



**MEMORANDUM OF ASSOCIATION
BRITISH COLUMBIA CO-OPERATIVE ASSOCIATION**

1. Full name of Association

British Columbia Co-operative Association

2. Purpose of Association

Any or all of education about, encouragement of, promotion of, development of, or services to all kinds of co-operatives, including but not limited to co-operatives providing services to people of low income, seniors, the disadvantaged and those with special needs, in the Province of British Columbia, in such manner or means as the Association may determine.

3. Restrictions on Powers

- (a) No part of the income of the Association may be paid to or otherwise available for the benefit of any Member of the Association.
- (b) No part of the assets or property of the Association may be paid or distributed to the Members of the Association during the existence of the Association or upon winding up or dissolution,
- (c) No dividend or interest may be paid on membership shares.

4. Authorized Share Capital

The Association is permitted to issue an unlimited number of membership shares with a par value of \$10.

5. Limited Liability

The liability of a member or investment shareholder of the Association is limited in accordance with the Cooperative Association Act.

6. Dissolution or Winding Up

Section 196(1) of the Cooperative Association Act applies to the Association. This provision may not be altered.

7. Community Services Co-operative

The Association is a Community Services Co-operative. Section 178.1 of the Cooperative Association Act also applies to the Association.

For the purposes of Part 6 of this Memorandum, on dissolution, property must be transferred to or distributed among one or more of the following organizations:

- (a) a community service cooperative;
- (b) a charitable organization registered under the *Income Tax Act* (Canada)

This provision may not be altered



**RULES OF THE ASSOCIATION
REVISED JUNE 2023**

ARTICLE 1 – GENERAL

1.01 Definitions

In these Rules:

- (a) "Act" means the Cooperative Association Act of British Columbia from time to time in force and as amended,
- (b) "Association" means British Columbia Co-operative Association,
- (c) "Board of Directors" means the Board of Directors of the Association and "Board" has the same meaning,
- (d) "National Association" means either Co-ops and Mutuels Canada, Canadian Co-operative Association, both of which are co-operatives incorporated under the Canada Cooperatives Act, or the Co-operative Development Fund, a registered charitable organization, or the Co-operative Investment Fund supported by Co-ops and Mutuels Canada, or any other national co-operative association as designated by the Directors, as the context may require.
- (e) "Delegate" means a person elected or appointed by a Member to represent it at Meetings of the Association,
- (f) "Director" means a person elected or appointed under these Rules to serve on the Board,
- (g) "Dues" means the annual payment or contribution by the Member to the Association,
- (h) "Meeting" means a general meeting or special meeting of the Members duly held under the Rules of the Association,
- (i) "Member" means a member of the Association,
- (j) "Memorandum" means the Association's Memorandum of Association and all amendments, additions, deletions or replacements from time to time in force,
- (k) "Rules" means these Rules and all amendments, additions, deletions or replacements from time to time in force.

1.02 Application of Definitions

Subject to Rule 1.01, words and expressions defined in the Act as they read on the date these

Rules come into force apply to these Rules, with the necessary changes. If there is a conflict or inconsistency between the Act and these Rules, the Act governs.

ARTICLE 2 – MEMBERS

2.01 Members

The Members of the Association are those eligible organizations which have been admitted as Members by the Board under these Rules and who have not withdrawn from membership or been terminated.

2.02 Admission of Members

The Board may admit as Members organizations which:

- (a) apply for membership in the manner approved by the Board,
- (b) subscribe for the required number of membership shares (which shall not be less than one),
- (c) make any required payment for membership shares, as set by the Board from time to time, and
- (d) in the opinion of the Board, qualify for membership under one of the classes listed in these Rules.

The required subscription for member shares will be determined by the Board in accordance with the dues and shares levels set by the Members.

2.03 Qualifications of Members

The Board may admit organizations into membership under the classes below:

- (a) Class A Members, being
 - (i) co-operatives or credit unions incorporated in British Columbia or elsewhere, and carrying on business activities or operations in British Columbia,
 - (ii) other corporations, carrying on business activities or operations in British Columbia, which have been accepted into membership by the Canadian Co-operative Association.
- (b) Class B Members, being eligible organizations carrying on business activities or operations in British Columbia that are supportive of the aims and objectives of the Association and do not qualify for membership in Class A.
- (c) Class C, or Sustaining Members, being organizations otherwise eligible to be Class A

members, who have agreed to contribute dues and purchase shares in the amount set for Sustaining Members as determined by the members.

