

Yellowknife Direct Charge Co-operative Limited

**STANDARD BY-LAWS**

**1. Interpretation**

In these by-laws

“Act” means the *Co-operative Associations Act*;

“ordinary member” means a person who is the holder of an ordinary share;

“preferred member” means a person who is the holder of a preferred share;

**MEETINGS**

**2. District meetings**

- (1) Where the association divides the area within which it operates into districts, the directors shall:
  - (a) from time to time call meetings of ordinary members by districts and set the times and places of such meetings; and
  - (b) ensure that at least 1 meeting of the ordinary members in each district is held each year in each district before the date on which the annual meeting of the association is held.
- (2) District meetings may be held for the following purposes:
  - (a) to review the financial results, progress, problems and business of the
  - (b) association;
  - (c) to elect delegates to attend the annual general meeting of the association, if the by-laws of the association so provide;
  - (d) to elect a director or directors to represent the district at meetings of the board of directors of the association, if the by-laws of the association so provide;
  - (e) to adopt resolutions or approve of recommendations for the benefit of delegates and others who will attend the annual meeting of the association.
- (3) Where district meetings are held in accordance with the provisions of this section, each ordinary member shall vote only at meetings held for the district in which he resides.
- (4) Where there is a dispute as to which district an ordinary member resides in, the directors of the association may, after considering the number of ordinary members in each district, decide in which district any ordinary member may belong and vote.
- (5) Where a quorum is not present at any regularly called meeting of the ordinary members in a district to elect delegates, the directors have the power to continue the present delegates in office or to appoint others from the district to act as delegates who shall serve until their successors shall have been elected.
- (6) The delegates of each district may meet together for:
  - (a) the dispatch of business,
  - (b) the election of a chairperson from their number who shall be entitled to vote, and
  - (c) the appointment of a secretary who may be an officer of the association,
  - (d) and the delegates may regulate their meetings as they consider proper.
- (7) Questions arising at any meeting of the delegates of a district shall be decided by a majority vote, and where there is an equality of votes the motion or resolution before the meeting shall be declared, by the chairperson, as lost.
- (8) The delegates of each district shall cause to be kept minutes of all resolutions and

proceedings at all meetings of the delegates of the district and of all business transacted by them and a copy of the minutes, certified by the chairperson and secretary of the meeting, shall without delay after the meeting be transmitted to the secretary of the association.

- (9) A meeting of the delegates of any district shall be called by the secretary of the association, at any time, at the written request of any 3 delegates for the district.

### **3. First general meeting**

The business at the first general meeting of an association shall include the election of directors and the appointment of an auditor.

### **4. General meetings and notice**

- (1) Every association shall hold an annual general meeting in every calendar year, and may provide for semi-annual, quarterly or other general meetings at which any matter affecting the association or its affairs may be dealt with.
- (2) A notice of every general meeting shall be mailed to each ordinary member and delegate entitled to attend the meeting, not less than 10 days before the date of the meeting, at the address given in the register of ordinary members, but where an extraordinary resolution is to be presented at the meeting, the notice:
- (a) shall be mailed at such time as to give each ordinary member or delegate not less than 30 days notice; and
- (b) shall specify the intention to propose the resolution as an extraordinary resolution.

### **5. Notice of special meetings**

- (1) The directors may, at any time, call a special meeting of the ordinary members or of the delegates or of the ordinary members and delegates, as the case may be, and where 10% of the ordinary members or 25% of the district delegates request the directors to call a special meeting for the purpose of disposing of specific business, the directors shall call a special meeting.
- (2) Notice of all special meetings, together with a statement of the purpose of the meeting, shall be mailed to each ordinary member and delegate entitled to attend the meeting, at least 10 days before the date of the meeting, at the address given in the register of ordinary members, but where an extraordinary resolution is to be presented at the meeting, the notice
- (a) shall be mailed at such time as to give each ordinary member or delegate not less than 30 days notice; and
- (b) shall specify the intention to propose the resolution as an extraordinary resolution.
- (3) No business other than that specified in the notice shall be transacted at a special meeting.

### **6. Power of Supervisor to call meetings**

- (1) If the association fails to hold an annual general meeting, the supervisor may call a general meeting of the association to enable the ordinary members to secure such information regarding its affairs as they are entitled to receive under the Act and to deal with any matter affecting the association or its affairs.
- (2) The Supervisor may call a special meeting of the association for the purpose of reporting to the ordinary members the result of any audit, examination or other investigation of the affairs of the association ordered or made by him or her.

