***Sample Bylaws – Alberta***

*Disclaimer: These bylaws were created by Co-operatives First staff and should not be*

*used for any organization for the purposes of incorporation, operation, or otherwise.*

*Bylaws should be created for each individual co-operative and reviewed by legal*

*counsel.*

1. **Interpretation**
   1. Definitions
2. The “Act” refers to the *Cooperatives Act* of Alberta.
3. “Bylaws” refer to these bylaws created by Sample Co-op Limited.
4. The “Articles” refer to the articles of incorporation that were filed to create Sample Co-op Limited.
5. The “Board” and “Directors” refer to the board of directors of Sample Co-op Limited.
6. “Director” refers to a member that has been elected to the board of directors of Sample Co-op Ltd.
7. A “Member” refers to an individual or body corporate that has fulfilled the requirements of membership set by these bylaws and have been approved by the board of directors.
8. An “Ordinary resolution” refers to a resolution that requires a majority of votes to be accepted.
9. A “Special resolution” refers to a resolution that requires at least a two-thirds majority of the votes cast to be accepted.
10. The “Regulations” refer to the regulated passed under, and amended pursuant to the Act.
    1. Conflicts with the Act and Regulations
11. These bylaws are subordinate to the Act and Regulations, and shall not be interpreted as permitting any action that is prohibited by the Act or Regulations. Where the Bylaws are more restrictive than the Act or Regulations, the Bylaws shall bind the Co-op.
12. Any provisions not included in these Bylaws shall be regulated by the provisions in the Act and the Regulations.
13. **Membership**
    1. Membership Class
14. There is one class of ordinary membership shares. No person may hold more than one membership in the Co-op, whether as an individual or as a joint member.
    1. Joint Membership
15. Two or more individuals may apply to be joint holders of a membership.
16. A membership that is jointly held is entitled to one vote on all matters decided by the members.
17. The signature of any one member of a joint membership is sufficient.
18. An application for the withdrawal or transfer of a joint membership must be signed by all individuals party to the joint membership.
19. The death of any one holder of a joint membership will not have the same effect as a withdrawal of membership. The surviving member(s) shall continue to hold the membership.
20. Only one of the holders of a joint membership may serve on the board at a time.
    1. Qualifications of Membership
21. Membership in the Co-operative is open to any individual or body corporate that:
    1. In the case of an individual is 18 years of age or older;
    2. Has submitted an application for membership in the form approved by the board; and
    3. Has submitted payment for the purchase of 10 membership shares.
22. Any application for membership must be approved by the Board.
23. Membership is effective on the day that the application is approved.
    1. Rights and Obligations of Membership
24. In addition to the rights of membership set out in the Act, the Regulations, and the articles, Members of the co-operative shall be entitled to:
    1. Vote on all matters decided by the members;
    2. Nominate a candidate or be nominated to the board;
    3. Submit resolutions or proposals at members’ meetings;
    4. Receive information concerning the co-op; and
    5. Access any of the co-op’s records.
25. In addition to the obligations of membership set out in the Act, the Regulations, and the articles, Members of the co-operative shall:
    1. Support and promote the co-op;
    2. Use the co-op’s services; and
    3. Follow the provisions set out in the Act, the Regulations, the articles, and these bylaws.
    4. Withdrawal of Membership Shares
26. A member may request the withdrawal his/her membership shares from the co-op, upon written application to the board requesting that his/her membership shares be redeemed, if:
    1. The member no longer resides in the trading area of the co-op;
    2. The member is deceased; or
    3. Extenuating circumstances require the member to withdraw.
27. The withdrawal is effective on the date the board approves the member’s request to withdraw.
28. The member shall not be entitled to the rights and obligations of membership once the withdrawal is approved.
29. The Co-op shall pay all monies owned to the member not more than one year following the approval of the request to withdraw.
    1. Termination of Membership
30. The board may, by special resolution, terminate a membership.
31. Within 7 days of the vote to terminate, the affected member must receive notice of the termination. The termination is effective on the day the member receives the termination notice.
32. The member must provide the co-op 30 days’ notice of his/her intent to appeal the termination at the next members’ meeting within 30 days of receiving the termination notice.
33. The appeal must be given time on the agenda of the members’ meeting.
34. The members may, by ordinary resolution, reverse the termination.
35. A terminated member may apply for readmission as a member not less than one year after the termination became effective. The board may, by special resolution, re-admit the member if the board determines the circumstances that caused the termination have been rectified.
36. The Co-op shall redeem the membership shares and pay all monies owed to a terminated member within one year of the termination.
37. **Member Meetings**
    1. Annual Meetings
38. The annual meeting of the co-operative will be held within six months of the fiscal year-end.
39. The meeting will be held at a time and place determined by the board.
40. All matters discussed at the annual meeting will be considered special business if they are not included in the following:
    1. Auditor’s report;
    2. Election of directors;
