

**B.C. ECO SEED CO-OP**

**RULES**

**Date October 21, 2014**

Rules of the  
*B.C. ECO SEED 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;

“**adjourned meeting**” means the meeting to which a meeting is adjourned;

“**Association**” means the **B.C. ECO SEED CO-OP**;

“**board**” or “**the directors**” mean the directors of the Association for the time being;

“**member**” means any member of the Association;

“**organizational member**” means an organizational member that has not been incorporated under the Cooperative Association Act.

“**co-operative organizational member**” means an association that has been incorporated under the Cooperative Association Act

“**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.

***Cooperative Association Act* definitions apply**

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.

**Interpretation**

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.

***Cooperative Association Act* governs**

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

**PART 2 - MEMBERSHIP**

**Open membership**

5. Membership in the Association is open in a non-discriminatory manner to individuals and eligible cooperatives and other organizations that subscribe to the Memorandum and Rules of the B.C. ECO SEED CO-OP and are willing and able to accept the responsibilities of membership and pay the annual membership dues as determined by the board.

**Classes of membership**

6. The following classes of membership are established, with the special rights and conditions as designated:

- Class A Members being producers

**Application for membership**

7. An individual, eligible co-operative or organization that wishes to become a member must:

- a. receive an orientation from a current member,
- b. attend a general meeting,
- c. submit to the Association a written application for membership in the form provided by the Association for that purpose and
- d. submit payment for the minimum number of membership shares required under Rule 9 for membership in the Association.

### **Age qualification**

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

### **Member dues**

9. Dues for the first year of operations of the Association will be set by the first directors. Thereafter, members will set the annual dues payable to the Association at a meeting of members, upon recommendation of the board. If the members fail to set the annual dues, the dues then in effect will remain in effect. Unless the members decide otherwise, a change in dues rates will take effect on the first day of the next financial year.

### **Approval of application**

10. (a) 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.
- (b) Eligible co-operative and organizational members will assign, as part of a membership agreement, one representative to act on its behalf.

### **Effective date of membership**

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

### **Withdrawal from membership**

12. 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.

### **Effective date of withdrawal**

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

### **Notice of death or bankruptcy of individual member**

14. 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 12, 13, 18 and 30 apply with the necessary changes, so far as applicable.

### **Notice of bankruptcy, liquidation or dissolution of eligible co-operative or organizational member**

15. Notice to the Association of the bankruptcy, liquidation or dissolution of a member that is an eligible organization or co-operative has the same effect as a notice of intention to withdraw, and Rules 13, 14, 19, and 31 apply with the necessary changes, so far as applicable.

### **Grounds for termination of membership**

16. 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 period of 2 consecutive years.

### **Appeal of termination of membership**

17. (a) A member whose membership is terminated for the reason set out in 16 (d)
- (i) may appeal the termination in accordance with the Act, and
- (ii) 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.

- (b) The right of appeal of a person whose membership in the Association is terminated for a reason set out in 16 (a) to (d) is governed by the Act.

**Effect of termination, withdrawal or other cessation of membership**

- 18. (a) 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 Rules 37 or 38, whichever is applicable, the member's membership shares.
- (b) 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**

**Joint membership**

- 19. Two or more individuals or eligible organizations may apply in accordance with Rules 6 and 7 to be joint members and, if the application is approved under Rule 8, the joint members hold the membership shares purchased in respect of the joint membership in joint tenancy.
- 20. The voting rights of joint members are governed by the Act.
- 21. 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.
- 22. 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.
- 23. Joint members may withdraw from membership by complying with Rule 9.
  - (a) The written notice required by Rule 12 must be signed by all joint members.
  - (b) If the withdrawal from membership leaves remaining joint membership partners wishing to continue their membership, they may apply to the coop as a joint membership as per Rule 11, or as full members as per Rule 6.
- 24. On receipt of proof satisfactory to it of the death of one joint member, the Association may treat the surviving joint members as the owners of the membership shares held by the joint members.
  - The death of one joint member does not have the same effect as a notice of withdrawal under Rule 9.
- 25. A maximum of two members of a jointly held membership are entitled to be a director of the Association at any one time unless another of the joint members
  - (a) is a member in their own right, or
  - (b) is authorized to represent a member that is an eligible organization.

