



RULES OF COMMUNITY FIRST HEALTH CO-OP

Building healthy communities

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Amended : August 31, 2009

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Rules of the "COMMUNITY FIRST HEALTH CO-OP"

Part 1 - Interpretation

Definitions

1. In these Rules:

"Act" means the Cooperative Association Act of British Columbia from time to time in force and all amendments to it;

"Association" means the **COMMUNITY FIRST HEALTH CO-OP**

"board" or "the directors" mean the directors of the Association for the time being;

"member" means a member of the Association and includes a joint member;

"policy" means reasonable policies of uniform application as determined by the board from time to time";

"reconvened meeting" means continuing a meeting which has been adjourned;

"regulation" means the regulation under the Cooperative Association Act as made and amended from time to time;

"Rules" means these Rules and all amendments, additions, deletions or replacements from time to time in force and effect.

2. Subject to Rule 1, words and expressions defined in the Act as they read on the date these Rules become applicable to the Association apply to these Rules, with the necessary changes, so far as applicable.

3. Words in the singular form include the plural and vice versa and words importing a specific gender include the other gender and eligible organizations.

4. If there is a conflict or inconsistency between the Act and the Rules, the Act governs.

Part 2 - Membership

5. Membership in the Association is open in a non-discriminatory manner to individuals and eligible organizations that can use the services of the Association and are willing and able to accept the responsibilities of membership.

6. An individual or eligible organization that wishes to become a member must submit to the Association a written application for membership in the form provided by the Association for that purpose and payment for the minimum number of membership shares required under Rule 8 for membership in the Association.

7. To be eligible for membership in the Association, an individual must be at least 16 years of age.

8 (a) Class A members are designated as individual or personal joint members and each member must, as a condition of membership, subscribe to at least one of membership shares.

(b) Class B members are designated as Corporate members and each corporation must, as a condition of membership, subscribe to at least ten of membership shares.

(c) Class C members are designated as Founding members and may represent individual, joint or corporate membership. As a condition of membership at least ten (10) membership shares must be subscribed to. Founding member subscriptions will cease being offered on adjournment of the 2nd annual meeting of the Association.

(d) Class D members are designated as Copper members and may represent individual, joint or Corporate membership. As a condition of membership at least five (5) membership shares must be subscribed to.

(e) Class E members are designated as Bronze members and may represent individual, joint or Corporate membership. As a condition of membership at least ten (10) membership shares must be subscribed to.

(f) Class F members are designated as Silver members and may represent individual, joint or Corporate membership. As a condition of membership at least twenty (20) membership shares must be subscribed to.

(g) Class G members are designated as Gold members and may represent individual, joint or Corporate membership. As a condition of membership at least fifty (50) membership shares must be subscribed to.

(h) Class H members are designated as Platinum members and may represent individual, joint or Corporate membership. As a condition of membership at least one hundred (100) membership shares must be subscribed to.

9. The directors, or a person authorized by the directors to approve applications for membership, may approve or refuse an application for membership and may postpone consideration of an application for membership, and will notify the applicant of the decision within a reasonable period of time, in accordance with current policy.

10. Membership is effective on the day that the application for membership is approved under Rule 9.

11. A member may withdraw from membership in the Association by

(a) giving written notice to the directors of the member's intention to withdraw, and

(b) surrendering any share certificates in respect of membership shares.

12. The membership of a member ceases on the date the member has complied with the requirements of Rule 11.

13. Subject to Rule 23 (2), notice to the Association of the death or bankruptcy of an individual member has the same effect as a notice of intention to withdraw, and Rules 11, 12, 17 and 48 apply with the necessary changes, so far as applicable.

14. Notice to the Association of the bankruptcy, liquidation or dissolution of a member that is an eligible organization has the same effect as a notice of intention to withdraw, and Rules 11, 12, 17 and 48 apply with the necessary changes, so far as applicable.

15. The Association may terminate the membership of a member in accordance with the Act if

- (a) the member has engaged in conduct detrimental to the Association,
 - (b) the member has not paid money due by the member to the Association within a reasonable time after receiving written notice to do so from the Association,
 - (c) in the opinion of the directors, based on reasonable grounds, the member,
 - (i) has breached a material condition of an agreement with the association,
- and
- (ii) has not rectified the breach within a reasonable time after receiving written notice to do so from the Association, or
 - (d) the member has not transacted any business with the Association for a period of 5 consecutive years.

16. (1) A member whose membership is terminated for the reason set out in Rule 15 (d)

- (a) may appeal the termination in accordance with the Act, and
- (b) if he or she does so, the member continues to be a member of the Association, despite the resolution of the directors terminating the membership, unless the members at the general meeting to which the appeal is brought confirm the termination of membership by a simple majority.

(2) The right of appeal of a person whose membership in the Association is terminated for a reason set out in Rule 15 (a) to (c) is governed by the Act.

17. (1) When a member withdraws from membership or a membership is terminated or ceases for any reason, all rights and privileges attached to membership cease except the right to require the Association to redeem, in accordance with Rule 48 or 49, whichever is applicable, the member's membership shares.

(2) The cessation of membership does not release the former member from any debt or obligation owed to the Association unless the instrument of debt or obligation states otherwise.

Part 3 - Joint Membership

18. Two or more individuals or eligible organizations may apply in accordance with Rule 6 to be joint members and, if the applicant is approved under Rule 9, the joint members hold the membership shares in respect of the joint membership in joint tenancy.

