

CAYA CO-OPERATIVE BY LAWS
UPDATED JUNE, 2022

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1. OBJECTS – live our name

Object - The Co-operative's primary objects are as follows:

- a) To create an environment in which people can receive information and sexual products that encourage and inform them about various sexual possibilities;
- b) To create an environment in which a diverse range of the population, including people who practice marginalized forms of sexuality, will feel comfortable and included;
- c) To offer products and services in such a way that offers access to people who are traditionally excluded and marginalized from accessing sexual products and services.
- d) As a worker co-operative, to provide employment to our members.

2. ACT REQUIREMENTS – be worthy of trust

Co-operative Corporations Act - The affairs of the Co-operative will be governed by and conducted in accordance with the Co-operative Corporations Act of Ontario (the "Act"). If any conflict arises between the mandatory provisions of the Act and the by-laws of the Co-operative, such provisions of the Act shall govern.

Records - Pursuant to the Act, copies of the following documents shall be kept at the head office of the Co-operative:

- a) A copy of the Articles of Incorporation;
- b) All by-laws;
- c) A register of members and security holders in which is set out the information required by the Act (Section 114, paragraph 3);
- d) A register of directors in which is set out the names and resident addresses while directors, including the street and number, if any of all persons who are or who have been directors of the Co-operative with the several dates on which they have become or ceased to be directors;
- e) All accounting books and documents (Section 114, paragraph 5 of the Act);
- f) The minutes of all meetings of members, directors and any executive or other committee; and
- g) A register of transfers of securities.

These records shall be available for examination by any director and with the exception of accounting records and minutes of proceedings at meetings of

directors and any committee, by members and creditors or their agents or personal representatives during normal business hours for purposes consistent with the good faith exercise of membership rights and responsibilities in the Co-operative.

3. MEMBERSHIP – be accessible

Qualifications for Membership - Members must meet the qualifications set out in subparagraphs 3.1 a) through 3.1 d) below.

The board of directors may admit as a member in the Co-operative a person who:

- a) Is an employee of the Co-operative;
- b) Supports the objects of the Co-operative as set forth in paragraph 1.1 of this by-law;
- c) Has performed at least 1500 hours of work for the Co-operative and has been continually employed by the Co-operative for the past 104 weeks;
- d) Has subscribed to purchase the minimum share requirement as specified in Article 7 and has paid the price therefor to the Co-operative; and

Employment Requirements - All permanent full-time employees must be members of the Co-operative. An employee is not a permanent full-time employee if

- a) The employee is employed for a probationary period of 2 years or less;
- b) The employee is employed under a contract for a term of 2 years or less; or
- c) The employee's regular hours of work are less than 25 hours per week.

Non-Members on Contract - The Co-operative shall not contract out work normally performed by its members to non-members or non-employees without the prior approval of two-thirds of the membership.

Application for Membership - Once the probationary employee has worked 24 months for the Co-operative, they must apply for membership in the Co-operative. Application for membership in the Co-operative shall be in writing to the board of directors.

Disposition of Application - Upon application for membership, the board of directors shall decide whether to unanimously accept the application, in which case the probationary employee will become a full member as soon as they meet all the membership qualifications as set forth in paragraph 3.1; or reject the application, in

which case the probationary employee's employment with the Co-operative will be determined by two-thirds of membership.

Benefits of Membership - Members shall enjoy the following rights of membership: the right to vote at the annual and special meetings of members; the right to receive a percentage of the surplus earned by the Co-operative, as described in paragraphs 7.5c) and 7.5d); and all rights of members otherwise set out in the Act, the articles and the by-laws of the Co-operative.

Transfer of Membership - Membership shall not be transferable.

Withdrawal - A member of the Co-operative may withdraw from membership by giving to the Secretary one month's notice of their intention to withdraw. A member may only withdraw from membership if they also terminate their employment effective the same date.

Expulsion - Any member of the Co-operative may be expelled from the membership by the directors in accordance with Section 66 of the Act.

Statement of Non-discrimination - The Co-operative shall not discriminate on the basis of race, age, sex, gender, sexual preference, religion, physical ability, or national origin when considering a person for employment or membership.

4. MEETINGS OF MEMBERS – Contribute Co-operatively

Annual Meetings - The annual meeting of the members shall be held within 6 months of the fiscal year end, and within 15 months of any previous annual meetings. The date, time, and location of the annual meeting shall be fixed by the board of directors. The annual meeting shall be held for the purpose of electing the directors, receiving the financial statements and any auditor's report thereon, and the transaction of any other business, which may properly be brought before an annual meeting of the members.

