

Bylaws for Green Cowry Cooperative

1. Interpretation

1.01 Definitions

- a) The “Act” refers to the *Canada Cooperatives Act*.
- b) “Bylaws” refer to these bylaws created by Green Cowry Cooperative (hereafter referred to as the Cooperative).
- c) The “Articles” refer to the articles of incorporation that were filed to create the Cooperative.
- d) The “Board” and “Directors” refer to the Board of Directors of the Cooperative.
- e) “Director” refers to a Member that has been elected to the Board of Directors of the Cooperative.
- f) The “Cooperative” refers to Green Cowry Cooperative.
- g) “Dividends” or “Patronage Returns” refer to dividends or patronage payments declared, by the Board, from time to time and paid to members or shareholders.
- h) A “Member” refers to an individual that has fulfilled the requirements of Membership set by these bylaws and have been approved by the Board of Directors.
- i) An “Ordinary resolution” refers to a resolution that requires a majority of votes to be accepted.
- j) A “Shareholder” refers to an individual that has purchased at least one investment share.
- k) A “Special resolution” refers to a resolution that requires at least a two-thirds majority of the votes cast to be accepted.
- l) The “Regulations” refer to the Canada Cooperatives Regulations.

2. Membership

2.1 Shares of the Cooperative

- a) The Cooperative shall issue an unlimited number of Membership shares with a par value of \$2 apiece.
- b) There shall be a single class of Membership in the Cooperative.
- c) The Cooperative shall issue an unlimited number of investment shares without a par value.

2.2 Qualifications for Membership

- a) Membership in the Cooperative is open to any individual that can use the services of the Cooperative, agree to the mission and values of the Cooperative, and agree to the conditions of Membership set out in the articles, bylaws, and Membership agreement.
- b) Members must submit payment for no less than 50 membership shares with their application for membership.
- c) Members must submit payment for the registration fee upon joining the Cooperative.

- d) Membership in the Cooperative is not active until an application for Membership is approved in accordance with section 2.3.

2.3 Application for Membership

- a) No person may be admitted to Membership in the Cooperative until:
 - i. They have submitted an application for Membership in the form approved by the Board;
 - ii. They have submitted payment required in section 2.02; and
 - iii. The application for Membership has been approved by the Board or a person designated by the Board to approve Membership applications.
- b) Membership is effective on the day that the application is approved.

2.4 Joint Membership

- a) The Cooperative shall not issue joint memberships.

2.5 Rights and Obligations of Members

- a) Members of the Cooperatives shall have the right to:
 - i. One vote on all matters to be decided by the Members;
 - ii. Nominate candidates to or be nominated to serve on the Board;
 - iii. Attend all meetings of the Members of the Cooperative;
 - iv. Receive information concerning the Cooperative;
 - v. Submit resolutions and/or proposals at Members' meetings; and
 - vi. Receive a patronage return pursuant to these bylaws and the Act.
- b) Members of the Cooperative are obligated to:
 - i. Use the Cooperative's services;
 - ii. Purchase at least one investment share as available and authorized by the Board from time to time; and
 - iii. Adhere to these bylaws, the Membership agreement, the regulations, and the Act.

2.6 Withdrawal of Membership

- a) A Member of the Cooperative may withdraw their Membership in the Cooperative by providing six months' notice to the Board.
- b) The withdraw will be effective on the later of the date stated in the notice and the date on which the Cooperative receives the notice.
- c) Subject to the articles and reasonable ability of the Cooperative, after two years of the notice to withdraw, the Cooperative shall redeem all shares held by the Member and repay any loans made to the Cooperative by the Member, together with any interest accrued on those amounts up to the date payment is made.
- d) If the Directors determine that the payment described in subsection (c) would adversely affect the financial well-being of the Cooperative, the payment can take place at a later date as determined by the Board.

- e) The withdrawal of a member does not release the Member from any debt, obligation, or contract to the Cooperative. The Cooperative shall seek to reconcile any monies owed by a withdrawing member within five (5) years.
- f) In the event of a death of the Member, the Member's next of kin shall notify the Board and the same procedure outlined in subsection (c) shall be followed. Payment for the redemption of shares shall be paid to the Member's next of kin.