## **PART 4 – SHARE STRUCTURE**

### **Authorized share structure**

26. The authorized share structure of the Association is set out in the Memorandum.

### **Share requirements**

27. Shares are designated as membership shares and,
- (a) each Class A member must, as a condition of membership, subscribe to, and pay for, at least 1 Share.
  - (b) No member may hold less than one or more than 10 membership shares in the Cooperative.

## **PART 5 – PAYMENT FOR SHARES**

### **Payment for Shares**

28. (a) The Association must not issue or allot membership shares unless the shares are paid for in accordance with the Act.
- (b) Membership shares are payable on call and may be forfeited for default of payment.

## **PART 6 – SHARE CERTIFICATES**

### **Entitlement to share certificate**

29. (a) The Association must issue certificates in respect of membership shares in accordance with the Act.
- (b) The Association is not required to issue more than one certificate in respect of a membership share except in accordance with Rule 31.

### **Form of share certificate**

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

### **Manual signing of share certificates**

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

### **Lost or destroyed certificates**

32. 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 a 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**

### **Requirements of instrument of transfer**

33. There is no transfer of shares.

## **PART 8 – REDEMPTION OF SHARES**

### **Association authorized to purchase and redeem its shares**

34. Subject to the Act, these Rules and the special rights and restrictions attached to any class of shares, 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.

### **Redemption of shares to be made ratably**

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

(b) A redemption of shares under sub-rule (a) must be made on a fair and equitable basis.

### **Sale and voting of redeemed shares**

36. 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.

### **Redemption of shares on withdrawal of membership**

37. 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. If redemption within this time would cause financial risk to the cooperative, the time within which the shares must be paid to the member is 12 months.

### **Redemption of shares on termination of membership**

38. If the Association terminates the membership of a member under Rule 16, the Association must redeem the shares of the member in accordance with the Act.

### **Entitlement to redemption**

39. A member who wishes to have the Association redeem any of their shares must give written notice to the Association and the Association, on receipt of the share certificates relating to the shares to be redeemed, and subject to the Act, must pay the member the amount paid up on the shares within 4 months.

### **Amount paid on redemption**

40. 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 9 – REGISTER OF MEMBERS**

### **Register of Members**

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

## **PART 10 – GENERAL MEETINGS OF THE ASSOCIATION**

### **Annual General Meetings**

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

### **Business at annual general meeting**

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

- (a) adoption of meeting procedures;
- (b) report of the directors;
- (c) financial statements;

- (d) auditor's report, if applicable;
- (e) election or appointment of directors; and
- (f) appointment or waiver of appointment of auditor.

#### **Order of business at annual general meeting**

44. 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) adoption of meeting procedures;
  - (d) minutes of preceding annual general meeting to be reviewed, adopted or amended and adopted as required;
  - (e) business arising out of minutes to be considered;
  - (f) reports of standing and special committees to be read;
  - (g) financial statement to be placed before the meeting;
  - (h) reports of directors and auditors to be read;
  - (i) election of directors and appointment of auditors;
  - (j) special business to be considered;
  - (k) unfinished business to be considered; and
  - (l) new business to be considered.

#### **Special business**

45. (a) Any business other than business listed in Rule 43 (Business at the annual General Meeting) is special business.
- (b) Special business must be approved by ordinary resolution of the members unless the Act or these Rules require otherwise.

#### **Special general meetings**

46. (a) 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.
- (b) The requisitioning of a special general meeting by the members must be in accordance with the Act.
- (c) The directors may determine the order of business at a special general meeting.

#### **Time and place of general meetings**

47. 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.

#### **Record date**

48. (a) The record date for any general meeting is the 30<sup>th</sup> day before the date of the meeting of members.
- (b) Only those members whose names are entered on the register of members on the record date are entitled to vote at the general meeting.

#### **Notice of general meetings of the Association**

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

#### **Financial statement**

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

#### **Notice of special business**

51. If special business is to be considered at a general meeting, the notice of the meeting under Rule 48 (Record date) must state the nature of the special business in sufficient detail to permit a member to form a reasoned judgment concerning the business.

### **Notice of special resolution**

52. (a) If a special resolution is to be proposed at a general meeting, the notice under Rule 48 (Record Date) of that meeting must include:
- (i) the full text of the special resolution, or,
  - (ii) 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 judgment concerning the special resolution.
- (b) If a notice under Rule 48 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.