19. (1) The voting rights of joint members are governed by the Act.
(2) The signature on a written resolution of any one of the joint members of a membership is sufficient signature for all of the joint members of that membership.

20. Business done by one joint member is deemed to be business transacted by the joint members of the membership.

21. The liability of joint members for amounts due to the Association in respect of the joint membership and the payment of amounts due to joint members from the Association in respect of the joint membership are governed by the Act.

22. (1) Joint members may withdraw from membership by complying with Rule 11.
(2) The written notice required by Rule 11 (a) must be signed by all joint members.

23. (1) On receipt of proof satisfactory to it of the death of one joint member, the Association may treat the surviving joint member as the owner of the membership share held by the joint members.
(2) The death of one joint member does not have the same effect as a notice of withdrawal under Rule 11.

24. Only one joint member of a membership is entitled to be a director of the Association at any one time unless that joint member or another of the joint members
(1) is a member in his or her own right, or
(2) is authorized to represent a member that is an eligible organization.

Part 4 - Share Structure

25. The authorized share structure of the Association is set out in the memorandum.

26. No dividends or interest will be paid on shares.

Part 5 - Payment for Shares

27. (1) Except as provided in this Rule, the Association must not issue or allot membership shares unless the shares are paid for in accordance with the Act.

(2) Membership shares may be payable on call.

28. The directors may make calls on the members for any of the money unpaid on membership shares and a call is deemed to have been made at the time when the resolution of the directors authorizing the call was passed.

29. (1) if a call is not paid on or before the date set for payment by the resolution referred to in Rule 28, the member from whom the money is due on call must pay interest on the unpaid amount of the call at the rate to be determined by the directors from time to time, from the date set for payment until the date of payment.

(2) The interest that accumulates under subrule (1) is a debt due to the Association.

(3) The directors may waive payment of interest due under subrule (2).

30. If a member fails to pay a call on or before the date set for payment by the resolution referred to in Rule 28, the directors may, at any time after that date, serve a notice on the member requiring payment within 14 days from the date of service of the unpaid amount of the call together with any interest that accrues under Rule 29.

31. If a member whom or on which a notice has been served under Rule 30 does not make the payment required by that notice in the time specified, the share in respect of which the notice is given may be forfeited to the Association by a resolution of the directors.

32. (1) A forfeiture under Rule 31 is effective on the date that the directors make the resolution referred to in that Rule.

(2) A member whose share has been forfeited in accordance with a resolution under Rule 31 ceases to be a member in respect of the forfeited share and the directors may strike the member's name from the register of members and cancel the share certificate in respect of the forfeited share.

(3) A forfeited share may be sold or otherwise disposed of on terms and in a manner the directors think fit and, at any time before a sale or disposition, the forfeiture may be cancelled on terms the directors think fit.

(4) A member whose share has been forfeited remains liable to the Association for interest that accrued under Rule 29 to the date of the resolution under Rule 31 and that interest is a debt due to the Association.

Part 6 - Share Certificates

33. (1) The Association may issue certificates in respect of membership shares in accordance with the Act.

(a) For each Class A subscription a single membership card will be issued.

(b) For each Class B subscription a single membership card will be issued and a share certificate may be issued.

(c) For each Class C subscription a single membership card will be issued and a share certificate may be issued.

(d) For each Class D subscription a single membership card will be issued.

(e) For each Class E subscription a single membership card will be issued.

(f) For each Class F subscription a single membership card will be issued and a share certificate may be issued.

(g) For each Class G subscription a single membership card will be issued and a share certificate may be issued.

(h) For each Class H subscription a single membership card will be issued and a share certificate may be issued.

(2) The Association is not required, under Rules (1) (a), (b), (c), (d), (e), (f), (g) or (h) to issue more than one membership card or one certificate in respect of a membership share(s) held by joint members or corporate members, and delivery of a membership card or of a share certificate to one joint member or the corporation office is sufficient delivery to all.

34. Every share certificate issued by the Association must comply with the Act and be in a form approved by the directors.

35. Each share certificate issued by the Association must be signed manually by at least one director or officer of the Association.

36. If a share certificate is lost, stolen or destroyed, the Association must issue to the member entitled to the lost, stolen or destroyed certificate a new share certificate as a replacement if

(a) the Association has no notice that the lost, stolen or destroyed certificate has been acquired by a purchaser for value who entered into the transaction honestly and without notice of any adverse claim, including a claim that a transfer was or would be wrongful,

(b) the directors are satisfied that the certificate is lost, stolen or destroyed,

- (c) the Association receives payment of the reasonable fee, if any, required by the directors for the issue of a replacement certificate, and
- (d) the Association receives the indemnity, if any, the directors consider appropriate.

Part 7 - Transfer of Shares

37. (1) An instrument of transfer of any shares in the Association must

- (a) be in writing
- (b) specify the number of shares being transferred, and
- (c) be executed and dated both by the transferor and transferee, or an attorney authorized in writing by the transferor or transferee, as applicable, or if the transferor or transferee is an eligible organization, by a duly authorized director, officer or attorney of the organization.

(2) The transferor remains the holder of the shares until the name of the transferee is entered in the register of members.