2.7 Termination of Membership

- a) The Directors may, by special resolution, terminate the Membership of a Member of the Cooperative if:
 - i. The Member has engaged in conduct detrimental to the Cooperative.
 - ii. In the opinion of the Board, based on reasonable grounds, the Member has breached a material condition of an agreement with the Cooperative; and/or
 - iii. The Member has not paid money due to the Cooperative within a reasonable time after receiving written notice to do so.
- b) Once the resolution to terminate is approved, the Board must give notice of the termination within 10 days.
- c) The effective date of the termination is the later of the date specified on the notice and 30 days of the Member's receipt of the notice.
- d) A Member whose Membership has been terminated by the Board may appeal the decision of the Board at the next Members' meeting if the Member provides the Board notice of his/her intention to appeal no more than 30 days after receiving notice of the resolution to terminate.
- e) Notice to appeal the Directors' decision shall not suspend the resolution until the vote of the Members meeting.
- f) The Members may, by ordinary resolution, at a duly called Members' meeting, reverse the resolution of the Board.
- g) If a Member's Membership is terminated the Cooperative must, within two years, pay all monies owed to the Member including any loans to the Cooperative and redeeming any shares held in the Cooperative.

3. Members' Meetings

3.1 Place and Time of Members Meetings

- a) Meetings of the Members of the Cooperative are to be held at a time and place as determined by the Board.
- b) The notice of a Members meeting shall contain the time, date, and location of the meeting in a form determined by the Directors.
- c) The Cooperative may host a members' meeting using electronic means if determined by the directors.
- d) The Cooperative shall host an annual meeting once per year within 6 months of financial year end.

3.2 Special Business

- a) Any special business to be discussed at a members' meeting must be included in the notice of the meeting issued to Members.
- b) The Board may call a special meeting at any time if notice is provided to Members, in accordance with section 3.4, and the special business to be discussed is included in the notice.
- c) The greater of 30% of the Members or 20 Members, may submit a request to the Board to call a special meeting. The purpose of the special meeting must be included in the request to the Board.

3.3 Notice of Meetings

- a) Notice of all Members' meetings must be provided to all Members of the Cooperative not less than 21 days and not more than 50 days before the date of the meeting.
- b) The Board shall determine how notice will be distributed to Members.

3.4 Quorum

- a) Quorum for all Members' meetings shall be the lesser of 20% of the Members or 15 Members of the Cooperative.
- b) If quorum is not present at the open of the meeting the Members must adjourn the meeting and no business can be transacted.

3.5 Voting

- a) Voting at all Members meetings shall be conducted by a show of hands. Voting may be conducted by ballot or electronic means as approved by the Board from time to time.
- b) If five or more Members request that a decision be decided by secret ballot, the Cooperative must accommodate the request.
- c) A resolution that is not approved by a majority shall be defeated.
- d) In the event of a tie, the chair shall cast a deciding vote if they have not already voted.
- e) In the event of a tie and the chair has voted, the resolution is defeated.
- f) Members may appoint a proxy to act in a representative capacity at a meeting of the Cooperative, by executing a form authorised by the Board for that purpose. The form must be executed by the Member and their appointed representative.

3.6 Amending Bylaws

- a) The Members may, by special resolution, amend the bylaws at a duly called Members meeting.
- b) A special resolution amending the bylaws that does not receive the required approval from the Members shall be defeated.
- c) A bylaw or amendment will come into force on the day it is approved by the Members.

4. Directors

4.1 Qualifications of Directors

- a) No Member of the Cooperative is eligible to serve on the Board of Directors if that person is:
 - i. Not an individual.
 - ii. Not a Member of the Cooperative.
 - iii. Less than 18 years old.
 - iv. Is incapable, in accordance with the Act; and
 - v. Party to an undischarged bankruptcy.
 - vi. Willing to adhere to the Directors code of conduct.

