shall manage or supervise the management of the business and affairs of the Co-op, subject to the Act, the Regulations, the Articles, and these Bylaws.

## 5.04 Duties of Directors and Officers

- (a) Every Director and Officer, in exercising his/her powers and discharging his/her duties shall:
  - (i) act honestly and in good faith with a view to the best interests of the Co-op; and
  - (ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- (b) Every Director and Officer shall comply with the Act, the Regulations, the articles, these Bylaws and all other statutes and regulations applicable to the management of the Co-op, [including the Co-op Code of Conduct](#).
- (c) No provision in a contract, the articles, these Bylaws, or a resolution relieves Directors or Officers from complying with the Act and the Regulations or relieves them from liability for breach of that duty.

## 5.05 Qualifications of Board Members

- (a) Subject to paragraph 5.02(e), a Member-Owner may be elected and continue to serve on the Board only if and for so long as the Member-Owner is not disqualified from assuming the role of, or continuing as, Director under the Act and:

- (i) has been a Member-Owner in good standing for at least two years immediately prior to being elected as Director;
  - (ii) as Member-Owner, whether alone or as the holder of a joint membership, has made purchases from the Co-op in the immediate preceding fiscal year of at least \$31,600; (not recommended by the Board)
  - (iii) resides within the Trading Area;
  - (iv) is not employed by, and is not a director of, a retailer or other business which competes with the Co-op, as determined by the Board;
  - (v) is not a Spouse, Adult Interdependent Partner, Relative of, or holder of a joint membership with, an Individual who is a Director or Employee of the Co-op or a subsidiary or associate of the Co-op;
  - (vi) is not an Employee;
  - (vii) has not been found guilty of a criminal or quasi-criminal offence under a law of Alberta or Canada, including the *Criminal Code*, or any similar laws, in other jurisdictions in and outside Canada, for which a pardon has not been granted;
  - (viii) does not have any business or other interests or business or personal relationships that could, in the opinion of the Board, materially interfere with the ability of the Member-Owner to act objectively with a view to the best interests of the Co-op;
  - (ix) has not had a judgement against him or her in a civil claim based on fraud, theft, deceit, misrepresentation, civil conspiracy, breach of trust, breach of fiduciary duty, insider trading, failure to disclose material facts or changes, or similar conduct;
  - (x) is not involved in any litigation against the Co-op;
  - (xi) has not been prohibited from becoming, or removed as, a Director of an organization; and
  - (xii) if a member of a professional body, has not, during the previous five years, been involuntarily prohibited or restricted from practising as a member of that profession.
- (b) Any Member-Owner who would otherwise be qualified to become a Director under this Section 5.05, excepting that such Member-Owner does not qualify under paragraph 5.05(a)(i) or 5.05(a)(ii), or both, is deemed eligible to become a Director if:



- (i) the Spouse or Adult Interdependent Partner of such Member-Owner is fully qualified under this Section 5.05; and
- (ii) such Member-Owner is added as a joint holder of the membership with their Spouse or Adult Interdependent Partner on the Member-Owner register by the record date preceding the next Member-Owner Meeting,

but in such case only one may stand for election as, or continue to serve as, Director.

- (c) A Member-Owner may be nominated for office of Director notwithstanding he or she is then an Employee or an employee of Federated Co-operatives Limited or the subsidiaries of either, but the Member-Owner may not assume the office of Director if at the time elected, such Member-Owner remains an employee of any of them.

#### 5.06 Nominating Procedure

A nominee to become a Director must be nominated in writing on the form provided by the Directors for this purpose. Nominations must be signed by a minimum of five Member-Owners and be received by the Board Secretary of the Co-op, or designate of the Board, no later than 4:30 p.m. on a date to be determined by the Directors prior to the annual meeting, but not earlier than November 1.

#### 5.07 Voting Procedure

- (a) Subject to paragraph 5.07(b)(ii), voting for the election of Directors may take place by means of voting as determined by the Directors.
- (b) The following procedures shall apply to the election of Directors:
  - (i) Member-Owners shall elect Directors in all circumstances provided for in the Act, the Regulations, and these Bylaws;
  - (ii) Directors shall be elected by secret ballot if the number of nominees exceeds the number of Directors to be elected;
  - (iii) if the number of nominees is equal to or less than the number of Directors to be elected and the terms are the same, those nominees are declared elected;
  - (iv) the nominee who receives the greatest number of votes at an election of Directors is elected a Director and the other nominees who receive the next greatest number of votes are also elected Directors, in descending order, until the numbers of Directors to be elected have been elected;
  - (v) if the nominees are to be elected for different terms of office, the nominee who receives the greatest number of votes in the election is elected for the longest term and the other nominees 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 have been elected;