### **7. Proceedings not invalidated**

The non-receipt by an ordinary member of a notice of a meeting does not invalidate the proceedings at the meeting.

### **8. Quorum at meetings**

- (1) At any annual, semi-annual, general, special or district meeting of the association, 40 ordinary

members shall constitute a quorum, but in no case shall the number of ordinary members which constitute a quorum be less than the number of the directors plus 1 , except where all ordinary members are directors then a majority shall constitute a quorum.

- (2) Where meetings of the association consist partly of delegates and partly of ordinary members, a quorum shall consist of 25% of the delegates entitled to attend providing those delegates represent at least 1/2 of the districts to be represented and 10% of the ordinary members entitled to representation, however, in no case shall a quorum exist where there are less than 4 representatives in attendance.
- (3) Where the ordinary members of the association are represented exclusively by delegates, the delegates from 1/2 of the districts entitled to be represented constitute a quorum, provided that the total number of those delegates is not less than 25 % of the delegates entitled to attend.
- (4) At a meeting of the delegates of any district, a quorum is a majority of the delegates.
- (5) The continuing delegates of each district may act notwithstanding any vacancy in their body, so long as their number is not reduce below the number fixed as a quorum for meetings.

#### **9. Adjournment**

If within 2 hours from the time appointed for any meeting of the ordinary members or delegates or ordinary members and delegates of the association a quorum is not present, the meeting shall stand adjourned until called again by the directors and the Supervisor shall be so notified.

#### **10. Meetings of the directors**

- (1) Regular meetings of the directors shall be held at such times as may be required by the business of the association and, unless otherwise approved by the Supervisor, a meeting shall be held at least once every 3 months.
- (2) The president may call a special meeting of the directors at any time and he or she shall, on the written request of the majority of the directors, call a special meeting.
- (3) The directors shall, by resolution, set out the manner in which notice for regular meetings of the directors shall be given.
- (4) Unless otherwise provided by resolution of the directors, the Secretary shall mail to each director, not less than 5 days before a special meeting, notice specifying the time, place and purpose of the special meeting.
- (5) When all directors are present at any meeting of the directors, however called or notified, the meeting shall be deemed to have been regularly and properly constituted.
- (6) The quorum necessary for the transaction of business by the directors at a regular or special meeting is a majority of the directors.
- (7) Questions arising at any meeting of the directors Shall be decided by a majority vote.
- (8) The president or other presiding officer may vote on any question, but shall not have a second or casting vote in the event of a tie.
- (9) If there is not a majority vote in favour of a motion. the motion shall be declared lost.

## **ORDER OF BUSINESS AT MEETINGS**

### **11. Annual general meeting**

- (1) The order of business at the annual general meeting of the association shall be as follows:
  - (a) call to order by the president or chairperson;
  - (b) reading and disposal of the minutes of the preceding annual general meeting;
  - (c) business arising out of the minutes;
  - (d) reports of president, directors, manager, treasurer and other officers;
  - (e) reports of the auditors and consideration of any financial statements;
  - (f) discussion, consideration and disposal of reports set out in paragraphs (d) and (e);
  - (g) resolutions, recommendations and by-laws;
  - (h) election of directors;
  - (i) reports of special committees, and of delegates from the association to other co-operative organizations and reports of other co-operatives;
  - (j) unfinished business;
  - (k) election of auditors;
  - (l) new business;
  - (m) adjournment.

### **12. Special meetings of ordinary members**

- (1) The order of business at a special meeting of the ordinary members shall be as follows:
  - (a) call to order by the president or chairperson;
  - (b) election of a chairperson if the president of the association or person who calls the meeting to order is not to be chairperson of the meeting;
  - (c) appointment of a secretary if the secretary of the association is unable to act;
  - (d) reading of notice of meeting;
  - (e) consideration and disposal of the matter for which the meeting was called;
  - (f) adjournment.