4.2 Election of Directors

- a) Directors shall be elected from the Membership.
- b) Director elections shall take place at each annual meeting, unless otherwise required, as determined by the Directors.
- c) Not less than 21 days before the annual meeting, the Cooperative shall issue a call for nominations to the Board of Directors.
- d) Any Member that is not disqualified by section 4.1(a) is eligible for nomination by submitting a nomination form prepared by the Board.
- e) The Cooperative shall close nominations five days before the annual meeting.
- f) Each candidate shall be given the opportunity to address the Members in a manner approved by the Board.
- g) Voting in all elections shall be conducted by secret ballot.
- h) Members shall only vote for the number of Board seats available at that election. Ballots with more than the maximum number will be considered invalid. Ballots with fewer than the maximum number will be considered valid.
- i) The nominees that receive the greatest number of votes will be elected.
- j) If two nominees receive an equal number of votes for the last vacancy on the Board, the Directors already elected to the Board must determine which of the two nominees is to be elected.

4.3 Term of Office

- a) Directors shall serve a term of office of 3 years commencing at the close of the annual meeting where the Director was elected.
- b) Directors may seek re-election provided they remain eligible, in accordance with section 4.1.
- c) Following the election at the first annual meeting, the Directors shall determine, from among their number one-third of the directors, to a maximum of 3, that shall serve a 3-year term, one-third of the directors, to a maximum of 3, that shall serve a 2-year term and half of the directors, to a maximum of 3, that shall serve a 1-year term.
- d) In all subsequent elections, Directors shall be elected to 3-year terms.

- e) If a Director is appointed or elected to fill the vacancy of a Director that did not complete their term of office, the appointed Director will only serve for the remainder of the 3-year term.

4.4 Officers and Committees

- a) Following the annual meeting, the Board shall meet to appoint the officers of the Cooperative:
 - a. President;
 - b. Vice-president
 - c. Secretary
 - d. Treasurer; and
 - e. Financial Secretary
- b) The Board may determine the duties assigned to each office and any remuneration for officers.
- c) The Board may, by ordinary resolution, strike any committee deemed necessary to the management of the Cooperative that shall report to the Board and follow any rules or terms established by the Board.
- d) The Board may appoint any Directors or Members to the committee provided the individuals meet the qualifications set out in section 4.1(a) of these bylaws.
- e) Each committee shall appoint a chair and secretary from among the committee Members.

4.5 Removal of Directors and Vacancies

- a) A Director shall cease to hold office if that Director:
 - i. Dies;
 - ii. Resigns;
 - iii. No longer meets the qualifications set out in section 4.1(a); or
 - iv. Is removed from office.
- b) If there is a vacancy on the Board resulting from a situation set out in subsection a), and the Board still has quorum, the Board may appoint a Director to fill the vacancy or call a meeting of the Members to elect a new Director. If a vacancy results in the Board's inability to achieve quorum, the Board must call a special meeting for the purpose of electing Directors.
- c) Failing to elect the maximum number of allowed Directors or increasing the maximum number of Directors does not give the Board the authority set out in subsection b).
- d) A Director may be removed from office by ordinary resolution of the Members at a special meeting. The Director will be provided an opportunity to address the meeting or submit a written statement to the Cooperative explaining their opposition to the resolution.
- e) A vacancy created by the situation set out in subsection d) may be filled by the Members at the same special meeting.

4.6 Remuneration

- a) Directors shall be remunerated at rates determined at the annual general meeting, by ordinary resolution of the Members on recommendation of the Board and these bylaws.
- b) Directors shall be reimbursed for reasonable expenses incurred during the fulfillment of their duties to the Cooperative, using a form approved by the Board.
- c) The mileage rate for Directors' expenses shall be the rate used by the Government of Canada.

4.7 Indemnity

- a) The Cooperative shall indemnify any individual who is or was a Director or officer of the Cooperative or who acts or acted at the Cooperative's request against all costs, charges, and expenses incurred by the individual in respect of any civil, criminal, administrative, investigative, or any other proceeding related to the individual's association with the Cooperative.
- b) The Cooperative shall not indemnify an individual whose conduct was knowingly unlawful or unethical.

4.8 Meetings of Directors

- a) Board meetings may be held electronically as determined by the Board.
- b) Not less than 5 days' notice must be provided to Directors of a Board meeting, unless the meeting is being called to discuss an emergency, in which case only 24 hours' notice is required.
- c) The President or any two Directors may call a Board meeting.
- d) Quorum for Board meetings shall be a majority of Directors.
- e) All Directors are entitled to one vote on all decisions of the Board.
- f) In the event of a tie of votes, the chair may cast a deciding vote, but cannot cast a second vote in he/she has already voted on the resolution.
- g) In the event of a tie of votes, the resolution is defeated.