- (vi) if nominees are to be elected for different terms of office and the number of nominees is equal to or less than the number of Directors to be elected ballots shall be cast and the provisions of paragraph 5.07(b)(iv) shall apply;
- (vii) where:
  - (A) two or more nominees receive an equal number of votes for the last vacancy on the board; or
  - (B) Directors are to be elected for different terms and two or more nominees receive an equal number of votes for the last position of a particular term and, if required, the term of such nominees;

the Directors whose term of office do not expire at or before the end of the Member-Owner Meeting at which the election is held, will determine by a vote which of the nominees are to be elected; and

- (viii) a ballot that is cast for more than the number of Directors to be elected is considered a spoiled ballot.

#### 5.08 Removal of a Director

- (a) Subject to the Act, the Member-Owners may, by Ordinary Resolution at a special meeting, remove a Director from office.
- (b) The Directors may, by Special Resolution, remove a Director where:
  - (i) the Director fails to attend three consecutive meetings of Directors of which said Director has been duly notified, unless the absence has been explained to the satisfaction of the Directors; or
  - (ii) the Director has been, ~~to the satisfaction of the Directors, proved guilty of disloyalty to Calgary Co-op, or proved guilty of negligence, lack of due diligence, or misconduct~~ found to have breached the Co-op Code of Conduct. .

#### 5.09 Ceasing to Hold Office

A Director ceases to hold office when:

- (a) the Director dies or resigns;
- (b) is removed from office; or

- (c) no longer qualifies as a Director under paragraph 5.05.

#### 5.10 Vacancies

- (a) If there is a vacancy on the Board and there remains a quorum of Directors in office, the Directors are entitled to either:
  - (i) continue to function without filling the vacancy; or
  - (ii) appoint a Director to fill the vacancy.
- (b) Notwithstanding paragraph 5.10(a) the Directors are not entitled to fill a vacancy that is caused by either:
  - (i) an increase in the number or minimum number of Directors required by the articles; or
  - (ii) a failure to elect or appoint the number of Directors required by the articles.
- (c) If the Directors holding office no longer constitute a quorum, the remaining Directors must, without delay, call a special meeting of the Member-Owners to fill the vacancy and if they fail to do so, any person who is entitled to vote at a Member-Owner Meeting may call the special meeting.
- (d) If the Board is vacant, any person who is entitled to vote at a Member-Owner Meeting may call a special meeting to elect Directors to fill the vacancies.

#### 5.11 Quorum

A quorum of Directors is a majority of the number of Directors as provided for in paragraph 5.01.

#### 5.12 Written Resolution

A written resolution of Directors, signed by all Directors entitled to vote on that resolution at a meeting:

- (a) is valid as either an Ordinary Resolution or a Special Resolution; and
- (b) must be kept with the minutes of the meetings of the Directors.

#### 5.13 Electronic Attendance

If authorized by the Board, a Director may attend a meeting of the Directors by any telephonic, electronic or other communication facility means 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.

#### 5.14 Notice of Meeting

- (a) Notice of the date, time and place of each meeting of Directors must be given to each Director:
  - (i) at least five days before the meeting is to be held, if the notice is delivered personally to each Director or by transmitted, electronic or recorded communication; or
  - (ii) at least ten days before the meeting is to be held, if the notice is given by any other method.
- (b) In case of an emergency, the chair of the Board or the vice-chair of the Board is entitled to call a special meeting of Directors by giving each Director at least twelve hours notice by transmitted, electronic, or recorded communication.
- (c) A Director may, in any manner, waive notice of or otherwise consent to a meeting of Directors and attendance at a meeting constitutes waiver of notice unless the Director is attending for the purpose of objecting to the meeting on the ground that it was not lawfully called.

#### 5.15 Notice of Meeting After Adjournment or Annual Meeting

Notice is not required for the continuation of a meeting of Directors that is adjourned or for a meeting that immediately follows an annual meeting.

#### 5.16 Notice for Regular Meetings

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

#### 5.17 Committees

- (a) The Directors may appoint committees and designate the person to chair such committees. Committees may be composed of Directors and non-Directors, and the Directors may delegate to them any of the Director's powers except those that, under the Act, the Directors are prohibited from delegating.