38. Shares in the Association may be transferred in the following form, or in another usual or common form approved by the directors:

I, _____ (transferor), of _____ (address of transferor), in consideration of the sum of \$ _____ paid to me by _____ (transferee), of _____ (address of transferee), do transfer to the transferee _____ (number) shares in the _____ (name of association), for which certificates are attached, to be held by the transferee or his or her personal representatives and assignees, subject to the conditions on which I held the same at the time of the execution; and I, the transferee, agree to take the shares subject to those conditions.

Signed on _____ (year, month, day)

(Signature of transferor)

(Signature of transferee)

(Signature of witness)

39. A transfer of shares does not take effect until

- (a) any lien of the Association on the shares has been satisfied,
- (b) the transfer has been authorized by the directors, and
- (c) the name of the transferee is entered in the register of members.

40. The directors must immediately enter the name of the transferee in the register of members when, with respect to the transfer of a share,

- (a) the requirements set out in Rule 39 (a) and (b) have been met.
- (b) a duly executed instrument of transfer with the certificate issued in respect of the share attached has been delivered to the Association, and
- (c) that certificate has been cancelled.

41. The Association may refuse to register a transfer or acknowledge an assignment of membership shares, affected by a lien established by the Act.

Part 8 - Transmission of Shares

42. The person entitled to the membership shares of a deceased member may, on providing proof satisfactory to the directors of the death of the member and the person's entitlement.

(a) if the person is not a member, apply under Part 2 for membership in the Association,

(b) if the person is a member, request that the directors register the membership shares in the member's name, or

(c) Apply to the directors to redeem the shares.

43. The association must not register a membership share in the name of the person entitled to a deceased member's shares unless,

(a) that person is a member, and

(b) the transfer has been authorized by the directors or the person authorized by the directors in Rule 9.

44. If the person entitled to the membership share of a deceased member does not qualify for membership under Part 2 or the directors do not authorize the transfer of shares to that person, the Association must, subject to the Act, redeem those shares by paying to that person, within 4 months of the date on which the person provided the Association with proof of their entitlement, the amount paid up on the shares.

Part 9 - Redemption of Shares

45. Subject to the Act, these Rules and the special rights and restrictions attached to any class of membership, the Association may, by a resolution of the directors redeem any of its shares at the price and on the terms specified by the resolution, such redemption not to exceed par value.

46. (1) If the Association proposes, at its option, to redeem some but not all of the shares of any class of membership, it must make its offer ratably to every shareholder who holds that class of membership.

(2) Any redemption of shares under subrule (1) must be made on a fair and equitable basis.

47. Subject to the Act, the Association may sell any share redeemed by it, but, while the Association retains the share, the Association must not exercise any vote in respect of that share.

48. Subject to the Act, if a member withdraws from membership, the period within which the Association must redeem the shares of the former member is 4 months from the effective date of the withdrawal.

49. If the Association terminates the membership of a member under Rule 15, the Association must redeem the shares of the member in accordance with the Act.

50. A member is entitled to the amount paid up on the par value of a membership share on redemption by the Association under this Part.

Part 10 - Register of Members

51. The Association must keep and maintain a register of members in accordance with the Act.

Part 11 - General Meetings of the Association

52. The Association must hold its first and subsequent general meetings within the time provided by the Act.

53. At the first general meeting and at each annual general meeting the following business must be considered:

- (a) report of the directors,
- (b) financial statements,
- (c) auditor's report, if applicable,
- (d) election of directors, and
- (e) appointment or waiver of appointment of auditor.

54. The order of business at the first general meeting and at annual general meetings, to the extent appropriate in the circumstances, must be as follows:

- (a) meeting to be called to order;
- (b) notice convening meeting to be read;
- (c) minutes of preceding annual general meeting to be read and adopted or amended and adopted as required;

- (d) business arising out of minutes to be considered;
- (e) reports of standing and special committees to be read;
- (f) financial statement to be placed before the meeting;
- (g) reports of directors and auditors to be read;
- (h) election of directors and appointment of auditors;
- (i) special business to be considered;
- (j) unfinished business to be considered; and
- (k) new business to be considered.

55. (1) Any business other than business listed in Rule 53 is special business.
(2) Special business must be approved by ordinary resolution of the members unless the Act or these Rules require otherwise.

56. (1) The calling of a special general meeting by the directors, either on their own initiative or in response to a requisition by the members, must be in accordance with the Act.

(2) The requisitioning of a special general meeting by the members must be in accordance with the Act.

(3) The directors may determine the order of business at a special general meeting.

57. General meetings must be held at the time and place in British Columbia that the directors specify or, in accordance with the Act, outside British Columbia.

58. (1) If it is not possible to hold one general meeting at a time when, or place where, a large portion of the membership is able to attend, 2 or more general meetings may be held at the times and the places in British Columbia that the directors specify in accordance with the Act.

(2) Votes taken at meetings referred to in subrule (1) must be by secret ballot.

(3) The sum of the total votes taken at the meetings referred to in subrule (1) determine whether a resolution considered at those meetings is adopted or rejected.

59. (1) The record date for any general meeting is the 30th day before the date of the meeting of members.

(2) Only those members whose names are entered on the register of members on the record date are entitled to vote at the general meeting.

60. Notice of general meetings must be given to members and to the auditor of the Association, if any, in accordance with the Act.

61. A copy of the financial statement that is to be placed before a general meeting must be provided to the members at least 10 days before the date set for the meeting.