### **13. Regular meetings of directors**

- (1) The order of business at regular meetings of the directors shall be as follows:
  - (a) call to order by the president or, in his or her absence, by the vice-president;
  - (b) reading and disposal of the minutes of the preceding meeting;
  - (c) business arising out of the minutes;
  - (d) manager's report on the condition of the business;
  - (e) discussion, consideration and disposal of manager's report;
  - (f) reports of special committees, if any;
  - (g) discussion, consideration and disposal of reports of special committees;
  - (h) communications received from suppliers since last meeting, if any;
  - (i) other correspondence;
  - (j) consideration and disposal of applications for ordinary membership;
  - (k) consideration and disposal of applications for transfers and withdrawals from ordinary membership;
  - (l) reports of the educational or public relations committee if the association has such a committee;
  - (m) new business;
  - (n) adjournment.

### **14. Special meetings of directors**

- (1) The order of business at special meetings of the directors shall be as follows:
  - (a) call to order by the president: or, in his or her absence, by the vice-president;
  - (b) reading of notice of special meeting;
  - (c) consideration and disposal of the matter for which the meeting was called;
  - (d) adjournment.

## **VOTING**

### **15. Eligibility to vote**

Where the territory in which the association does business is divided into districts, each ordinary member shall have one vote at the meeting of the association for (he district in which he or she resides).

### **16. Method of voting**

- (1) At any meeting of the association, a resolution put to the vote of the meeting shall be decided by a show of hands unless a poll is demanded by at least three (3) ordinary members or delegates.
- (2) If a poll is demanded it shall be taken by ballot, in such manner as the chairperson directs.
- (3) The chairperson of the meeting at which a show of hands takes place or at which a poll is demanded, shall have the right to vote, but shall not be entitled to a second or casting vote, in the event of a tie.
- (4) In case of an equality of votes. whether on a show of hands or on a poll , the motion shall be declared lost.

## **ELECTION OF DIRECTORS**

### **17. Eligibility for election**

- (1) An ordinary member whose application for ordinary membership has been approved by the directors and has been allotted an ordinary share or has paid his or her ordinary membership fee, if any, is eligible to be elected as a director of the association.
- (2) Where the association is governed by delegates elected at district meetings, any ordinary member in good standing and any delegate who is an ordinary member of the association in good standing, is eligible to be elected a director of the association.

### **18. Nominations**

- (1) Where a vacancy on the board of directors is to be filled, candidates for the position shall be nominated either by written or oral nomination at a general or special meeting of the association.
- (2) The president may, with the approval of the directors, appoint at or before the meeting three (3) ordinary members as a nominating committee who shall place in nomination one (1) or more names for each vacancy, with provision being made for further nominations from the meeting.
- (3) The consent of a candidate to fill a vacancy on the board of directors shall be obtained in orally or in writing before he or she is nominated for the position.
- (4) Every election shall be by secret ballot.

### **19. Method of election**

- (1) Unless the ordinary members or delegates provide otherwise by resolution, the method of electing directors shall be that, with only one (1) ballot, the number of candidates receiving the highest number of votes shall be declared elected.
- (2) Notwithstanding subsection (1) the ordinary members or delegates may, by a resolution carried by a majority of those present, provide that the following method of electing directors shall be adopted for the meeting:
  - (a) the candidates who have received the highest number of votes cast shall be declared elected, provided that every candidate elected shall be required to have a majority of all votes cast;
  - (b) if, on the first ballot, the number of candidates who have received a majority of all votes cast is not sufficient to fill all the vacancies, additional ballots shall be taken to fill the

vacancies remaining, by dropping the name of the candidates with the smallest number of votes on ballot number 1 and so on until the vacancies have been filled.

#### **20. Number of candidates**

Where the number of candidates for election does not exceed the number of directors to be elected, all the candidates shall be declared elected.

#### **21. Voting for directors to be elected**

Every ordinary member or delegate voting shall vote for the number of directors to be elected, and any ballot that contains the names of more or less than the number to be elected is void.

#### **22. Term of office for directors**

- (1) At the first general meeting of the association, three directors shall be elected where the association has fewer than 10 ordinary members and six, nine, or 12 directors shall be elected where the association has 10 or more ordinary members.
- (2) Of the directors elected at the first general meeting,
  - (a) 1/3 of the directors shall hold office until the third annual general meeting;
  - (b) 1/3 of the directors shall hold office until the second annual general meeting; and
  - (c) 1/3 of the directors shall hold office until the first annual general meeting.
- (3) Every director elected at an annual general meeting other than the first general meeting shall hold office for three years.