2.04 Member Dues

Members will set the annual dues payable to the Association at a Meeting of Members, upon recommendation of the Board, but if the Members fail to set the annual Dues the annual 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.

2.05 Dues Arrears

Dues are payable on the first day of each financial year. The Board can authorize an agreement with a Member for the payment of arrears. Unless a Member is making payments of arrears on time in accordance with such an agreement, a Member is in arrears if its Dues remain unpaid more than 30 days after payment is due.

2.06 Termination of Membership

The Board may terminate the membership of a Member on the grounds and according to the procedures set out in the Act.

2.07 Withdrawal from Membership

A Member may withdraw from membership by giving written notice to the Association. The notice is effective on the date given in the notice, or when it is received, if the notice gives no date. Notice to the Association of the bankruptcy, liquidation or dissolution of a Member has the same effect as a notice of intention to withdraw.

ARTICLE 3 – MEETINGS OF MEMBERS

3.01 Members Meetings

- (a) Class A Members have one or more votes, dependent on their size and patronage of the Association, but no Class A Members will have more than five votes.

Member voting entitlement for the first year of operations of the Association will be set by the first directors on the basis of the first year's dues to be paid by the Member. Thereafter, Members may vary the formula for establishing the equitable voting entitlement of Members by special resolution, but until the Members make a variation the voting entitlement in place from time to time will remain in effect. Unless the Members otherwise decide a change in voting entitlement will take effect on the first day of the next fiscal year.

- (b) A Class B Member has one vote.
- (c) A Class C Member has the same vote as if it were a Class A member.
- (d) A Member wishing to vote at a Meeting of the Members must appoint a Delegate, and no Member can vote except by its Delegate(s) or Alternate(s).
- (e) A Member that has more than one vote according to these rules may, but is not required to, appoint one additional Delegate for each vote after the first. At a Meeting of Members, the Delegate(s) and Alternate(s) of a Member who are present carry all the votes of the Member, even if there are fewer Delegates present than the Member's voting entitlement.
- (f) A Member may appoint as many Alternates as the number of Delegates that the Member is entitled to appoint. An Alternate may act in a Delegate's place at a Meeting of Members in the absence of the Delegate or at the Delegate's written request.
- (g) No person can be a Delegate or Alternate for more than one Member.
- (h) Each Member must provide the Association with the name and address of its Delegate(s), and of its Alternate(s) if any, in writing, in the manner required by the Association and prior to the commencement of the meeting which the Delegate(s) and Alternate(s) are to attend, failing which the Delegate or Alternate may not be allowed to vote on behalf of the Member.
- (i) The quorum for Meetings is 10% of the Class A and Class C Members whose Dues are not in arrears on the date that notice of the Meeting is given. Business can be conducted at a Meeting as long as there is a quorum.
- (i) Voting by proxy is not allowed.
- (j) Except where the Rules or the Act require a Special Resolution, any question coming before a Meeting will be decided by a resolution passed by a simple majority of the votes cast on the Resolution. In the event of a tie vote, the chair will not have a deciding or casting vote and the proposed Resolution will fail.
- (k) Unless otherwise provided in the Rules or the Act, Meetings of Members will be conducted according to Robert's Rules of Order, with any changes or other rules of order approved by Members.
- (l) Meetings of Members will be chaired by the President or by any person appointed by the Members present. A person appointed by the Members to chair a meeting may be, but is not required to be, a Delegate or a member of a Member.

3.02 Annual Meeting of Members

- (a) An Annual Meeting of the Members must be held each calendar year before the last day of July.
- (b) The agenda of the Annual Meeting will include:

- (i) the auditor's report, unless, subject to the Act, the appointment of an auditor was waived by the Members at the previous Annual Meeting,
 - (ii) the consideration of the financial statement for the last year,
 - (iii) the appointment of the auditor for the current year, or, subject to the Act, a Special Resolution to waive the appointment of an auditor, (iv) resolutions from the Board and the Members, if any,
 - (v) report of the Directors, (vi) the election of Directors,
 - (vii) other business agreed to by the Members.
- (c) The business of the Annual Meeting will be conducted in the order approved by the Members at the Annual Meeting.

3.03 Other Meetings

The Directors may call a Meeting of Members and must call a special Meeting of Members when requisitioned to do so in accordance with the Act.