62. If special business is to be considered at a general meeting, the notice of the meeting under Rule 60 must state the nature of the special business in sufficient detail to permit a member to form a reasoned judgement concerning the business.

63. (1) If a special resolution is to be proposed at a general meeting, the notice under Rule 60 of that meeting must include

(a) the full text of the special resolution, or,

(b) if the full text of the special resolution is too lengthy for convenient inclusion in the notice, a summary of the text in sufficient detail to permit a member to form a reasoned judgement concerning the special resolution.

(2) If a notice under Rule 60 contains a summary of the text of a special resolution as provided in subrule (1) (b), the notice must also state the place where the full text of that special resolution can be read or copied.

64. If a general meeting is adjourned for fewer than 30 days, it is not necessary to give notice of the reconvened meeting other than by announcement at the first meeting that is adjourned, but if a general meeting is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the reconvened meeting must be given in the same manner as for the original meeting.

65. The notice and financial statement required to be provided to members under this Part must be given in a manner required in Part 23 of these Rules.

66. The accidental omission to give notice of any general meeting to, or the non-receipt of any notice by, a member or person entitled to receive notice does not invalidate any proceedings at that meeting.

67. The quorum for the transaction of business at a general meeting is the lesser of 10% of the total number of members entitled to vote at the meeting or 30 members.

68. No business, other than the election of a Chair and the adjournment of the meeting, may be transacted at any general meeting unless a quorum is present at the commencement of the meeting, and if at any time during the meeting there ceases to be a quorum present any business then in progress is suspended until there is a quorum present or until the meeting is adjourned or terminated as the case may be.

69. (1) If, within one hour from the time appointed for a general meeting, a quorum is not present, the meeting,

(a) if convened by requisition of members, must be dissolved, and

(b) in any other case, stands adjourned to the same day in the next week at the same time and place, unless the place of meeting is changed out of necessity.

(2) If at the reconvened meeting referred to in subrule (1) a quorum is not present within 1/4 hour from the time appointed, the members present in person are deemed to constitute a quorum.

70. Subject to Rule 71, the Chairperson, or in the absence of the Chairperson, the 1st Vice-Chairperson, or in the absence of the Chairperson and the 1st Vice-Chairperson, the 2nd Vice-Chairperson of the Association must preside as Chair at every general meeting.

71. If there is no Chair present within 30 minutes after the time appointed for holding the meeting, the members present at a general meeting must elect a member to Chair the meeting.

72. The Chair of a general meeting may, and if so directed by the members must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any reconvened meeting other than the business left unfinished at the meeting from which the adjournment took place.

73. The directors at a general meeting must appoint a person to act as secretary at the meeting.

74. The secretary must record the minutes of all resolutions and proceedings at a general meeting.

75. The only persons entitled to be present at a general meeting are those entitled to vote at that meeting, the auditor of the Association, if any, and others who are entitled or required under any provision of the Act or these Rules to be present.

76. A person who is not entitled to be present at a general meeting under Rule 75 may be admitted to a meeting only on the invitation of the Chair or with the consent of the members at the meeting.

77. The directors of the Association may permit members to participate in general meetings and vote by telephone or other communications medium in accordance with the Act.

Part 12 - Voting at General Meetings

78. At a general meeting, every motion must be determined by ordinary resolution unless otherwise required by the Act or these Rules.

79. In case of an equality of votes,
(a) the Chair of a general meeting is not entitled to a second or casting vote, and
(b) the motion is lost.

80. Unless otherwise provided in these Rules or the Act, every motion for a resolution put to a vote at a general meeting is to be decided on a show of hands unless

(a) before or promptly on the declaration of the result of the vote by a show of hands, a poll is directed by the Chair or demanded by at least one individual who is present and entitled to vote, or

(b) one or more members vote at the meeting by telephone or other communications medium, in which event the voting must be by poll or conducted in any other manner that adequately discloses the intentions of the members.

81. (1) An individual that is present and entitled to vote at a general meeting may demand that a poll be taken on any matter under consideration at that meeting either before or promptly after the vote by show of hands is taken.

(2) Subject to Rule 83, a poll must be taken in the manner and at the time, either at the general meeting or within 7 days after the date of the meeting, and at the place that the Chair of the meeting directs.

(3) The result of the poll is deemed to be a resolution of the general meeting at which the poll is demanded.

(4) The person who demanded a poll may withdraw the demand before the poll is taken.

82. The Chair must determine any dispute as to the admission or rejection of a vote given on a poll, and the Chair's determination, made in good faith, is final and conclusive.

83. A poll demanded on a motion for adjournment must be taken immediately at the meeting.

84. A demand for a poll does not prevent the continuation of a general meeting for the transaction of any business other than the motion on which the poll has been demanded unless the Chair orders otherwise.

85. The Chair must declare to the general meeting the decision on every motion in accordance with the result of the show of hands or the poll, and that decision must be entered in the minutes of the meeting.

86. Unless a poll is required or demanded, a declaration by the Chair that a motion has been carried, or carried unanimously, or by a particular majority, or lost or not carried by a particular majority, and an entry to that effect in the minutes of the general meeting is proof, in the absence of evidence to the contrary, of the fact without proof of the number of proportion of the votes recorded in favour of or against that motion.