### **OFFICERS**

#### **23. Election of presiding officers**

- (1) The directors shall meet within 14 days after the first general meeting of the association, and within 14 days after each annual general meeting after that and shall elect for the current year, from their number, a president and one or more vice-presidents, and shall appoint a secretary-treasurer or secretary and treasurer, who may or may not be an ordinary member of the association.
- (2) The directors may at any time remove the president or any appointee from the office to which he or she has been elected or appointed by them and may elect or appoint, as the case may require, another person to fill the vacancy.

#### **24. Election report to the Supervisor**

- (1) A report of the results of every election including elections at the first general meeting, the annual general meeting and any special meeting called for that purpose, or elections by directors to fill vacancies, the removal of directors, and the election and appointment of officers by the directors, shall be forwarded to the Supervisor by the secretary of the association within 15 days after the date on which the election, removal or appointment took place and the report shall state
  - (a) the name, address and occupation of the person elected, appointed or removed; and
  - (b) the position to which the person was elected, appointed or removed from and the period during which he or she will hold office.

### **DUTIES OF DIRECTORS**

#### **25. Transfer of ordinary shares or ordinary membership of a director**

Where an assignment, transfer, redemption or repurchase of ordinary shares or ordinary membership certificates is applied for by a director, he or she shall not have a vote respecting the assignment, transfer, redemption or repurchase.

## **26. Approval of withdrawal of ordinary member**

When approving the withdrawal of an ordinary member from ordinary membership in the association that has been organized without ordinary share capital or on an ordinary member being retired from the association by resolution of the directors, the ordinary membership fee or fees paid by the ordinary member may, on resolution of the directors, be retained in the association and the ordinary member withdrawing or being retired shall have no further claim to the ordinary membership fee paid.

## **27. Officers and employees**

- (1) The directors may appoint, define the duties and fix the remuneration of the secretary-treasurer or secretary and treasurer, the manager and such other employees as they consider necessary for carrying on the business of the association.
- (2) The remuneration of the ordinary members of the board of directors, if any, shall be fixed by the ordinary members of the association at the annual general meeting.

## **28. Examination of the business by the directors**

- (1) The directors shall examine carefully and regularly the business and property of the association and shall require the manager or secretary-treasurer or another employee in charge of the records of the association to furnish monthly or at such other times as the directors may determine, a report or reports disclosing the results of the operations of the association during a specified period, including information respecting accounts receivable and payable, assets and liabilities, income and expenses, purchases and sales and a comparison of that information with the results of operations during the corresponding period of the preceding fiscal year.
- (2) Where goods, wares and merchandise are sold at retail or where supplies are otherwise used for the purposes of the association, the directors shall at least semi-annually, prepare or cause to be prepared a statement of operations and a balance sheet and shall direct or supervise the taking of an inventory at that time.
- (3) When an officer or employee of the association who is responsible to the directors for the supervision or management of goods, wares and merchandise or other supplies ceases for any reason to be responsible, the directors shall immediately, and before his or her successor is appointed, prepare or cause to be prepared, an inventory of the goods, wares and merchandise.

## **29. Security**

- (1) The directors of every association shall require each officer or employee appointed to office touching the receipt, management or expenditure of money or the receipt of goods, wares or merchandise for the purpose of the association, to furnish in addition to any other security required, a fidelity bond in an amount not less than that set out as follows:
  - (a) \$500.00 bond for sales up to \$10,000.00 a year;
  - (b) \$1,000.00 bond for sales from \$10,000.00 to \$25,000.00 a year;
  - (c) \$2,000.00 bond for sales in excess of \$25,000.00 a year.
- (2) The secretary shall notify the Supervisor of the nature and amount of security and the names of the officer or officers furnishing the security.

## **30. Credit transactions**

- (1) Where goods, wares and merchandise are sold at retail, the directors shall give the manager, secretary or secretary-treasurer or other persons having supervision or management of goods, wares and merchandise or other supplies on behalf of the association, written instructions, as to the policy to be followed in buying and selling goods, wares and merchandise on credit.
- (2) The directors shall examine regularly all credit transactions for the purpose of determining whether or not they are in conformity with the instructions issued in accordance with subsection (1) and if, in the opinion of the directors, such transactions are likely to impair the financial

position of the association, the directors shall direct the proper officers or employees to curtail or terminate credit transactions for such period of time as the directors may determine.