- (b) A majority of Directors appointed to a committee constitute a quorum at any meeting composed solely of Directors.
- (c) A majority of committee members constitute a quorum at any meeting of a committee composed of Directors and non-Directors provided that one of the committee members in attendance is a Director.
- (d) A written resolution signed by all the Directors entitled to vote on that resolution at a meeting of a committee of Directors is as valid as if it had been passed at a meeting of a committee of Directors. Signed resolutions shall be kept with the minutes of the meeting of a committee of Directors.
- (e) If authorized by the Board, a Director may attend a meeting of a committee by any 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.

#### 5.18 Remuneration and Expenses

- (a) Directors shall be paid remuneration for their services at the rates the Member-Owners determine by Ordinary Resolution at the annual meeting held at the commencement of the Year. The remuneration and costs of training and other expenses paid to each Director will be disclosed annually.
- (b) Any proposed changes to Director remuneration shall be included with the Notice of Meeting.
- (c) The Co-op shall reimburse the Directors for travelling and other expenses they have properly incurred in attending meetings of Directors and committees of Directors and for performing other functions authorized from time to time by the Board.

#### 5.19 Appointment, Powers and Duties of Officers

- (a) The Directors shall appoint, from among the Directors, a chair and a vice-chair.
- (b) The Directors may appoint a secretary and other Officers that the Directors determine are necessary.
- (c) Except for the chair and vice-chair, the Officers may, but need not, be Directors.
- (d) One person may hold more than one office.
- (e) The Directors shall specify the powers and duties of the Officers appointed, except that the Directors may not delegate any powers to the Officers that, under the Act, the Directors are prohibited from delegating.

## 5.20 Variations of Powers and Duties

Subject to the Act, Regulations and these Bylaws, the Directors may vary, add to, or limit the powers, duties and responsibilities of any committee or Officer.

## 5.21 Term of Office and Remuneration

- (a) The Directors shall determine the term of office of any Officer they appoint.
- (b) The Directors shall approve the remuneration of any Officer they appoint who is not a Director.
- (c) Each Officer appointed by the Directors holds office until the Officer's successor is appointed, but the Directors, in their discretion, may remove any Officer without prejudice to that Officer's rights under any employment contract.

## 5.22 Disclosure of Interests

The rules relating to Director and Officers' disclosure of interests are those specified in the Act.

## 5.23 Auditor

In the event of a vacancy in the office of auditor, the Directors may appoint an auditor to hold office until the next annual meeting of Member-Owners.

## 5.24 Bonds

The Directors may require the Co-op's Officers, Employees and agents, as the Directors determine appropriate, to furnish bonds for the faithful discharge of their powers and duties, in the form and with the surety that the Directors, from time to time, determine appropriate.

## 5.25 Confidentiality

Directors and Officers 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 unless it is with the consent of the Directors.

## 5.26 Indemnification of Directors and Officers

- (a) The Co-op shall indemnify its Directors and Officers, and their heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a claim reasonably incurred by them in respect of any civil, criminal, administrative, investigative or other action or proceeding to which they are made a party by reason of being a Director or Officer, if

- (i) they acted honestly and in good faith with a view to the best interests of the Co-op; and
  - (ii) in the case of a criminal or administrative action, or proceeding that is enforced by a monetary penalty, they had reasonable grounds for believing that their conduct was lawful.
- (b) An Individual referred to in paragraph 5.26(a) is entitled to indemnity from the Co-op for the costs, charges and expenses referred to if the Individual:
  - (i) was judged by the court not to have committed any fault or omitted to do anything that the individual ought to have done; and
  - (ii) is fairly and reasonably entitled to indemnity.
- (c) The Co-op, in accordance with and as specified in the Act, may advance money to an Individual referred to in paragraph 5.26(a) for the costs of a proceeding, but the Individual must repay the money if the Court determines that the Individual did not fulfil the conditions of paragraphs 5.26(a)(i) and (ii), unless the Member-Owners decide by Ordinary Resolution that the Individual need not repay the money.

#### 5.27 Deemed Consent and Dissent

- (a) 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 or 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-op.
- (b) 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.
- (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 becoming aware 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-op.

## **6. Finance**

### **6.01 Financial Arrangements**

- (a) The financial business of the Co-op 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 Directors designate from time to time.
- (b) The Co-op will transact its financial business or any part of it under agreements, instructions and delegations of powers that the Directors specify or authorize from time to time.

### **6.02 Loans**

- (a) Any Member-Owner may lend the Co-op money under terms and conditions prescribed and approved by the Directors.
- (b) No loan may be made to a Member-Owner, an Officer, or a Director unless approved by a resolution of Member-Owners.

### **6.03 Reserves**

Upon approval of the Directors, the Co-op may allocate surplus funds to retained earnings.