87. Each ballot cast on a poll, unless requested otherwise by a member resolution, must be destroyed as stipulated by a resolution which must be presented prior to the closing of the annual general or special meeting.

Part 13 - Voting Rights of Members

88. A person who is not registered as the holder of a membership share but who is entitled to vote at a general meeting as a authorized representative of a member organization may vote in the same manner as if they were a member if, before the meeting at which they propose to vote, they satisfy the directors of their right to vote at the meeting.

89. If there are 2 or more executors or administrators of a deceased member in whose sole name membership shares stand, those executors or administrators must appoint one of themselves to vote, and inform the Chair in writing who it is before the start of any meeting.

90. (1) If an eligible organization provides evidence of the appointment of an individual to represent it at a general meeting

- (a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the eligible organization as that eligible organization could exercise if it were an individual member of the Association present, and
- (b) the representative, if present at a meeting, is to be counted for the purpose of forming a quorum.

(2) The evidence of appointment required with respect to a representative of an eligible organization may be provided by written instrument, facsimile transmission, telegram, telex, email or any method of transmitting legibly recorded messages.

91. The Chair of any meeting may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person evidence of their authority to vote.

Part 14 - Directors

92. The directors must manage the Association in accordance with the responsibilities, duties and powers set out in the Act, the Regulation, the Memorandum and these Rules.

93. (1) The Association must have,

(a) 9 or 11 directors.

(2) The number of directors may be changed within the limits set out in subrule (1) by ordinary resolution of the members.

(3) In addition to the number of Directors outlined under (1)(a), the Past Chairperson is an ex officio member of the Board of Directors, for a maximum of two (2) years, as long as they remain a member of the Association, but with no voting rights,

(a) if, for any reason the Past Chairperson is unable to continue in the capacity outlined under Rule 93 (3), the board may appoint another member as a board advisor in place of the Past Chair until the position can be filled by a retiring chair of the Association, but not for a term longer than two years.

94. In addition to the qualifications required by the Act, no directors may be individuals who are an employee of the Association.

Part 15 - Election, Appointment and Removal of Directors

95. An election of directors must be held at each annual general meeting to replace those directors whose terms of office have expired or will expire at the end of the meeting in accordance with Rule 102.

96. Candidates, for directors positions, must be nominated by 2 members, for director, not less than 30 days before an annual general meeting at which a director is to be elected.

97. If the number of nominees in an election for directors exceeds the number of directors to be elected at the election, the election of directors must be by secret ballot.
98. If the number of candidates nominated for director is equal to the number of directors to be elected, those nominated candidates are declared elected and no election is required.
99. In an election of directors, the Chair must declare elected the candidates who received the highest number of valid votes up to the number of directors to be elected.
100. If 2 or more candidates receive an equal number of votes for the last vacancy on the board, a runoff election must be held to determine the final director's position.
101. For the election or appointment of a director to be valid, consent of the candidate must be provided in accordance with the Act.
102. (1) In this section, "1st annual general meeting" means the first general meeting of the Association.
- (2) The term of office of a director ends at the end of the annual general meeting at which a replacement is elected.
- (3) A reduction in the number of directors under Rule 93 does not affect the unexpired term of a director in office.
- (4) In the election of directors held at the 1st annual general meeting, all directors must be elected for a term ending at the 2nd annual general meeting.
- (5) In the election of directors held at the 2nd annual general meeting, if there are 9 directors, 1/3rd will be elected for 1 year, 1/3rd will be elected for 2 years and 1/3rd will be elected for three years, if there are 11 directors, 4 will be elected for 1 year, 4 will be elected for 2 years and 3 will be elected for 3 years.
- (6) In the election of directors held at each annual general meeting after the 2nd annual meeting, the directors whose terms have expired will be elected for three (3) year terms.
103. (1) Despite any vacancy on the board, the continuing directors
- (a) if and so long as the number of continuing directors constitutes a quorum of the board, may continue to function without filling the vacancy and may appoint a qualified member to fill the vacancy, or
- (b) if the number of continuing directors does not constitute a quorum of the board, may appoint directors for the purpose of increasing the number of directors to a quorum to call a general meeting and for no other purposes.

(2) Except in the circumstances described and to the extent authorized in subrule (1)(b), the directors are not entitled to fill a vacancy on the board that is caused by either an increase in the number of directors under Rule 93 or a failure to elect the minimum number of directors required by these Rules.

(3) In the circumstances described in subrule (1)(b) or when there are vacancies on the board as a result of an increase in the number of directors under Rule 93 or a failure to elect the minimum number of directors required by these Rules, the board must call, as soon as practicable, a general meeting to fill the vacancy.

(4) The term of office of a director appointed under subrule (1)(a) is the unexpired portion of the term of office of the individual whose departure from the office created the vacancy.

(5) The term of office of a director appointed under subrule (1)(b) or (2) is until the vacancy is filled under subrule (3).

(6) If, as a result of a vacancy, there are no directors of the Association, the members may, by ordinary resolution, appoint a qualified individual as director solely for the purpose of calling a special general meeting to fill the vacancies on the board.

104. A person whose term as director is ending is eligible for re-election for a further term providing the total years served on the board does not exceed 6 consecutive years, not including a term of election at the first annual meeting or appointment during that year.

105. (1) A director ceases to hold office in accordance with the Act and these Rules.