### **31. Surplus from yearly business**

- (1) No patronage refund shall be made or allocated to the ordinary members of the association so long as the ordinary share capital is impaired.
- (2) When the ordinary share capital of the association is impaired the surplus arising from the yearly operations shall be apportioned
  - (a) by first applying the surplus against the deficit account resulting from the ordinary share capital being impaired until no deficit remains;
  - (b) by paying interest on ordinary share capital at a rate not exceeding 5% for each year; and
  - (c) by apportioning any amount of the surplus remaining after fulfilling the requirements of paragraphs (a) and (b) and section 30 of the Act as payments in proportion to patronage in the manner provided for in the by-laws.

### **32. Reserve fund**

- (1) The reserve fund provided for in section 30 of the Act may be used for the following purposes:
  - (a) the net losses resulting from the business operations of the association in any year may be charged against the reserve fund;
  - (b) the equity of an ordinary member which has been transferred to the reserve fund may be charged to the reserve fund when paid to the ordinary member or his or her estate on satisfactory proof of claim.
- (2) Where the reserve fund is depleted or reduced as a result of losses being charged against it, the amounts to be placed in the reserve fund each year from the surplus arising from the business of the association, as provided for by section 30 of the Act, shall be not less than 20% of the surplus each year until the amount of the reserve fund has reached the amount that it stood at before losses were charged against it.

## **COMMITTEES**

### **33. Executive committee**

The directors may appoint an executive committee which shall consist of the president, vice-president and a third ordinary member of the board of directors for the purpose of making such recommendations to the directors regarding the business of the association as may be necessary from time to time.

### **34. Credit committee**

- (1) The directors may appoint a credit committee of 3 or more ordinary members of the board of directors.
- (2) The credit committee shall examine the accounts receivable and all credit transactions of the association and report to the board of directors on the amount and condition of the accounts receivable and whether credit transactions are being carried on in accordance with the by-laws and the trading policy set out by the directors under section 30.

### **35. Other committees**

- (1) The directors may appoint other committees for purposes such as carrying out programs for education, ordinary member relations, public relations and other activities.
- (2) Programs for education, ordinary membership relations and public relations may be carried out by one committee if the directors consider it advisable.

### **36. Local Committees**

- (1) The ordinary members or the directors of associations operating branches may appoint local committees at any or all branches of the association to act in an advisory capacity to the directors and to keep the ordinary membership informed of the activities of the association.
- (2) Committees referred to in subsection (1) shall report to the ordinary members at district meetings and at annual, general or special meetings of the association.

### **37. Duties of Committees**

- (1) The executive committee, credit committee and other committees appointed by the directors shall carry out such duties and functions allotted to them by the directors as are not required by the Act or these by-laws to be carried out by the directors, and all committees appointed by the directors shall be subject to the general direction and control of the board of directors.
- (2) Meetings of committees appointed by the directors or by the ordinary members may be called by the president or the chairperson of the committee whenever he or she considers it necessary, but the directors or ordinary members may prescribe the minimum number of meetings to be held by committees.
- (3) Minutes of all committee meetings shall be kept by the secretary of the association.
- (4) Copies of all minutes and reports of committee meetings shall be sent to all directors following committee meetings.
- (5) All minutes shall be submitted to the next directors' meeting, but shall have not effect unless approved at the meeting.

### **38. Ordinary membership administration**

- (1) The directors shall keep the ordinary members informed of the business of the association and encourage interest, discussion and support on the part of the ordinary members and, with the objective of developing and fostering a sense of ownership and responsibility on the part of the ordinary membership, shall
  - (a) present to the ordinary members periodic reports regarding the condition of the business and the operations of various business policies;
  - (b) publicize the activities of the association in the local press and in other ways;
  - (c) arrange for business and educational meetings of the association as frequently as conditions warrant;
  - (d) maintain direct and personal contact with ordinary members to explain the business and progress of the association and solicit their support;
  - (e) encourage active participation in the affairs of the association at meetings, appoint special committees of the ordinary members where feasible and publicize the activities of committees;
  - (f) encourage the organization of study and discussion groups regarding the principles and practices of co-operation and dissemination of co-operative literature;
  - (g) furnish after each annual meeting, to each ordinary member of the association, a statement showing his or her ordinary share capital or other amounts held to his or her credit in the association at the end of the previous fiscal year and the amounts, if any, credited to him or her out of the apportionment of the surplus resulting from the operations of the association during such fiscal year.