5. Conflicts of interest

5.1 Conflicts of Interest

- a) Pursuant to the Act, a Director shall have a conflict of interest if the Director is:
 - i. A Director will benefit from a contract or transaction that is being decided by the Board;
 - ii. A Director is a Director or officer of a party that will benefit from a contract or transaction being decided by the Board; and/or
 - iii. A Director has a relationship with a party that will benefit from a contract or transaction being decided by the Board.
- b) Pursuant to the Act, a Director faced with a conflict of interest must disclose the conflict to the Board.

- c) If the Director fails to disclose the conflict of interest, any Member of the Board has an obligation to notify the Board of the conflict of interest.

6. Investment Shares

6.1 Classes of Investment Shares

- a) There shall be only one class of investment shares.
- b) The investment shares shall only be issued to members of the co-operative.

6.2 Rights, Restrictions, and Responsibilities

- a) Issuance of investment shares shall be authorized by the members at a members' meeting and carried out by the directors.
- b) Investment shares shall be issued in registered form and with no par value.
- c) Investment shares shall be sold for \$100 as authorized by the directors and may be redeemed at no less than their purchase price in accordance with the Act and the Regulations and if permitted by the Cooperative's financial well-being.
- d) Shareholders that purchase investment shares shall not apply to redeem their shares within two years of purchasing their shares.
- e) Dividends on investment shares shall be declared annually by the directors.
- f) Investment shares being transferred and purchased by one member from another member must be facilitated through the Cooperative.
- g) If a surplus is declared, dividends shall be paid on investment shares before membership shares or patronage dividends.
- h) On the dissolution of the Cooperative, investment shares shall be redeemed before membership shares.

7. Allocation of Surplus

7.1 General

- a) If a surplus of funds exists, the Board shall administer the allocation of surplus of the Cooperative, subject to the following provisions.
- b) Not less than 25% of surplus revenue must be placed into a reserve fund.
- c) No more than 50% of the surplus revenue shall be allocated to the investment shareholders in the form of dividends in accordance with 7.2.
- d) Subject to 4.6(a), no more than 5% of the surplus revenue shall be allocated to the Board as remuneration.
- e) The remaining surplus revenue may be directed by the Board, by ordinary resolution, any of the items identified in 7.1 or to any other matter that furthers the well-being of the Cooperative.

7.2 Dividends

- a) The Board may issue a portion of the Cooperative's surplus revenue as dividends to shareholders and patronage dividends to the members.
- b) In accordance with 7.1, if a surplus is declared, dividends to shareholders will be given priority.
- c) Subject to 7.1, the Board may allocate a portion of surplus revenue to be paid as patronage dividends to the members in proportion to business done with the Cooperative, using a formula determined by the Board.
- d) The Cooperative must provide Shareholders and Members annual notice of their dividends, if any, and any changes with their interest in the Cooperative.

8. Auditor

8.1 Appointment of Auditor

- a) Unless otherwise resolved by special resolution of the Members, the auditor will be appointed each year at the annual meeting by ordinary resolution of the Members.
- b) The auditor shall hold that office until the open of the following annual meeting.
- c) The Board shall determine the remuneration for the auditor.

9. Execution of Documents

9.1 Corporate Seal

- a) The Board may approve the design of a corporate seal that shall be stored at the registered office of the Cooperative.
- b) The seal must accompany the signature of at least two individuals with signing authority of the Cooperative.

9.2 Signing Authority

- a) The Board shall determine the individuals designated with signing authority.
- b) The signature of two individuals with signing authority shall be required for the execution of all documents.

10. Objects of the Cooperative

10.1 Objectives

- a) The objectives of the Cooperative are to support Members seeking to pool personal investments and savings with the Cooperative, to invest projects including but not limited to businesses that provide consumer goods, housing and land development, to support members seeking access to financing, and to return the profits of the Cooperative to its Member investors.

- b) The Members, by ordinary resolution at a general meeting of the Members, may authorize any other such objectives and activities that further the objectives set out in 10.1(a).
- c) Any activities of the Cooperative undertaken by the Board must adhere to all relevant laws, regulations, and the Act.