(2) Any Director, Advisor, and/or Officer missing three consecutive scheduled meetings without being excused shall be removed by written notice from all offices held.

106. The Association may by special resolution remove any director before the expiration of their term of office, and may by an ordinary resolution fill the vacancy created by the removal.

Part 16 - Meetings of Directors

107. Subject to the Act and these Rules, the directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they consider appropriate.

108. Meetings of the board must be held at the time and place in British Columbia that the board determines is appropriate, and if the board does not determine the time and place, the Chairperson of the Association or any two directors may make that determination.

109. Two or more directors may, and the Secretary of the Association on the request of those directors must, call a meeting of the directors at any time.

110. (1) Subject to Rules 111, 112, 113, 114 and 115, at least 10 days notice of a meeting of the directors, specifying the place, date and hour of the meeting, must be given to each director and is sufficiently given if provided

- (a) by personal delivery,
- (b) by mail addressed to the director's address as it appears in the register of directors,
- (c) by leaving it at the director's usual business or residential address,
- (d) by telegram, telex, facsimile transmission, email, or any other method of transmitting legibly recorded messages, or
- (e) by telephone to the director's telephone number as provided by the director.

(2) A notice of a meeting of directors must specify the purpose of, or the business to be transacted at, the meeting if the meeting is called to deal with an emergency or any of the following matters:

- (a) a question or matter requiring approval of the members;
- (b) filling a vacancy on the board;
- (c) filling a vacancy in the office of auditor;
- (d) issuing shares;
- (e) redeeming shares issued by the Association;
- (f) approving a financial statement of the Association;
- (g) making decisions that by the Act or these Rules are required to be made by a vote of greater than a majority of the directors.

(3) A notice mailed under subrule (1)(b) is deemed received on the seventh day after the date of mailing.

(4) A notice given in accordance with subrule (1)(c) is deemed received when it is delivered.

(5) A notice given under subrule (1)(d) is deemed received at the time the telegram, telex, facsimile transmission, email or other electronic transmission is sent.

(6) A notice given under subrule (1)(e) is deemed received at the time the information is provided by telephone.

111. If a quorum of directors is present, the directors newly elected at an annual general meeting and the directors whose terms of office do not expire at the end of that meeting, without notice, may hold a meeting of the board immediately after that general meeting.

(a) The statutory meeting of the new board must be within fourteen (14) days of adjournment of the annual meeting and business conducted must include the election &/or appointment of officers of the Association.

112. (1) The board may, by resolution, appoint a day or days in any month or months for regular board meetings at the places and times specified by the board.

(2) A copy of the resolution under subrule (1) must be sent to each director immediately after being passed, and no other notice is required for any regular board meeting, unless the Act or these Rules require that the purpose of the meeting or the business to be transacted at it be specified in a notice.

113. In an emergency, an Officer of the Association may call a meeting of the directors and assuming a quorum participates, any notice of this meeting is waived.

114. Notice of a reconvened meeting of directors is not required if the time and place of the reconvened meeting is announced at the original meeting.

115. The accidental omission to give notice of any meeting to, or the non-receipt of any notice by, a director does not invalidate any proceedings at that meeting.

116. A quorum of the board is 50% of the total number of directors authorized by the previous general meeting.

117. (1) The Chairperson of the Association or, in the absence of the Chairperson, the 1st or 2nd Vice-Chairperson must Chair all meetings of the board.

(2) If all of the Chairperson and Vice-Chairpersons are absent from a meeting of the board, the directors present must appoint one of their number to Chair the meeting.

118. Unless otherwise required by the Act or these Rules, questions or resolutions arising at any meeting of the directors are to be decided by consensus as follows;

(1) (a) The goal is to reach consensus on all issues addressed by the board.

(b) It is recognized that there are degrees of agreement in consensus decision-making.

(i) Full agreement to support a decision.

(ii) Ability to "live with" the decision.

(iii) Stand aside. (A member does not necessarily agree with a decision, but will not block it.) Member may request formal recognition of a stand aside in the minutes.

(iv) Not ready to make a decision.

(v) No agreement.

(c) Consensus is defined as general agreement (points (i), (ii) & (iii) above) by the members of the board.

(d) A consensus agreement may be revisited only with the consensual support of the board.

(2) When consensus cannot be achieved and an impasse is reached the following procedure will be implemented;

(a) Those disagreeing must provide a description of the interests not accommodated by the proposal at hand, alternative proposals for how those interests could be accommodated and a description of how these alternative proposals accommodate the interests of others.

(b) In response, those agreeing with the original proposal must convey how it meets the interest of those disagreeing, as well as how it could be amended to better meet these interests.

(c) If disagreement persists, the board will then utilize the voting procedure of Robert's Rules of Order, majority vote, and in the case of an equality of votes, the Chair does not have a second or casting vote.

119. The minutes of the proceedings of the directors must be kept in accordance with the Act.

120. A resolution of the directors may be passed without a meeting in accordance with the Act and these Rules.

121. A resolution referred to in Rule 120 is effective from the date specified in the resolution, but that date must not be before the day on which the last director consents in writing to the resolution.

122. For the purposes of a resolution referred to in Rule 120, written consent may be provided by telegram, telex, facsimile transmission, email, or any other method of transmitting legible recorded messages.

123. A director may participate in a meeting of the directors or of any committee of the directors by means of telephone or other communications medium in accordance with the Act.