### **Notice of adjourned meeting**

53. If a general meeting is adjourned for fewer than 30 days, it is not necessary to give notice of the adjourned 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 adjourned meeting must be given in the same manner as for the original meeting.

### **Manner of giving notice**

54. The notice and financial statement required to be provided to members under this Part must be given in a manner permitted in Part 22 (notices) of these Rules.

### **Meeting valid despite failure to give notice**

55. 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.

### **Quorum**

56. The quorum for the transaction of business at a general meeting is 25% of the total number of members entitled to vote at the meeting, and in no event less than 3 members.

### **Requirement of quorum**

57. 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.

### **Lack of quorum**

58. (a) If, within one hour from the time appointed for a general meeting, a quorum is not present, the meeting,
- (i) if convened by requisition of members, must be dissolved, and
  - (ii) 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.
- (b) If at the adjourned meeting referred to in subrule (1) a quorum is not present within ½ hour from the time appointed, the members present in person, or represented by proxy, are deemed to constitute a quorum.

### **Chair**

59. Subject to Rule 57, the CHAIR or, in the absence of the chair, the vice-chair of the Association must preside as chair at every general meeting.

### **Alternate chair**

60. If there is no chair present with 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.



### **Adjournments by chair**

61. 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 adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

### **Secretary**

62. The directors at a general meeting must appoint a member to act as secretary at the meeting.

### **Minutes of meetings**

63. The secretary must record the minutes of all resolutions and proceedings at a general meeting in books provided by the directors for that purpose.

### **Persons entitled to be present**

64. 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 invited or required under any provision of the Act or these Rules to be present.

### **Other persons may be admitted**

65. A person who is not entitled to be present at a general meeting under Rule 64 (Persons entitled to be present) may be admitted to a meeting only on the invitation of the chair or with the consent of the members at the meeting.

### **Meetings by conference telephone**

66. The Association includes participation in all meetings by all means including (but not limited to) phone, text, email, skype and other electronic means that may permit members to participate in general meetings and vote by telephone or other communications medium in accordance with the Act.

## **PART 11- VOTING AT GENERAL MEETINGS OF THE ASSOCIATION**

### **Decision making process for Cooperative Meetings including General Meetings**

#### **Actions to be determined by ordinary resolution**

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

#### **Decision making process by consensus**

68. This process includes:

- a) Introductions
- b) Clarify process (consensus)
- c) Present proposal or issue
- d) Questions to clarify presentation

Level 1: Broad based open discussion

Group discussion

Call for consensus

Level 2: Identify concerns

List concerns

Group related concerns

Level 3: Resolve concerns

Call for consensus

Restate remaining concerns

Questions to clarify concerns

Discussion limited to resolving one concern at a time

Call for consensus

### **Alternative Closing options**

- Stand aside: The person does not accept the proposal but stands aside to allow the group to achieve consensus.
- Declare Block: The concerns of a person or people are so serious that he/she/they block the proposal. The block must be related to the interest of the coop as a whole. Additionally the person blocking has the responsibility to participate in proposing an alternative proposal.
- Send to committee: This involves mandating a committee to make a decision that would be normally decided at a general meeting, AGM, and/or are time sensitive decisions that are of critical importance to the operation of the business of the cooperative.
- Hold a Vote: If after three meetings no consensus can be obtained, the group can decide to hold a vote, in which 75% agreement will carry the motion. This option will be reserved for issues that require a decision because they are: of critical importance to the operation of the business and are time sensitive decision(s).

### **Declaration of result**

69. The chair must declare to the general meeting the decision on every motion in accordance with consensus, or alternate closing options, and that decision must be entered in the minutes of the meeting.

### **Declaration is proof**

70. 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.

## **PART 12- VVOTING RIGHTS OF MEMBERS**

### **Notice of meeting members**

71. The right of a member to vote at a general meeting is governed by the Act.

### **Voting rights and restrictions**

72. 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 representative of an organizational member 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.

### **Executors or administrators as joint members**

73. If there are 2 or more executors or administrators of a deceased member in whose sole name membership shares stand, those executors or administrators are, for the purposes of voting at general meetings deemed to be joint shareholders of the membership shares.

## **PART 13 – DIRECTORS**

### **Duties of directors**

74. 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.