Special Meetings - Other meetings of the members may be called by order of the President, Vice-President or the directors, or by written application of 5% of the members in accordance with the Act, at any time and at any place within the province of Ontario, and the Secretary shall send the requisite notice of such meeting to members of the Co-operative.

Business Transacted - At the meeting of the members called under paragraph 4.2, only the business stated in the notice calling such a meeting may be transacted.

Notice of Meetings - A written notice of each annual or special membership meeting stating the time, place and purpose shall be posted in the place of business and shall be given by the Secretary at least 10 days but no more than 50 days before the meeting.

Invalidation of Proceedings - When notice is received generally by the members, the accidental omission to give notice to any member thereof or the non-receipt of any notice by any member thereof shall not invalidate any resolution passed or any proceedings taken at such meeting.

Waiver of Notice - Notwithstanding anything contained in these by-laws, no notice of any annual or other meetings of the members shall be necessary:

- a) Where all the members entitled to vote at such a meeting are present in person or via video, and in the case of an annual meeting, consent to the transaction of the business, or in the case of any other meeting, consent to the transaction of the business for which such meeting is being held; or
- b) Where all members entitled to vote at such meeting who are not present either before or after the meeting waive in writing notice of the meeting, or in the case of a meeting other than the annual meeting, notice of the meeting and the purpose for which it is being held.

One Member-One Vote - Each member at the time of a meeting is entitled to one and only one vote on any matter requiring membership voting.

No Proxies - Voting by proxy is not permitted.

Voting - Normally, questions arising at any meeting of the members shall be decided by consensus. Where the meeting cannot reach consensus, a member may make a special motion requiring the main motion to be decided by a majority of two-thirds. This special motion, which must have a seconder, may not be debated and must itself have a majority of two-thirds.

Quorum - A quorum for any meeting of the members shall be 51% of the members. No business shall be transacted at any meeting unless the quorum requisite be present.

Absence of Quorum - If at any meeting of the members, other than requisitioned meetings, a quorum is not present within thirty minutes of the time for which the meeting is called, the presiding officer shall adjourn the meeting to a date not less than seven and not more than 15 days thereafter. Notice of the reconvened meeting

shall be given by the Secretary at least 5 days previous to the date of the meeting. The decisions of the reconvened meeting shall be binding upon the Co-operative provided that the number of members which is the greater of 3 or 25% of the membership, is present. In the case of a requisitioned meeting of the members, if a quorum is not present within 30 minutes of the time for which the meeting is called, the meeting shall be dissolved.

Presiding Officer - The President or other designee, as determined by the board of directors, shall preside at membership meetings. However, if at a meeting the board's designee is not present for the meeting, the members present shall choose a person from their number to be the chairperson, provided a quorum is present.

5. BOARD OF DIRECTORS – create nerdy fun

Powers - The board of directors will manage the Co-operative in all matters excluding those requiring the acceptance by the membership.

Qualifications - The qualifications of each director shall be that they be at least 18 years of age and a member of the Co-operative.

Election and Size - The board of directors shall consist of a minimum of three and a maximum of 10 directors, who shall be elected for a term of five years. Directors shall be eligible for re-election upon completion of their term.

Tenure (time in office) - Except as otherwise provide by law, by the articles, or by these by-laws, directors shall hold office until their successors are elected.

Nominations - At a meeting where directors are to be elected, the members shall choose a chairperson for the purpose of conducting the elections. Nominations shall be on an individual basis and the chairperson will not accept a blanket motion to elect directors until after nominations has been closed.

Election - All voting members shall cast a number of votes equal to the number of directors to be elected. The member shall distribute the votes among the candidates in such a manner as they see fit, but no candidate shall receive more than one vote from each member.

Leaving Office - The office of a director shall be vacated:

- a) If they cease to have the necessary qualifications for office;

- b) If they are absent without leave of the directors for three consecutive regular meetings of the directors;
- c) If by notice in writing to the Co-operative They resigns their office, or
- d) If by resolution passed by a two-thirds majority of the votes cast at a meeting of the members called for that purpose, They are removed from office.

Vacancy - Whenever any vacancy occurs on the board of directors, provided a quorum of directors remains in office, the directors may appoint a director to fill such vacancy, to serve for a term ending on the date of the next annual general meeting.

Meetings of Directors - Regular meetings of the directors shall be held as often as the business of the Co-operative may require.