Part 17 - Committees

124. (1) The board may, by resolution, appoint one or more committees or taskforces consisting of a director or directors and other members of the communities that the board consider appropriate to exercise the powers delegated by the board to them as authorized by the Act.

(2) Any committee so formed, in the exercise of the powers delegated to it, must
(a) conform to any terms of reference that may from time to time be imposed on it by the directors, and

(b) report every act or thing done in the exercise of those powers to the earliest meeting of the directors held next after the act or thing has been done.

125. The board may vary, add to or limit the terms of reference of any committee.
126. The members of a committee may meet and adjourn as they consider appropriate.
127. Unless the board determines otherwise, each committee has the power to fix its quorum at not less than 50% plus one (1) of the committee members.
128. If there is a vacancy on a committee, the remaining committee members may exercise all the powers of the committee as long as a quorum of the committee remains in office.
129. A committee may elect a Chair of its meetings but, if no Chair is elected, or if at any meeting the Chair is not present within 15 minutes after the time appointed for holding the meeting, those present who are members of the committee may, by resolution, choose one of their number to Chair the meeting.
130. Questions or resolutions arising at any meeting of a committee are determined by consensus in the same manner as described in Rule 118 (1) (a), (b), (c) & (2) (a), (b) & (c) and, in the case of an equality of votes the Chair has no second or casting vote.
131. The minutes of the proceedings of a committee must be kept in accordance with the Act.

Part 18 - Officers

132. The board must appoint, by resolution, a Chairperson and a 1st Vice-Chairperson and a 2nd Vice-Chairperson of the Association from among the directors.
133. (1) The board may appoint, by resolution, a Secretary/Treasurer, and other officers that the board determines are necessary.
- (2) The Secretary/Treasurer appointed under subrule (1) may be, but need not be, a director or a member of the Association.
- (3) Other officers appointed under subrule (1) must be directors of the Association.

134. Two offices of the Association may be held by the same individual.

135. Subject to the Act, the board may specify the powers, duties and responsibilities of the officers appointed, and may vary, add to, or limit the powers, duties, and responsibilities of any officer. An appointed Secretary/Treasurer, who is not already an elected director of the Association, will have no voting powers at board meetings.

136. (1) The board must determine the remuneration of any officer it appoints.

(2) The board, in its discretion, may remove any officer of the Association without prejudice to that officer's rights under any employment contract.

(3) The term of office of any officer is one (1) year, with no restrictions on re-election, unless otherwise indicated in these Rules.

Part 19 - Conflict of Interest Rules for Directors and Officers

137. The directors and officers of the Association are governed by the disclosure and conflict of interest rules set out in the Act.

Part 20 - Indemnification of Directors and Officers

138. The Association must indemnify the directors and officers in accordance with the Act.

Part 21 - Finances

139. The directors may, for the purposes of the Association, on behalf of the Association,

(a) borrow or raise money in the manner and amount, from the sources, on terms and conditions, and

(b) issue notes, bonds, debentures and other debt securities, as the directors consider appropriate.

140. Subject to any limitations adopted by the directors, and, if applicable, to Rule

141, the directors may invest the funds of the Association in the manner they consider appropriate.

141. (1) The directors must not invest any of the funds of the Association over \$100,000 at any one time without the prior approval by special resolution of the members or unless the money is to be invested in a security or class of securities in which trustees are permitted to invest trust funds under the Trustee Act.

(2) The Association must not provide loans on the security of its shares.

142. (1) Subject to and in accordance with the Act, the directors must appoint the first auditor and the Association must appoint subsequent auditors, if any.

(2) The duties and rights of the auditor are governed by the Act.

143. The directors must cause accounts to be kept in accordance with the Act.

144. The financial year of the Association ends on the date fixed by the directors.

145. The directors must apply surplus funds arising from the operation of the Association in a financial year as follows:

(a) first, to the reserves required by Rule 147;

(b) next, to retire all or a portion of any deficit previously incurred by the Association as the directors determine is appropriate.

146. No portion of surplus funds will be distributed to membership at any time.

147. The directors must set aside as reserves for meeting contingencies at least 10% of the surplus funds arising from the operations of the Association in each financial year until those reserves are equal to the following percentages of paid up share capital at the date of apportionment under Rule 145:

(a) if the paid up share capital is \$25,000 or less, 30%;

(b) if the paid up share capital is greater than \$25,000 but not greater than \$50,000, 20%;

(c) if the paid up share capital is greater than \$50,000, 10%.

148. Subject to the Act and these Rules, reserves must be available to meet contingencies and until required for that purpose may be employed in any manner the directors consider appropriate.

Part 22 - Dispute Resolution

149. Any dispute arising out of the affairs of the cooperative

- between a member and the cooperative, or
- a person aggrieved who has for not more than six months ceased to be a member or any person claiming through such a member or person and the cooperative,

shall first be discussed between the disputants themselves, and if not resolved by the disputants shall be put in writing by each of the disputants and they shall mediate the dispute in the presence of a mutually agreed upon person, who need not be a member, who shall attempt to help the parties resolve the dispute in a manner acceptable to them both, and the dispute resolution policies adopted by the cooperative and in force at the time the dispute arose shall apply.

If that dispute is not satisfactorily resolved through mediation, it shall be submitted to the arbitration process described below ,

A dispute that under the Act may be submitted for arbitration must be referred to an arbitration committee of 3 members of the Association in accordance with this Part.