### **Number of directors**

75. (a) The Association must have,
- (i) in accordance with the Act, at least 5 directors, and
  - (ii) not more than 11 directors.
- (b) The number of directors may be changed within the limits set out in sub-rule (a) by ordinary resolution of the members.

### **Qualifications for directors**

76. In addition to the qualifications required by the Act, the majority of directors must be individuals who are not employees of the Association. All Directors must be in good standing.

## **PART 14 – ELECTION, APPOINTMENT AND REMOVAL OF DIRECTORS**

### **Election at annual general meeting**

77. 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 84 (Staggered terms of office of Directors).

### **Nomination of candidates**

78. A member may nominate a candidate for director either before or at an annual general meeting at which a director is to be elected.

### **Voting by secret ballot**

79. 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.

### **Candidates declared elected**

80. 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.

### **Directors elected according to number of votes**

81. 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.

### **If 2 or more candidates receive equal number of votes for last vacancy**

82. If 2 or more candidates receive an equal number of votes for the last vacancy on the board, a run-off election shall take place at the meeting – in the event of a tie, the directors who have already been elected in the election, and the directors whose terms of office will not expire at the end of the meeting at which the election is held must determine which of those candidates is to be elected.

### **Consent to act as director**

83. For the election or appointment of a director to be valid, consent of the candidate must be provided in accordance with the Act.

### **Staggered terms of office of directors**

84. (a) In this section, “1<sup>st</sup> annual general meeting” means the first general meeting of the Association.

- (b) The term of office of a director ends at the end of the annual general meeting at which a replacement is elected.
- (c) A reduction in the number of directors under Rule 74 (Duties of Directors) does not affect the unexpired term of a director in office.
- (d) In the election of directors held at the 1<sup>st</sup> annual general meeting,
  - (i) one half of the directors must be elected for a term ending at the 2<sup>nd</sup> annual general meeting.
  - (ii) one half of the directors will be elected for a term ending at the 3<sup>rd</sup> annual general meeting.
- (e) In the election of directors held at the 2<sup>nd</sup> annual general meeting,
  - (i) if the Board has an even number of directors,
    - one half of the directors must be elected for a term ending at the 4<sup>th</sup> annual general meeting at which those directors were elected; and,
  - (ii) if the Board has an odd number of directors,
    - a number of directors equaling more than 50% of the number of directors must be elected for a term ending at the 4<sup>th</sup> annual general meeting after the general meeting at which those directors were elected; and,
- (f) In the election of directors held at each annual general meeting after the 2<sup>nd</sup> annual general meeting, the directors to be elected must be elected for a term ending at the 2<sup>nd</sup> annual general meeting held after the annual general meeting at which those directors were elected.

**Effect of vacancy on ability of directors to act**

85. (a) Despite any vacancy on the board, the continuing directors
- (i) if and so long as the number of continuing directors constitutes a quorum of the board, may appoint a qualified member to fill the vacancy, or
  - (ii) 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 or to call a general meeting.
- (b) The term of office of a director appointed under subrule (1)(a) or subrule (1)(b) is the unexpired portion of the term of office of the individual whose departure from the office created the vacancy.
- (c) If, as a result of a vacancy, there are no directors of the Association, the members may, by ordinary resolution or by an instrument in writing signed by a simple majority of members, appoint a qualified individual as director solely for the purpose of calling a special general meeting to fill the vacancies on the board.

**Directors eligible for election or appointment again**

86. The term of office for a director is for 2 years. An individual member whose term as director is ending is eligible for re-election or reappointment for a maximum of 3 consecutive terms. At such time, the individual is not eligible for re-election or reappointment for one year.

**Director ceasing to hold office**

87. A director ceases to hold office in accordance with the Act and these Rules.

### **Removal of director**

88. 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 15 – MEETINGS OF DIRECTORS**

### **Meetings of directors**

89. 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.

### **Time and place of meetings**

90. Meetings of the board must be held at the time and place in British Columbia that the board determines is appropriate (including by electronic communication), and if the board does not determine the time and place, the president of the Association or any two directors may make that determination.

### **Meeting of new board**

91. 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.

### **Regular meetings**

92. (a) 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.
- (b) A copy of the resolution under subrule (A) 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.

### **Notice of emergency meeting**

93. In an emergency, the president of the Association may call a meeting of the directors by giving each director at least 48 hours written or oral notice of the meeting.