Place of Meeting and Notice - Meetings of the directors may be held either at the head office of the Co-operative or elsewhere within or outside Ontario as the directors from time to time may determine. A meeting of the directors may be convened by the President or any three directors at any time. Notice of such meeting shall be communicated to each director not less than 10 days before the meeting is to take place; provided meetings of the directors may be held at any time without formal notice if all the directors are present or those absent have signified their consent to the meeting being held in their absence.

In the case of the first meeting of the directors to be held immediately following an annual meeting, or in the case of a director elected to fill a vacancy of the board, it shall not be necessary to give notice of such a meeting to the newly elected director or directors in order to legally constitute the meeting, provided that a quorum of directors is present.

Quorum - A majority of the number of directors authorized shall constitute a quorum at any meeting of the directors.

Voting - Normally, questions arising at any meeting of the board of directors shall be decided by consensus. Where a meeting cannot reach a consensus, a director may make a special motion requiring the main motion be decided by a majority of two thirds of the directors present. The motion, which must have a seconder, may not be debated and must itself have a majority of two thirds of the directors present.

Remuneration - The directors shall serve without remuneration for their work as directors. However, the directors may be entitled to be reimbursed for traveling and other expenses properly incurred by them in attending meetings of the board or any committee thereof or incurred by them as directors in connection with the business of the Co-operative, Nothing herein contained shall preclude any director from serving the Co-operative in any other capacity and receiving remuneration therefor.

Executive Committee - Where the number of directors is more than six, the directors may elect from among their number an executive committee consisting of not fewer than three of whom a majority shall be resident Canadians and may delegate to the executive committee any powers of the board of directors, subject to the restrictions, if any, imposed from time to time by the directors.

Quorum - A majority of the executive committee shall constitute a quorum.

Indemnity - Subject to paragraph 5.17 of these by-laws, every director and officer of the Co-operative and their heirs, executors, administrators, and other legal personal representatives shall be indemnified and saved harmless by the Co-operative from and against,

- a) Any liability and all costs, charges, and expenses that they sustain or incur in respect of any action, suit or proceeding that is proposed or commenced against her/him for or in respect of anything done or permitted by them in respect of the execution of the duties of office; and
- b) All other costs, charges, and expenses that they sustain or incur in respect of the affairs of the Co-operative.

Limitation of Indemnity - No director or officer of the Co-operative shall be indemnified by the Co-operative in respect of any liability, costs, charges or expenses that they sustain or incur in or about any action, suit or other proceeding as a result of which they are adjudged to be in breach of any duty or responsibility imposed upon them under the Act or under any other statute unless, in an action brought against them in their capacity as director or officer, they have achieved complete or substantial success as a defendant.

Insurance - The Co-operative may purchase and maintain insurance for the benefit of its directors and officers, except insurance against a liability, cost, charge or expense of the director or officer incurred as a result of a contravention of the standard of care required of officers and directors by the Act.

6. OFFICERS – be the anti-experts

Election and Appointment - The directors shall annually or as often as may be required, elect a President, and elect or appoint a Vice-President, a Secretary, and a Treasurer. None of the said officers, except the President, need be a member of the board of directors. Any two of the previously mentioned offices may be held by the same person, except those of the President and Vice

President. A vote of the majority of the directors shall be necessary for the election of the said officers.

Remuneration and Removal - The remuneration of all officers elected or appointed by the directors shall be determined from time to time by resolution of the directors. The fact that any officer or employee is a director or member of the Co-operative shall not disqualify them from receiving remuneration as may be determined. All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the directors at any time, with or without cause, provided that a majority of the directors shall vote in favour thereof.

Delegation - In the case of the absence or inability to act of the President, Vice-President or any other officer of the Co-operative or for any other reason that the directors may deem sufficient, the directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being, provided that a majority of directors concur therein.

Duties of President - The President shall preside at all meetings of members and directors. They shall sign all instruments, which require their signature and shall perform all duties incident to the office of president and shall have such other powers and duties as may from time to time be assigned to them, by the directors.

Duties of Vice-President - In the absence or refusal to act of the President, the Vice-President shall be vested with all the powers and they will perform all the duties of the President.

Duties of Secretary - The Secretary shall issue or cause to be issued notices for all meetings of the members and directors when directed to do so and shall keep or cause to be kept all records required by paragraph 2.2 of these by-laws.