150. (1) An arbitration referred to in Rule 149 must be commenced in accordance with the Act.

(2) If notice is provided to a director under subrule (1), that director must promptly provide the Association with a copy of the notice.

151. Within 14 days of receipt of a notice referred to in Rule 150, the Chairperson of the Association and the other party must each nominate one member of the Association as a member of the arbitration committee, and the third member must be appointed by the 2 nominated members.

152. If for any reason an arbitration committee has not been appointed within 6 weeks after the first member is nominated to the committee, on application by a party, the Supreme Court of British Columbia may appoint the members of the arbitration committee not appointed under Rule 151.

153. Disputes that have arisen between the Association or a director and different parties may be heard in one arbitration if

- (a) the disputes are similar, and
- (b) all parties agree on the appointment of the arbitration committee and the steps to be taken to consolidate the disputes into the one arbitration.

154. (1) Subject to these Rules, the arbitration committee may conduct a hearing in the manner it considers appropriate, but each party must be treated fairly and must be given full opportunity to present its case.

(2) Each party to the dispute must submit to the arbitration committee a written statement describing the nature of the dispute and a summary of the evidence the party intends to present at the hearing.

(3) The arbitration committee must hold a hearing as soon as possible at a location that is convenient to both parties.

(4) The arbitration committee may determine whether the hearing is open to all members of the Association.

(5) Each party to the dispute must attend the oral hearing, if any, and may be represented by another person including a lawyer.

(6) If both parties agree, the hearing may consist of an exchange of written statements or any other procedure.

155. (1) A party to the dispute is a compellable witness at an oral hearing.

(2) Witnesses at an oral hearing must

(a) respond fully to questions asked by members of the arbitration committee, and

(b) produce all relevant records that the arbitration committee may require.

(3) Each party may present or rebut evidence and may examine or cross-examine witnesses at an oral hearing.

(4) The arbitration committee is not bound by the rules of evidence and may admit as evidence any oral testimony or any record that the arbitration committee considers is credible or trustworthy and relevant to an issue in dispute between the parties.

156. (1) The arbitration committee may make whatever decision it considers just having regard to the Act, the regulation, the memorandum of the Association, these Rules and the evidence presented by the parties.

(2) The decision must be in writing and signed by each member of the arbitration committee.

(3) Within 4 weeks of the date of the decision, the arbitration committee may vary a decision to correct a clerical or typographical error or omission, or a similar type of error or omission.

157. Parties to arbitration must bear their own costs.

Part 23 - Notices

158. Unless otherwise specified in the Act or these Rules, any notice required to be given to a director, member, or any other person must be in writing and is sufficiently given if it is

- (a) delivered personally,
- (b) delivered to the person's last known address, as recorded in the Association's register of members or other record of the Association,
- (c) mailed by prepaid mail to the person's last known address, as recorded in the Association's register of members or other record of the Association,
- (d) sent to the person by facsimile transmission to a telephone number provided for that purpose,
- (e) emailed, or
- (f) served in accordance with Rule 165 or 166.

159. Unless otherwise specified in the Act or these Rules, any notice required to be given to the Association must be in writing and is sufficiently given if it is

- (a) delivered to the registered office of the Association,
- (b) mailed to the registered office of the Association by prepaid mail,
- (c) sent by facsimile transmission to a telephone number provided for that purpose,
- (d) emailed, or
- (e) served in accordance with the Act.

160. (1) A notice given in accordance with Rules 158(b) or 159(a) is deemed received when it is delivered.

(2) A notice given in accordance with Rules 158(c) or 159(b) is deemed received on the seventh day after the date of mailing.

(3) A notice given in accordance with Rules 158(d) or 159(c) is deemed to be received at the time the notice is sent by facsimile or email.

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

162. If a notice is returned on two consecutive occasions because the intended recipient cannot be found, the Association is not required to give any further notices to that intended recipient until the intended recipient informs the Association in writing of their new contact information.

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

164. A person who, by operation of law, transfer, death of a member, or any other means, becomes entitled to a share in the Association, is bound by every notice in respect of the share that has been duly given to the member from whom that person derives title to the share before the person's name and address were entered on the register of members and before the person furnished the Association with the proof of authority or evidence of the person's entitlement.

Part 24 - Service of Documents

165. (1) a notice or other document required by the Act to be served by the Association may be served by

(a) mailing it by registered mail to the last known address of the intended recipient, as recorded in the Association's register of members or other record of the Association, or

(b) personal service.

(2) A notice or other document served under subsection (1)(a) is deemed received on the seventh day after the date of mailing.

166. Service on the Association must be in accordance with the Act.

Part 25 - Corporate Seal and Execution of Instruments

167. The directors may provide a seal for the Association and may determine its form.

168. The directors must provide for the safe custody of the seal, which must be stored at the registered office of the Association.

169. The seal must not be impressed on any instrument unless that impression is attested by the signature or signatures of

(a) any 2 directors,

(b) an officer and a director, or

(c) one or more directors, officers or other persons as determined by resolution of the directors.

Part 26 - Records

170. Retention of, and entitlement and access to, records of the Association are governed by the Act.

Part 27 - Alteration of Memorandum or Rules

171. Amendments to the Memorandum and Rules of the Association must be in accordance with the Act and these Rules.