### **39. AMALGAMATION**

- (1) Where the association is considering amalgamation with any other co-operative association, the following shall apply:
  - (a) a notice of a general meeting shall be prepared and mailed to give not less than 10 days notice to the ordinary members and the notice shall specify

- (i) the intention to present a resolution that the associations be amalgamated,
  - (ii) the intention to authorize the amalgamation agreement, and
  - (iii) the place of the meeting and the date and time of the meeting;
- (b) the resolution to authorize the amalgamation agreement shall specify the date on which it is proposed that the amalgamation shall become effective;
- (c) for the information of the ordinary members of each amalgamating association at their respective meetings, a financial statement and an operating Statement of the association shall be prepared containing information current to a date not more than two months before the date of the meeting.

#### **40. DISSOLUTION**

- (1) Where the association is to be dissolved under section 32 of the Act, the following procedure shall be followed:
- (a) a notice of meeting shall be prepared and mailed to give not less than 30 days' notice to the ordinary members, and the notice shall specify the intention to present an extraordinary resolution that the association be dissolved, the place of meeting and the date and the time of the meeting;
  - (b) an audit of the association's books, as at a date not more than 2 months before the meeting to consider dissolution, shall be made and the auditor's report and financial statement showing the financial position at the time of audit, shall be read at the meeting.

#### **41. DUTIES OF PRESIDENT**

- (1) The president shall, unless some other ordinary member is appointed by the meeting to do so, preside at all meetings of the association and shall preside at meetings of the directors and of the executive committee, if any.
- (2) The president is ex officio an ordinary member of all committees appointed.
- (3) The president shall, with the secretary-treasurer, sign, execute and deliver all deeds or conveyances of personal or real property, all agreements for sale or purchase of land, all mortgages, leases and other legal documents which the directors may order executed and shall sign all certificates of allotment of ordinary shares or ordinary membership certificates that are approved by the directors.
- (4) If no other person is authorized to do so by resolution of the board or if the person so authorized is unable to do so, or unless the directors have by resolution authorized some other person or persons to have authority to countersign cheques, the president shall countersign all cheques, notes, bills of exchange and financial documents signed by the treasurer or secretary-treasurer on behalf of the association.
- (5) The president shall submit to the annual general meeting or any semi-annual general meeting or other general meeting of the Association, the directors' report of the affairs of the association.

#### **42. DUTIES OF VICE-PRESIDENT**

- (1) Where the president is absent or unable to act, the vice-president shall discharge the duties of the president.
- (2) If the office of the president becomes vacant, the directors may appoint the vice-president or any other director to be president until the next annual general meeting.

## **DUTIES OF SECRETARY**

### **43. Meetings**

The secretary shall attend all meetings of the association, of the directors and of the executive committee, if any, keep correct minutes of those meetings, and keep the directors informed with respect to the minutes of any Special committee meetings.

### **44. Signing officer**

The secretary shall with the president. sign, execute and deliver all deeds and conveyances of real or personal property which the directors may order executed, and shall sign all certificates of allotment of stock or ordinary membership certificates, applications for which have be-en approved by resolution of the directors.

### **45. Correspondence**

The secretary shall conduct the correspondence of the association and shall have charge of all records, books, papers and documents.

## **DUTIES OF TREASURER**

### **46. Deposits**

- (1) The Treasurer shall receive and deposit in a credit union, a chartered bank or trust company authorized to receive money on deposit, which the directors may order, all moneys received by or paid to the association and shall give receipts for the moneys.
- (2) If the association is an ordinary member of another incorporated co-operative association or co-operative organization, the treasurer may, with the consent of the directors, transfer the moneys to such incorporated co-operative association or co-operative organization.
- (3) Moneys of the association shall not be deposited in a credit union where the manager, treasurer or other person having custody of cash, books. and records of the credit union is also in charge of or has custody of cash, books, and records of the association.

### **47. Signing officer**

The treasurer shall, with the president or any other person appointed for the purpose, sign all cheques, notes, bills of exchange and other documents necessary to carry on the business of the association.

### **48. Books and accounts**

- (1) The treasurer shall keep a proper set of books showing accurately all transactions of the association and shall on request present to the directors a full and detailed account of all receipts and disbursements.
- (2) The system and adequacy of beekeeping and accounting records shall be subject to the approval of the Supervisor.