    3. Any reports from directors, management, committees, or offices of the co-op;
    4. Director remuneration;
    5. Appointment of an auditor;
    6. Standard procedural matters;
    7. Unfinished business from previous annual meetings;
    8. Financial reports; and
    9. Consideration of any ordinary business included in these bylaws.
    10. Special Meetings
41. The board may call a special meeting at any time for the purposes of transacting special business.
42. Not less than 5% of the members may requisition the directors to call a special meeting by submitting a written request stating the special business to be discussed at the meeting.
    1. Notice of Meetings
43. Notice of a members’ meeting must be issued not less than 10 days and not more than 60 days before the meeting.
44. Notice, in a manner determined by the board, will be posted at all offices of the co-op and published at least once in a newspaper within the trading area of the co-op.
45. Any special business to be transacted at the meeting must be described in the notice of the meeting.
46. Failure to receive notice of the meeting does not restrict a member from participating in the meeting.
    1. Quorum
47. Quorum for all members’ meetings shall be 10% of the members.
    1. Electronic Attendance
48. The co-op will allow members to participate in members’ meetings by means of telephone and online communication.
49. The details for such means of participation will be included in the notice of the meeting and made available to the members upon request.
    1. Voting
50. Each member is entitled to one vote on all matters decided at a members’ meeting.
51. Unless otherwise stated, all questions decided at a members’ meeting will be by ordinary resolution.
52. All votes will be made by show of hands or an equivalent for members participating by electronic communication or telephone.
53. A vote must be held by secret ballot if three or more members request that the vote be conducted by secret ballot.
54. In the event of a tie, the Chair may cast a deciding vote, but may not vote a second time, if he/she has already voted. In the event of a tie where the Chair cannot vote, the resolution is defeated.
55. The record date for each annual meeting is the final day of the preceding fiscal year. Only members whose memberships have been approved prior to the record date are entitled to vote at the annual meeting.
    1. Proposals
56. A Member may submit written notice of any matter that they propose to raise at the annual meeting.
57. Notice of any resolution as part of a proposal must be provided not less than 30 days prior to the meeting.
58. A proposal to be discussed at the annual meeting must be attached to the notice of the meeting and made available to the members upon request.
    1. Chair and Secretary
59. The President or Vice-President shall chair all members’ meetings of the co-op.
60. Should the President or Vice-President be unable to chair a meeting, the members present at a meeting may elect a chair for the meeting.
61. The Chair shall appoint the meeting’s secretary if the secretary of the board is unable to attend the meeting.
62. **Directors and Officers**
    1. Qualifications of Board Members
63. To become and remain a director of the co-operative a member must:
    1. Have been a member in good standing for not less than one year;
    2. Reside in the trading area of the co-op;
    3. Not be an employee of the co-op;
    4. Be an individual;
    5. Be at least 18 years of age;
    6. Not be a represented adult as defined in the *Adult Guardianship and Trusteeship Act* or the subject of a certificate of incapacity that is in effect under the *Public Trustee Act*;
    7. Not be a formal patient as defined in the *Mental Health Act*;
    8. Not be the subject of an order under the *Mentally Incapacitated Persons Act*;
    9. Not have been found to be of unsound mind by a court outside of Alberta; and
    10. Not have the status of bankrupt.
    11. Term of Office
64. Directors shall serve a term of office of 2 years.
65. A director appointed to fill a vacancy will hold that office until the next annual meeting.
66. A director that is elected to fill a vacancy will hold office for the remainder of the term of the director he/she is replacing.
67. Directors may serve a maximum of 5 consecutive terms.
68. At the first meeting of the members that elects the first board, the 50% of candidates with the most votes will serve a two year term and the 50% of candidates with the fewest votes will serve a one year term. At all other annual meetings, directors will be elected for two year terms.
    1. Remuneration and Expenses
69. Directors shall be paid a $100 honorarium per month.
70. Directors shall be reimbursed for reasonable expenses incurred during the fulfillment of their duties to the co-operative, using a form approved by the board.
71. The mileage rate for director’s expenses shall be the rate used by the government of Alberta.
    1. Ceasing to Hold Office
72. A director ceases to hold office when:
    1. The director dies or resigns;
    2. Is removed from office; or
    3. No longer qualifies as a director under paragraph 4.01.
73. A director may be removed from office by ordinary resolution of the members at a members’ meeting.
74. The directors, by special resolution, may remove a director if the director fails to attend three consecutive meetings without cause.
    1. Vacancies
75. A vacancy created by a situation set out in section 4.04 may go unfilled if there remains a quorum of directors.
76. Directors may appoint a director to fill vacancy if a quorum remains.
77. The directors shall not appoint a director to fill a vacancy resulting from fewer directors than the maximum number allowed being elected.
78. If the remaining directors no longer constitute a quorum the board must call a special meeting for the purposes for electing directors.
