

Proposed amendment to the Bylaws of Steep Hill Food Co-operative Limited.

The Board recommends amending the bylaws as presented below. New wording is underlined, and wording to be deleted is crossed out ~~like this~~. Wording in normal text is unchanged. The clauses to be amended and reasons are as follows by clause number:

- 1 – Corrects the year of the Co-operatives Act.
- 4 – Clarifies that a 2/3 majority vote is needed to amend bylaws.
- 5 – Clarifies that each membership, including joint memberships, are entitled to a single vote, and formalizes the collection of contact information needed for membership lists.
- 10 – Clarifies that Directors must be members, at least 18, of sound mind and not bankrupt, consistent with the Co-operatives Act.
- 11 – Defines the length of Directors' terms is one year with re-election allowed for a maximum of six consecutive terms to encourage Board renewal and succession.
- 12 – Defines when a Director ceases to hold office (death, no longer qualified, or absent from 3 consecutive meetings without explanation) and allows vacancies to be filled by appointment. This ensures that if a director becomes ineligible, they can be removed, encourages active participation by directors, and prevents inactive directors from holding positions that could be filled by active members.
- 14 – Clarifies that Directors serve as volunteers, and they may be reimbursed for out-of-pocket expenses necessary for carrying out their role by submitting an expense claim and original receipts.
- 15 – Limits Officers to four terms in the same Officer role to encourage renewal of officers and promote succession planning.
- 21 – Prohibits proxy voting. This promotes active participation by members and prevents delegating voting rights to another member.
- 25 – Clarifies that two signatures are required to execute official documents such as contracts, documents, or cheques. This is to ensure transparency and accountability for legally binding agreements.
- 26 – Ensures the previously appointed auditor will remain in place until a successor is appointed in the event an auditor cannot be appointed at an AGM.

BYLAWS OF STEEP HILL FOOD CO-OPERATIVE LIMITED

1. Definitions

In these and all other bylaws of the Co-operative, unless the context otherwise requires or specifies:

- a) "Act" means The Co-operatives Act ~~1966~~ 1996 as amended from time to time.
- b) "The Co-operative" means the Steep Hill Food Co-operative Limited.
- c) "The directors", "board", and the "board of directors" means the directors of the Co-operative for the time being.

2. Registered Office

The registered office of the Co-operative shall be located in the City of Saskatoon in the Province of Saskatchewan.

3. Fiscal Year

The fiscal year of the co-operative shall end on the 31st day of January in each year.

4. Enactment, Amendment and Repeal of Bylaws

The members, at any annual meeting or any special meeting called for the purpose, may amend, repeal, or replace any bylaws. Where at least ten (10) days notice of the proposed change is given and the proposed change(s) posted in the store, it shall be passed by a two-thirds majority of the votes cast.

5. Membership

- a) Any person who can use the services of the co-operative and who, in the case of an individual, is 16 years of age or older, is eligible to become a member of the co-operative.
- ~~b) Two (2) or more persons living in one household may apply for one joint membership. This membership shall have one vote.~~
Two or more individuals in a household qualified for membership may hold a joint Membership in the Cooperative. Either party to the joint Membership is entitled to vote and exercise full rights and responsibilities of Membership. A joint membership is only entitled to a single vote and only one party to the joint membership may exercise this right at a members' meeting or in any other capacity. Only one party to a joint Membership may serve as a Director at any one time unless one of the parties also holds a separate, individual Membership in the Cooperative.
- c) Applicants must provide their name, mailing address and phone number, and email address if possible, and may be required to attend a member orientation session prior to approval of membership.

6. Membership Fee

Applicants for membership are required to pay a non-refundable annual membership fee of an amount set by the Board from time to time.

7. Membership Termination Order

The board, by a two-thirds majority vote at a meeting duly called, may order the termination of a membership. The Secretary of the association shall, within ten days from the date on which the order is made, notify the member in writing.

8. Appeal of Membership Termination Order

A person whose membership has been terminated by the board of directors may appeal the decision to the next general meeting of the co-operative by giving written notice of intention to appeal to the Secretary within 30 days of receipt of the notice of termination. A majority of the members present at the meeting shall be required to confirm the order.

9. Fees

Each member or patron who uses the facilities of the co-operative may be required to pay a fee for services, the amount of which shall be fixed by the directors from time to time. The amount of such fees set by the directors may vary from one service to another. Fees paid under the provisions of this bylaw may not be refundable, except at the discretion of the directors. They may be used for any purpose of the co-operative.

10. Board of Directors

The number of directors shall be between five (5) and twelve (12) directors.

A Member seeking the office of Director must meet the following qualifications:

- i. Must be an individual
- ii. Must be 18 years or older
- iii. Must be of sound mind
- iv. Must not have the status of bankrupt

11. Term of Office of Directors

Election of directors will take place annually at the annual general meeting; Directors shall serve a term in office of one year and may seek re-election at the end of their term.

Directors will hold office until the conclusion of the meeting at which their successors are elected. Directors are eligible for re-election for a maximum of six consecutive terms.

12. Removal of Directors — Filling of Vacancy

- a) The members of the co-operatives may remove any director or directors from office by a special resolution.
- b) A Director will cease to hold office if they:
 - i. Die or resign;
 - ii. Are removed from office by the Members;
 - iii. Become ineligible to hold the office of Director under the conditions set out in 10.
- c) A Director who fails to attend three consecutive Board meetings without explanation will be considered resigned.
- d) Vacancies between AGMs may be filled by appointment of individuals by the board.
- e) The term of office of a director elected or appointed to fill a vacancy shall be for the unexpired term of that vacancy.