### **49. Statements**

The treasurer shall prepare or cause to be prepared for submission to the annual general meeting a complete statement of the financial position of the association and shall prepare interim financial statements for submission to any semi-annual meeting or any other general or social meeting for which submission is requested by the directors.

## **DUTIES OF SECRETARY-TREASURER**

### **50. Duties**

The office of the secretary and treasurer may be held by one (1) person to be known as the secretary-treasurer, whose duties shall be as prescribed in sections 43 to 49.

## **OTHER OFFICIALS**

### **51. Duties of other officials**

- (1) The duties of secretary and treasurer or secretary-treasurer may be modified or altered in keeping with the allotment of Such duties as may be assigned by the directors to the manager and other employees of the association.
- (2) Where the duties of secretary and treasurer or secretary-treasurer are modified under subsection (1), instructions as to their duties shall be given in writing to the employees concerned.

### **52. District officials**

- (1) Where the territory in which the association does business is divided into districts, the ordinary members in attendance at the annual district meeting shall, under such conditions as may be laid down by the directors. elect a secretary to keep a record of the proceedings of such meetings.
- (2) A complete record of the proceedings, certified as correct by the chairperson of the mating and the secretary. shall be filed with the secretary of the association before the annual business meeting of the association.

## **SEAL OF THE ASSOCIATION**

### **53. Custody and Use of Seal**

- (1) The secretary or secretary-treasurer shall have custody of the seal of the association.
- (2) The seal of the association shall not be affixed to any instrument except by the authority of a resolution of the directors and shall be affixed only by the president and secretary or secretary-treasurer or such other arson as the directors may appoints and the president and secretary or secretary-treasurer or other persons shall sign every instrument to which the seal of the association is so affixed in their presence.

## **SUPPLEMENTAL BYLAWS**

### **OF**

### **THE YELLOWKNIFE DIRECT CHARGE CO-OPERATIVE LTD.**

At a properly called meeting of the ordinary members of the Yellowknife Direct Charge Co-operatives Limited at which a quorum was present, held at Yellowknife in the Northwest Territories, on the 16th October, 1984 it was moved by Brenda Dieble, seconded by Dorothy Corbeil and carried by at least a two-thirds majority of the ordinary members present that:

The supplemental bylaws of the Yellowknife Direct Charge Co-operative Limited which were registered on June 10, 1981 are rescinded and replaced by the following:

#### **1. Number of Directors.**

The Board of Directors of this association shall consist of nine ordinary members duly elected.

#### **2. Ordinary membership.**

- (1) Any person may become an ordinary member by application in such form as prescribed by the Board of Directors. In all cases the application shall include the number of persons, dependent or other, in the applicant's household.
- (2) Application for ordinary membership shall be accompanied by payment for one ordinary share at a par value of twenty dollars.
- (3) Directors shall approve or reject all applications for ordinary membership and the applicant shall be so notified.
- (4) Organizations wishing to become ordinary members may do so under such terms and conditions as may be prescribed by the board of Directors and approved by the Supervisor of Co-operatives.

#### **3. Ordinary share Capital**

- (1) The ordinary membership shall establish, from time to time, the number of ordinary shares each ordinary member shall subscribe to in the association. A minimum of three ordinary shares are to be purchased immediately upon receiving ordinary membership and the payment of the balance of ordinary shares subscribed shall be determined by the Board of Directors
- (2) Ordinary shares may be held jointly by ordinary members of the same household only.
- (3) An ordinary member may transfer his fully paid ordinary shares subject to

approval of the Board of Directors.

**4. Interest or Dividends**

No interest shall be paid on ordinary share capital. All ordinary shares in the Association shall be paid for in cash and no part of the funds of the Association shall be employed in loans upon security of its ordinary shares.

**5. Surplus earnings**

- (1) Surplus earnings remaining at the end of any fiscal year shall be dealt with as follows:
  - (a) By setting aside necessary reserves.
  - (b) By allowing for either or both of the following upon terms and conditions to be determined by the Board of Directors:
    - (i) A rebate of the service fees to the ordinary members; or
    - (ii) A patronage refund to the ordinary members in proportion to the volume of business done with the Association during the immediately preceding fiscal year.