### **6.04 Patronage Returns**

- (a) Patronage returns are allocated to Member-Owners based on their purchases as set out in the records of the Co-op.
- (b) The Directors will determine annually and report to Member-Owners at the annual meeting the patronage return rate(s) and the portion to be allocated to the purchase of shares, and the portion to be credited to Member-Owners as store credit or paid to Member-Owners in cash.
- (c) The Directors shall determine the increase in a Member-Owner's maximum investment in shares in each subsequent financial year and disclose this increase annually.
- (d) The Co-op will annually notify each Member-Owner of the number of membership shares purchased or to be purchased for the Member-Owner, the manner of issuance or transfer of shares and the payment for the shares out of the patronage returns of the Member-Owner. In the case of a jointly held membership, the notice and patronage return, if applicable, shall be jointly



addressed to the holders of the joint membership and sent to them in accordance with the procedure for giving notice stipulated in paragraph 7.01(b).

#### 6.05 Financial Year

The financial year of the Co-op ends on the Saturday nearest to October 31.

### 7. Notice

#### 7.01 Method of Giving Notice

- (a) This section applies to any item, notice or other communication to be given, sent, delivered or served according to the Act, the Regulations, the articles, the Bylaws, or otherwise to a Member-Owner, Director, Officer, auditor, or a Member-Owner of a committee.
- (b) Except for notice of Member-Owner Meeting, the procedure for which is specified in paragraph 4.06, any item, notice or other communication is sufficiently given, sent, delivered or served if delivered personally to the person to whom it is to be 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 electronic means. In the case of a joint membership, any item, notice or other communication is sufficiently given, sent, delivered or served if delivered personally to either holder of the joint membership or if delivered to, mailed by prepaid ordinary or air mail to, or sent by electronic means to the address appearing on the Member-Owner register in respect of the joint membership or, if there is more than one such address, then to the first address as such appears in the records of the Co-op.
- (c) A notice mailed in the manner specified in paragraph 7.01(b) is deemed to have been received five Business Days after it was sent, unless there are reasonable grounds to believe that the person did not receive the notice or document at that time or at all.
- (d) 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
  - (iii) 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.

- (e) A notice sent or given electronically is deemed to have been received no later than one Business Day after it was sent.
- (f) The Co-op may change or cause to be changed the recorded address of any Member-Owner, Director, Officer, auditor or Member-Owner of a committee in accordance with any information believed to be reliable.

#### 7.02 Method of Giving Notice to the Co-op

- (a) A notice required to be sent to or served upon the Co-op may be sent to or served on the registered office of the Co-op shown in the last notice of registered office filed with the Director of Co-operatives of the Province of Alberta.
- (b) A notice given in the manner specified in paragraph 7.02(a) is deemed to have been received seven Business Days after it was sent, unless there are reasonable grounds to believe that the Co-op did not receive the notice or document at that time or at all.

#### 7.03 Undelivered Notices

If any notice sent by the Co-op is returned because the Member-Owner cannot be found, the Co-op is not required to send any further notices or documents to that Member-Owner until the Co-op is informed in writing, by phone, or by electronic means of the Member-Owner's new address.

#### 7.04 Notice in Event of Liquidation

Notice to Member-Owners in the event of liquidation is to comply with the Act.

### **8. Amendment and Effective Date**

#### 8.01 Amendment

- (a) The Directors, by Special Resolution, may make or amend a Bylaw in the manner provided for in the Act.
- (b) A Bylaw, or an amendment to a Bylaw, made by the Directors not confirmed by the Member-Owners at the next Member-Owner Meeting, as required by the Act, is repealed as provided in the Act.
- (c) A Member-Owner may make a proposal to make, amend, or repeal, a Bylaw by Ordinary Resolution, to be considered by the Member-Owners at the next annual meeting, but only if the proposal is submitted in writing to the Co-op before the end of the financial year preceding the financial year in which the annual meeting is to be held.

- (d) A notice of an annual meeting, at which a proposal will be considered concerning the making, amendment or repeal of a Bylaw, shall provide sufficient detail in the notice to permit the recipient to form a reasoned judgement about the proposal.

#### 8.02 Effective Date

- (a) A Bylaw or an amendment to a Bylaw enacted by the Directors comes into force:
  - (i) the day the Bylaw or the amendment is made; or
  - (ii) any later date specified in the Bylaw or the amendment, or in the resolution adopting either of them.
- (b) A Bylaw or an amendment, or repeal of a bylaw enacted by the Member-Owners comes into force:
  - (i) the day the Bylaw or the amendment or repeal is made; or
  - (ii) any later date specified in the Bylaw, the amendment, repeal, or in the resolution adopting any of them.