Duties of Treasurer - The Treasurer or some other officer specifically charged with the duty shall have the care and custody of all the funds and securities of the Co-operative and shall deposit the same in the name of the Co-operative in such credit union(s), bank(s), or with such depository(ies) as the directors may direct. The treasurer shall keep or cause to be kept proper accounting records in accordance with the Act. The Treasurer shall at all reasonable times exhibit her/his books and accounts to any director upon application at the office of the Co-operative during business hours.

General Manager - The directors may from time to time appoint a general manager or manager who shall not be one of the directors of the Co-operative and may delegate to them full authority to manage and direct the affairs of the

Co-operative (except such matters and duties as by law must be transacted or performed by the directors or by the members in general meeting), and to employ, discharge, and fix wages or salaries of temporary agents and employees of the Co-operative or may delegate to them any lesser power. The manager may recommend to the directors the appointment and removal of and wages or salaries to be paid to employees of the Co-operative. The manager shall at all reasonable times give to the directors or any of them all information they require regarding the affairs of the Co-operative.

Vacancy - If one or more of the offices of the President, Vice-President, Secretary or Treasurer shall become vacant by reason of death, resignation, disqualification or otherwise, the directors by resolution may elect or appoint an officer to fill such vacancy.

Reports - The board shall require the President, the Secretary/Treasurer, and/or other officers or directors to submit financial statements and other reports in such form and at such frequency as the board may require from time to time.

7. SURPLUS, LOSS AND INTERNAL CAPITAL ACCOUNTS – be generous

7.1 Definitions:

The net worth is the difference between the assets and the liabilities on the Co-operative's books. Where liabilities exceed assets, the net worth is negative. Net worth excludes goodwill and any increase due to adjustment for market value.

The internal capital accounts reflect the allocation of the net worth of the Co-operative among individual members' capital accounts and the collective reserve account less cash paid to members in accordance with paragraph 7.5d). The sum of the balances in the internal capital accounts is the net worth of the Co-operative.

An individual member's capital account records the part of the net worth contributed by and credited to each member through direct investment by the member and by the investment of labour patronage dividends pursuant to paragraph 7.5

It is represented by Common and Preference Shares held by the member and member loans to the Co-operative by the member, as adjusted by paragraph 7.6; this is the member's equity in the Co-operative.

The collective reserve account is that portion of the net worth of the Co-operative remaining after deducting the individual members' capital accounts.

The surplus or loss with respect to a financial year of the Co-operative is:

- i) The book net income or loss for the financial year;
- ii) Less tax payable on the net income of the Co-operative;
- iii) Plus the amount of tax on the income of the Co-operative recoverable owing to a loss for that financial year;
- iv) Less dividends payable for that financial year on Preference Shares of the Co-operative after interest on loans, all as computed in accordance with Canadian generally accepted accounting principles consistently applied and after payment or recovery of income tax on the Co-operative's income.
- v) If the total is positive, it is a surplus. If the total is negative, it is a loss.

The labour patronage of a member as defined herein is the total hours worked for the Co-operative during the financial year, regardless of rate of pay. Work performed while a probationary member or a casual worker shall not be included in the calculation of labour patronage. A minimum of 15 hours must be contributed by the member in any year before labour patronage will be calculated.

The member's share of labour patronage is the individual's labour patronage divided by the total labour patronage of all members. Net worth, surplus, and loss shall be determined in accordance with generally accepted accounting principles by the Co-operative's auditor/accountant or external accountant, whose determination shall be final.

Shares - The par value of Co-operative Common Shares is \$1.00 each, and the par value of Co-operative Preference Shares is \$1.00 each. Dividends paid on Preference Shares shall be as stated in the Articles of the Co-operative as of the first day of the month before the month in which the dividend was declared by the Credit Union Central of Ontario, whichever is less. There shall be no dividend on Co-operative Common Shares.

Members' Share Requirements - The minimum share investment required of a member is 1 Co-operative Common Share and 1 Co-operative Class G Preference Shares. Where an applicant for membership is rejected, the applicant's subscription for shares in the Co-operative shall not be accepted, no shares shall be allotted to the applicant, and monies submitted by the applicant with their subscription as payment for the shares shall be returned to the applicant.

Allotment of Shares - Common Shares of the Co-operative shall be allotted only to members of the Co-operative. No share shall be issued until it is fully paid.