    1. Nomination of Candidates
79. A member seeking nomination to the board must submit a form, approved by the board, to the chair of the nominations committee. The nomination must be signed by no less than three members of the co-operative and submitted not less than 30 days before the annual meeting.
    1. Election of Directors
80. Unless required by a situation created from section 4.04, directors shall be elected at the annual meeting.
81. Directors shall be elected by secret ballot if the number of nominees exceeds the number of available positions on the board.
82. Members will only vote for the number of available board positions. Any ballots containing more votes than the number of available board positions shall be considered invalid.
83. If the number of candidates is less than or equal to the number of available positions on the board, all of the candidates will be declared elected.
84. The candidates with the greatest number of votes will be elected. Only the number of available board positions will be filled.
85. In the event of a tie for the last position on the board, the directors already elected shall determine which candidate will be elected.
    1. Directors’ Meetings
86. Quorum for directors’ meetings shall be a majority of directors.
87. If authorized by the board, a director may participate in a meeting through electronic means.
88. Directors shall be provided at least five days’ notice, in a form determined by the board, before a board meeting is held.
    1. Committees
89. The board may, by ordinary resolution, appoint committees and designate the chair of the committee. The resolution creating the committee must describe the powers afforded to the committee.
90. Quorum for committees shall consist of a majority of the directors appointed to the committee.
91. The committee shall appoint a secretary to record the minutes of the committee.
    1. Officers
92. The board shall appoint the officers of the Co-operative, and assign any such duties to the office pursuant to the Act, including:
    1. President
    2. Vice-President
    3. Treasurer
    4. Secretary
93. An individual may not hold more than one office.
94. The board shall determine the remuneration, if any, for its officers.
    1. Indemnity of Directors and Officers
95. The co-operative shall indemnify and make safe any individual that served, or has served, as a director or officer of the co-operative provided he/she:
    1. Acted honestly and in good faith with a view to the best interests of the co-operative; and
    2. In the case of a criminal or administrative proceeding, had reasonable grounds for believing that the individual’s conduct was lawful.
96. **Finance**
    1. Financial Year
97. The financial year of the co-op ends on the 31st day of December.
    1. Patronage Returns
98. Members will be allocated patronage returns in proportion to their use of the co-operative’s services.
99. The board will determine annually the portion of the co-operative’s surplus revenue allocated to the members for the purchase of shares and payment of cash. This will be included in a financial report to the members at the annual meeting.
100. The co-op upon payment of cash to its members shall notify each member of the number of membership shares purchased as part of the member’s patronage allocation and their holdings in the co-operative.
101. Patronage returns amounting to $10 or less will not be issued.
     1. Reserves
102. The board will determine annually the portion of surplus revenue allocated to the co-operative’s reserve fund.
103. The board must contribute no less than 30% of surplus revenue per year to the reserve fund until such a time as the reserve fund equals the revenue of the previous financial year. At such time, the board must contribute no less than 10% of surplus revenue per year to the reserve fund.
104. **Notice**
     1. Notice to Members, Directors, Officers, and Other Persons
105. The co-operative shall issue notice to Members, Directors, Officers, and any other persons using either ordinary mail or, if requested by the member, electronic mail.
106. Notice will be considered received by the recipient within one day in the case of electronic mail and within five days in the case of ordinary mail.
107. Mail that is sent to the recorded address of an individual that is not received by the intended recipient will not have an effect on the issue for which notice is served and the co-op will not be required to send further notice.
108. In the case of joint memberships, notice will be considered received if it is sent to any one holder of the joint members pursuant to section 6.01(b).
     1. Notice to the Co-op
109. Notice that is sent to the co-operative must be sent to the registered office as shown on the most recent notice of registered office filed with the province of Alberta.
110. Notice sent to the co-op will be considered received within five days of it being sent.
111. Amendment and Effective Date
     1. Amendment
112. The board, by special resolution, may amend the bylaws of the co-operative.
113. Any amendment to the bylaws made by the board must be confirmed by the members, by ordinary resolution, at the following members’ meeting.
114. Any members may submit a proposal requesting the amendment of the bylaws pursuant to section 3.07(b).
115. Any members’ meeting where a resolution to amend the bylaws of the co-op is to be discussed, must include the wording or a description of the resolution in the notice issued to the members.
     1. Effective Date
116. A bylaw or amendment to the bylaws of the co-operative shall come into force on the day the bylaw is approved or any later date specified in the bylaw, amendment, or resolution.
117. A bylaw approved by the directors does not require confirmation by the members to come into force and is considered repealed in the event the members do not confirm the amendment at a members’ meeting.