**6. Powers and Duties of the Board of Directors**

The Board of Directors shall have all powers and duties as given them in the Co-operative Associations Ordinance and the Co-operative Standard Bylaws and shall make sure that all sound business practices are adhered to, while keeping close contact with the ordinary membership for direction. The Board of Directors shall assure a continuing flow of information to the ordinary members, by issuing a newsletter to all ordinary members at least quarterly.

**7. Insurance**

The Board of Directors shall be responsible to ensure that all assets of the Co-operative are properly insured.

**8. Engage a General Manager**

The Board of Directors is empowered to engage, define the duties and fix the remuneration of the General Manager, and such other employees as they consider advisable.

**9. Withdrawal of ordinary membership.**

- (1) An ordinary member may withdraw from ordinary membership by making written application for withdrawal to the Board of Directors providing that he or she has been an ordinary member for 6 months. Under exceptional circumstances the Board of Directors may waive the six month requirement with respect to the withdrawal of ordinary members. Whenever possible directors shall deal promptly with applications for withdrawal but in all cases within two months of receiving an application for withdrawal, the Association shall repurchase the paid up ordinary shares held by that ordinary member and make available to him any loan capital or other amounts held to his credit.
- (2) If an ordinary member dies or becomes certified as insane the Board of

Directors will deem that that ordinary member has applied for withdrawal of ordinary membership and shall pay out any ordinary share or loan capital or other owned amounts by that ordinary member to the party entitled.

**10. Trading Policy**

- (1) Sales shall be made to ordinary members and patrons only or an ordinary member's designated representative for the ordinary members household or ordinary member organization, subject to Board of Directors policies.
- (2) All sales shall be made on a cash basis.
- (3) The method of generating revenue shall be determined by the Board of Directors and approved by the ordinary membership at a General Ordinary membership meeting. The revenue shall be generated by a combination of service fees and markups.
- (4) The Board may authorize the use of credit cards or purchase orders from specified agencies.

**11. Retirement of ordinary membership**

- (1) Failure to comply with the Co-operative Associations Ordinance, Co-operative Standard Bylaws, or these Supplemental Bylaws shall be sufficient cause for the Directors to retire an ordinary membership.
- (2) Conduct detrimental to the co-operative as deemed by policies of the Board of Directors shall also be just cause for retirement of ordinary members.

**12. Revocation of Ordinary membership**

- (1) The Board of Directors may by a two- thirds vote, at a meeting duly called, order the revoking of an ordinary membership from the Association.
  - (a) If the revocation of an ordinary membership is ordered in accordance with the provisions of this bylaw, the Association shall purchase at their par value all ordinary shares held by the ordinary member and pay to him other amounts held to his credit.
  - (b) The Secretary of the Association shall, within five days from the date on which the Order is made, notify the ordinary member in writing of the order.
  - (c) An appeal from the order may be taken by the ordinary member to the next general meeting of the Association, provided that written notice of intention to appeal shall be given by him to the Secretary within thirty days of the receipt of the notice.
  - (d) On an appeal a majority of the ordinary members present may confirm or rescind the order.

**13. 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 signature of the president and Secretary, or such person or persons as the Directors from time to time designate.

**14. Director and Officer Indemnification**

- (1) Subject to Article 14.2, the Cooperative shall indemnify:
  - (a) every Director or Officer of the Co-operative; and
  - (b) every former Director and Officer of the CooperativeAgainst
  - (c) an amount paid to settle an action or satisfy a judgement, including costs , charges and expenses reasonably incurred by that person with respect to civil, criminal or administrative action or proceeding to which that person is made party by reason of being or having been a Director or Officer of the Co-operative;
  - (d) costs, charges and expenses reasonably incurred by a Director or Officer who has been substantially successful in a defense of civil, criminal or administrative action or proceeding to which that person is made party by reason of being or having been a Director or Officer of the Co-operative.
- (2) The Cooperative shall indemnify a Director or Officer if
  - (a) the Director or Officer:
    - (i) acted honestly and in good faith with a view to the best interest of the Co-operative; and
    - (ii) in the case of a criminal or administrative action or proceeding that it is enforced by a monetary penalty, the Director or Officer had reasonable grounds for believing the conduct was lawful; or
  - (b) the person has been substantially successful in defence of a civil or criminal action or proceeding.

**Certified correct**

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**President**

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**Secretary**

**(Seal)**