Allocation of Surplus - In each fiscal year, the whole of any surplus generated by the Co-operative shall be allocated to the internal capital accounts and/or paid in cash as a patronage dividend or as an employment bonus, as follows:

- a) first, allocated to the Co-operative's retained earnings, to reduce or eliminate any loss charged against individual members' capital accounts pursuant to paragraph 7.6, to increase the purchase price of Class G Preference Shares to the extent of, and in proportion to, the losses charged against such shares pursuant to paragraph 7.6;
- b) of the remaining surplus, if any, 70% shall be credited to the collective reserve account;
- c) of the remaining surplus, if any, ½ may be divided equally among the members of the Co-operative.
- d) the balance of the remaining surplus shall be required to be paid in cash or credited to the purchase of individual members' Class G Preference Shares, according to each member's share of labour patronage.

Allocation of Loss - In the event of a loss in a financial year, the loss shall be allocated as follows: 30% shall be charged against the collective reserve account, and the remainder shall be charged against individual members' capital accounts, by reducing the redemption or purchase price of the Class G Preference Shares held by members in proportion to each member's share of labour patronage in that year and the preceding 2 years.

8. FINANCIAL – no come ons

Cheques - All cheques, drafts or other orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers or person or persons whether or not officers of the Co-operative and in such manner as the directors may from time to time designate.

Custody of Securities - All shares and securities owned by the Co-operative shall be placed for safe keeping (in the name of the Co-operative) with a credit union, chartered bank or trust company, or the Province of Ontario Savings Office, or with such other corporation as may be determined from time to time by the directors.

Fiscal Year - The financial or fiscal year of the Co-operative shall terminate annually on the last day of March.

Dissolution - In the event of dissolution of the Co-operative, or upon its conversion to another business form, after payment of all debts and liabilities the remaining property of the Co-operative will be paid as set out in the articles.

9. AUDITORS – working harder to make sex easier

- 9.1 **Appointment and Remuneration** - The members at each annual meeting shall appoint an auditor, when it is required by the Act, who is familiar with co-operative accounting and practice. The auditor when appointed shall hold office until the next annual meeting, and if an appointment is not made, the auditor in office shall continue until a successor is appointed.
- 9.2 **Access to Books and Information** - The auditor shall at all reasonable times have access to the books, accounts and vouchers of the Co-operative and may require from the directors and officers such information and explanations as may be necessary for the performance of their duties.
- 9.3 **Report** - The auditor, if requested, shall make a report to the members on the financial statements to be laid before the Co-operative at each annual meeting during their term of office and shall state in their report whether in their opinion the financial statement referred to therein presents fairly the financial position of the Co-operative and the results of its operation for the period under review.

10. EXECUTION OF DOCUMENTS – customer service that helps

Instruments - Aside from cheques, documents requiring the signature of the Co-operative may be signed by any 2 of the directors, officers and/or staff members who have been given signing authority by the President. All documents so signed shall be binding upon the Co-operative without any further authorization or formality. The directors shall have power from time to time by resolution to appoint any officer or officers, person or persons to sign documents generally or to sign specific contracts, documents and instruments in writing on behalf of the Co-operative.

Seal - The seal of the Co-operative shall be in the custody of the Secretary and may when required, be affixed by any officer or officers, person or persons appointed by resolution of the directors to contracts, documents and instruments in writing signed as aforesaid.

11. NOTICES – live our name

Signatures - The signatures on any notice to be given by the Co-operative may be written, stamped, typewritten or printed.

Method of Giving - Any notice may be given by the Co-operative to any member or director either personally, by facsimile or by mail addressed to such member or director at their address in the books of the Co-operative.

More Than One Name - All notices with respect to any shares or loans registered in more than one name shall be given to whichever of the persons is named first in the books of the Co-operatives and notice so given shall be sufficient notice to all holders of such share or loan.

12. GENERAL – sex the way you want it

Head Office - The head office of Co-operative is located 254 Augusta Ave, Toronto, Ontario, Canada.

Seal - The corporate seal impressed in the margin of these by-laws is hereby adopted as the corporate seal of the Co-operative.

Amendments - Neither these by-laws nor any by-laws to amend these by-laws are effective until they are passed by the directors and confirmed, with or without variation, by at least two-thirds of the votes cast at a general meeting of members of the Co-operative duly called for that purpose.

Interpretation - In all by-laws of the Co-operative, the singular shall include the plural and the plural the singular; the masculine shall include the feminine; the word “person” shall include firms and corporations; the word “member” shall include shareholders of Co-operative Common Shares in the Co-operative. Whenever reference is made in this by-law to any statute or section thereof, such reference shall be deemed to extend and apply to any amendment to said statute or section, as the case may be.

Severability - If a court finds any part of these bylaws to be void, the rest of the bylaws are still in force.