13. Directors Duties and Powers

- a) The principal role of the board of directors shall be to democratically direct the affairs of the co-operative in accordance with the intent of the Co-operatives Act and the objects and bylaws of the co-operative.
- b) The directors shall be empowered to engage, define the duties, and fix the remuneration of any officer or employee as they deem advisable.
- c) The directors shall keep proper minutes of all director and membership meetings and shall record the proceedings in a minute book.
- d) The directors shall ensure that insurance is carried on behalf of the Co-operative as they deem advisable.

14. Expenses

- a) The Directors of the Co-operative shall serve as volunteers.
- b) The Cooperative shall reimburse Directors for any reasonable out-of-pocket expenses necessary to carry out the business of the Cooperative upon submission of a completed expense claim form with original receipts.

15. Officers of the Board

- a) No director shall hold more than one office.
- b) Within fourteen (14) days following the conclusion of the annual general meeting in each year, the Board shall elect from among the directors, a President, Vice-President, Treasurer and Secretary.
- c) The directors may appoint such other officers as they deem necessary.
- d) A director may hold the same office for a maximum of four terms.

Duties

The following duties shall be performed by the officers of the board:

- (a) The President shall:
 - (i) preside at all general meetings of the co-operative and all meetings of the directors unless some other member is appointed by the meeting to do so;
 - (ii) be an ex officio member of all committees appointed;
 - (iii) perform such other duties and exercise such other powers as are incidental to such office or as may be required, from time to time, by the board.
- (b) The Vice-President, in the absence of the president or as a result of his/her inability from any cause, shall discharge the duties of the president.
- (c) The Secretary shall:
 - (i) attend all general meetings of the co-operative and all directors' meetings and keep correct minutes of same; unless some other member is appointed to do so.
 - (ii) have charge of the seal, if any, of the co-operative.
 - (iii) conduct the correspondence of the co-operative and, subject to the order of the board, have charge of all non-financial corporate records, books, papers, and documents of the co-operative.
 - (iv) perform such other duties and exercise such other powers as are incidental to such office or as may be required, from time to time, by the board.
- (d) The Treasurer, or such other individual appointed by the board to perform such duties, shall:
 - (i) monitor the deposit of all monies to the account of the co-operative;
 - (ii) be responsible for the safe-keeping of securities and the disbursement of funds of the co-operative;
 - (iii) keep or cause to be kept a proper set of business records showing accurately the financial position of the co-operative, and present a full and detailed account to the directors whenever required by them to do so;
 - (iv) prepare or cause to be prepared for submission to the annual general meeting the financial statements required by the act and the regulations.
- (e) The board may appoint and delegate powers and duties to such officers, in addition to the president, vice-president, secretary and treasurer, as it deems necessary to properly

conduct the affairs of the co-operative.

- (f) The board, in its discretion, may remove any officer of the co- operative and elect or appoint another individual to fill the unexpired portion of the individual's term.
- (g) Each officer elected or whose appointment is approved by the board, shall hold office until the conclusion of the next following annual meeting or until his/her earlier resignation.

16. Quorum at Board Meetings

- (a) The quorum necessary for the transaction of business by the directors at any board meeting shall be a majority of the directors.
- (b) Where a quorum is present at the opening of the board meeting, but does not continue to be present throughout the meeting, the remaining directors may not transact any business after the quorum ceases to exist.

17. Committees

The board may appoint committees as it deems necessary and delegate powers to the committees as required to carry out their functions.

18. Meeting Notice

All directors shall be given at least 2 days' notice of any meeting unless all the directors waive notice.

19. General Membership Meetings

- (a) The co-operative shall hold an annual membership meeting in each year not later than six months after the end of the fiscal year of the co-operative.
- (b) General membership meetings shall be held at a time and place to be determined by the directors.
- (c) The co-operative shall give at least 10 days' notice of an annual or special meeting to its members.

20. Quorum at General Membership Meetings

- (a) At an annual meeting or special meeting, fifteen (15) members OR 10% of the membership, whichever is the lesser, shall constitute a quorum. However, in no case shall it be less than the number of directors plus one.
- (b) Where a quorum is present at the opening of a general meeting of members, but does not continue to be present throughout the general meeting, the remaining members present may not transact any business after the quorum ceases to exist.

21. Voting Rights

Members shall vote by a show of hands; or, where three or more members entitled to vote at a meeting so demand, voting shall be by secret ballot. Election of directors shall be by secret ballot. There shall be no proxy voting.

22. Surplus

Any surplus arising from the yearly operations of the co-operative shall be transferred to reserve for future use and no part of the surplus shall be payable to any member.

23. Distribution of Surplus on Dissolution

On dissolution of the co-operative, the surplus shall be donated to one or more organizations with objectives of a benevolent or charitable nature, in compliance with the Acts & Regulations pertaining to dissolution.

24. Borrowing

Any borrowing by the co-operative exceeding the total of \$15,000 must have the approval of the membership at a special or annual general meeting.

25. Execution of Instrument

Contracts, documents, or instruments in writing requiring execution by the co-operative, shall be signed on behalf of the co-operative with two signatures, by the President and Secretary or such other persons authorized to do so by Board resolution.

26. Appointing Auditor

The members shall, by ordinary resolution, appoint an auditor to hold office until the close of the next annual general meeting. In the event an auditor cannot be appointed at an annual meeting the incumbent auditor shall continue to hold that officer until a successor is appointed.

27. Corporate Seal

The corporate seal in a design impressed beside the signatures of the President and Secretary below shall be the seal of the association, and whenever used shall be authenticated by the signatures of the President and Secretary, or such person or persons as the directors from time to time designate.