### **Notice of adjourned meeting**

94. Notice of an adjourned meeting of directors is not required if the time and place of the adjourned meeting is announced at the original meeting and communicated to any directors not present no less than 24 hours prior to the time of the adjourned meeting.

### **Miscellaneous**

- 95 The accidental omission to give notice of any meeting to a director does not invalidate any proceedings at that meeting

### **Quorum of the board**

. A quorum of the board is 50% + 1 of the total number of board members. When the number of elected board members is an uneven number, quorum will be 50% + 1 rounded up to the next whole number.

### **Chair**

- (a) The president of the Association or, in the absence of the president, the vice-president must chair all meetings of the board.
- (b) If both the president and vice-president are absent from a meeting of the board, the directors present must appoint one of their number to chair the meeting.

**Voting at meetings**

98. Questions arising at any meeting of the directors are to be decided by consensus, and follow the rules as outlined in Rule 68.

**Minutes of directors' meetings**

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

**Transaction of business without a meeting**

100. A resolution of the directors may be passed without a face-to-face meeting in accordance with the Act and these Rules.

**Effective date of written resolution**

101. A resolution referred to in Rule 100 (Transaction of business without a meeting)s 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.

**How written consent may be given**

102 For the purposes of a resolution referred to in Rule 111 (Transaction of business without a meeting), written consent may be provided by e-mail, facsimile transmission or any other method of transmitting legible recorded messages.

**Meetings by conference telephone**

103 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 16 – COMMITTEES OF THE BOARD****Appointment of committees**

104(a) The board may, by resolution, appoint one or more committees consisting of other members that the board consider appropriate to exercise the powers delegated by the board to them as authorized by the Act.

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

**Variation of terms of reference**

105. The board may vary, add to or limit the terms of reference of any committee of the board.

**Time and place of committee meetings**

106. The members of a committee of the board may meet and adjourn as they consider appropriate.

**Quorum**

107. Unless the board determines otherwise, each committee of the board has the power to fix its quorum.

**Vacancy**

108. If there is a vacancy on a committee of the board, the remaining committee members may exercise all the powers of the committee as long as a quorum of the committee remains in office.

**Chair**

109. A committee of the board 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, the directors present who are members of the committee may, by resolution, choose one of their number to chair the meeting.

#### **Voting at committee meetings**

110. Questions arising at any meeting of a committee of the board are determined by consensus.

#### **Minutes of committee meetings**

111. The minutes of the proceedings of a committee of the board must be kept in accordance with the Act.

### **PART 17 - OFFICERS**

#### **Appointment of president and vice-president**

112. The board must appoint, by resolution, a chair, or co-chairs, of the Association from among the directors.

#### **Appointment of other officers**

113. The board may appoint, by resolution, a secretary, a treasurer and other officers that the board determines are necessary.

#### **One person may hold more than one office**

114. Two or more offices of the Association may be held by the same individual.

#### **Powers and duties of officers**

115. 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.

#### **Term of office and remuneration**

116. The board must determine the term of office and remuneration of any officer it appoints.

### **PART 18 – CONFLICT OF INTEREST RULES FOR DIRECTORS AND OFFICERS**

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

### **PART 19 – INDEMNIFICATION OF DIRECTORS AND OFFICERS**

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

### **PART 20 - FINANCES**

#### **Borrowing powers**

119. 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 up to a limit of \$20,000 or as the members approve in a general meeting.

#### **Limitations on investing**

- 120 (a) The directors must not invest any of the funds of the Association over \$10,000 at any one time without the prior approval by special resolution of the members. Funds may only be invested in savings or secured term deposits.  
(b) The Association must not provide loans on the security of its shares.

#### **Auditor**

121. (a) Subject to and in accordance with the Act, the directors must appoint the first auditor and the Association must appoint subsequent auditors, if any.  
(b) The Association may, by special resolution, waive the appointment of an auditor in any given year. Such waiver applies only to the year in which the resolution was passed.  
(c) The duties and rights of the auditor are governed by the Act.

#### **Accounting records**

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

#### **Financial year**

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

#### **Use of surplus funds**

124. 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 125 (Reserves);  
(b) next, to retire all or a portion of any deficit previously incurred by the Association, as the directors determine is appropriate;  
(c) next to allocate funds to operational or capital funds as required; and,  
(d) last, to community welfare or the propagation of cooperative enterprises.

#### **Reserves**

- 125 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 124 (Use of surplus funds):  
(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 but not greater than \$100,000, 10%;  
(d) if the paid up share capital exceeds \$100,000, the percentage, if any, determined by resolution of the members.

#### **Application of reserves**

126. 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 21 - DISPUTE RESOLUTION**

#### **Disputes to be referred to arbitration committee of members**

127. Any dispute arising out of the affairs of the Cooperative, between a member and/or any person aggrieved who has for not more than 6 months ceased to be a member,



shall, in the event that such disputes are not satisfactorily resolved by the individuals themselves:

- (a) be discussed between the disputants themselves in the presence of a mutually agreed upon mediator who shall attempt to help the parties resolve the dispute in a manner acceptable to them both.
- (b) in the event that such disputes are not satisfactorily resolved through mediation, they shall be referred by the mediator to a committee of 3 members of the Cooperative. The directors and the member or other person aggrieved must each nominate one member, and the third must be chosen by the two nominated. The decision of the committee is final and binding on all parties and may be enforced on application to the Supreme Court.

#### **Failure to nominate committee**

128 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 127 (ii) (nomination of committee members).

#### **Consolidation of disputes**

- 129 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.

#### **Procedure**

130. (a) 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.
- (b) 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.
  - (c) The arbitration committee must hold a hearing as soon as possible at a location that is convenient to both parties.
  - (d) The arbitration committee may determine whether the hearing is open to all members of the Association.
  - (e) Each party to the dispute must attend the oral hearing, if any, and may be represented by another person including a lawyer.
  - (f) If both parties agree, the hearing may consist of an exchange of written statements or any other procedure.

#### **Examination and evidence**

131. (a) A party to the dispute is a compellable witness at an oral hearing.
- (b) Witnesses at an oral hearing must
    - (i) respond fully to questions asked by members of the arbitration committee, and
    - (ii) produce all relevant records that the arbitration committee may require.
  - (c) Each party may present or rebut evidence and may examine or cross-examine witnesses at an oral hearing.

- (d) 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.

**Decision must be in writing and signed by committee members**

- 132 (a) 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.
- (b) The decision must be in writing and signed by each member of the arbitration committee.
- (c) 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.

**Costs of arbitration**

- 133 Parties to arbitration must bear their own costs.

**PART 22 - NOTICES**

**Notice to directors, members, and other persons**

- 134 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 e-mail, facsimile transmission to a telephone number provided for that purpose, or
  - (e) served in accordance with Rule 140-141 (service by the association- service on the association).

**Notice to Association**

- 135 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) sent by email to an email address provided for that purpose, (or by other electronic means where email has not been successful), or
  - (e) served in accordance with the Act.

**Deemed receipt**

- 136 (a) A notice given in accordance with Rules 134 (b) or 135 (a) (Notice to directors, members, or other persons (Notice to the association)) is deemed received when it is delivered.
- (b) A notice given in accordance with Rules 149(c) or 150 (b) is deemed received on the second day, not including Saturday and holidays, after the date of mailing.

(c) A notice given in accordance with Rules 149(d) or 150 (c and d) is deemed to be received at the time the notice is sent by facsimile.

#### **Computation of time**

137 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.

#### **Undelivered notices**

138 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 or address.

#### **Omissions, non-receipt and errors**

139 So long as notice is provided for as provided herein, 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.

### **PART 23 – SERVICE OF DOCUMENTS**

#### **Service by the Association**

140 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.

(c) Email or electronic notices

(d) A notice or other document served under subsection (a) is deemed received on the second day, not including Saturday and holidays, after the date of mailing.

#### **Service on the Association**

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

### **PART 24 – RECORDS**

#### **Records of the Association**

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

### **PART 25 – ALTERATION OF MEMORANDUM OF RULES**

#### **Alteration of memorandum or Rules**

143 Amendments to the memorandum and Rules of the Association must be in accordance with the Act and these Rules.

### **PART 26 – DISSOLUTION**

144. In the event that BC ECOSEEDS winds up or dissolves, its properties after the satisfaction of its liabilities, costs, charges, and expenses properly incurred in the dissolution or

winding-up, will be equally distributed amongst membership under the Patronage Return rule. However, members may democratically decide to distribute BC ECOSEEDS assets to a like organization.