3.04 Notice of Meetings

- (a) Notice of the Annual Meeting must be sent to each Member not less than 21 days before the Meeting.
- (b) Notice of any other Meeting of Members must be sent to each Member not less than 14 days before the Meeting

ARTICLE 4 – BOARD OF DIRECTORS

4.01 Number of Directors

The Board consists of at least 7 and not more than 15 people elected or appointed as set out in these Rules, with the number of Directors-at-large to be elected to be set by the Directors annually.

4.02 First Directors

The first directors are the persons designated in writing by a majority of the subscribers to the Memorandum, and they will hold office until the close of the first Meeting of Members.

4.03 Qualifications of Directors

- (a) At the time of their election and during their term of office, all Directors must be 18 years of age or older, ordinarily resident in British Columbia, and
 - (i) a member or Delegate of a Class A Member whose Dues are not in arrears, or
 - (ii) a Delegate of a Class B Member who is a director, officer or employee of that Member, whose Dues are not in arrears, or
 - (iii) a Delegate of a Class C Member whose Dues are not in arrears, or
 - (iv) a director of a National Association,
- (b) No person can be or remain a Director who:
 - (i) has been found by a court to be of unsound mind,
 - (ii) has the status of an undischarged bankrupt, or
 - (iii) fails to meet or maintain any other qualification specified in the Act or in these Rules.
- (c) No person can be elected or appointed a Director if their election or appointment would cause the number of Directors who are Delegates of a Class B Member to be greater than two. In applying this provision at an election of Directors, the procedure set out in Rule 4.10 (Rules for Annual Meeting Elections) will be used.

4.04 Directors-at-large

At least 6 directors are elected as Directors-at-large by all Delegates at an Annual Meeting, with the numbers to be elected to be set by the Directors annually.

4.05 Term of Office of Directors-at-large

Directors-at-large serve for a two-year term, beginning at the end of the Annual Meeting when the Director-at-large takes office and ending at the close of the second Annual Meeting after that. When a Director-at-large is elected to fill a vacancy during a term, the Director will serve the balance of that term.

4.06 Rotation of Directors-at-large

- (a) At each Annual General Meeting, the Directors-at-large must each be elected for a term of:
 - (i) one year, if the director is completing the term of a Director-at-large who vacated their office in the first year of their two-year term,
 - (ii) two years, in a manner to ensure that no more than a simple majority of Directors-at-large is elected for a term of two years at any Annual General meeting.
- (b) Where there are no candidates for office, the position is a vacancy.

4.07 Term Limits for Directors-at-large

Directors-at-large may serve a maximum of five consecutive two-year terms, following which they may not seek re-election or be appointed to serve as a Director until the second Annual Meeting following the one at which their last term in office expired.

4.08 National Director

In addition to the elected Directors-at-large, and in accordance with Rule 4.03(a), the Members may appoint as a Director for a one-year term, by ordinary resolution at the Annual Meeting, an individual who:

- (a) is ordinarily resident in British Columbia,
- (b) is a director of a National Association, and
- (c) qualifies as a Director under rule 4.03.

This Director's term of office begins at the close of the Annual Meeting when the Director is appointed and ends at the close of the following Annual Meeting.

4.09 Sustaining Member Directors

In addition to the elected Directors-at-large and the National Director, and in accordance with Rule 4.03(a), each Class C member may appoint one of its delegates as a Director for a one-year term beginning at the close of the Annual Meeting when the Director is appointed and ending at the close of the following Annual Meeting, with a maximum of 3 of Directors appointed under this Rule. Should there be more than 3 Class C members, the Class C members shall elect the Directors from amongst their Delegates.

4.10 Nominations Committee

Before each Annual Meeting, the Board will appoint two or more people who are not seeking election to the Board to serve as a nominating committee. The Nominations Committee will seek candidates who are competent, qualified and willing to stand for election to the Board and who reflect the diversity of co-operatives and credit unions in British Columbia. The Nominations Committee will carry out its duties so as to give the Delegates as broad a choice of representation as possible.

4.11 Rules for Annual Meeting Elections

The Nominations Committee will oversee all elections at Annual Meetings. The Committee shall call for nominations from members, with all nominations to be received by the Committee no later than forty-two days prior to the Annual Meeting. At the Annual Meeting, the Committee shall announce the number of vacancies on the Board, their terms, and shall nominate all candidates whose nominations were received no less than forty-two days prior to the Annual Meeting. Election will be by secret ballot. The Nominations Committee will count the ballots. A ballot cast that contains more or fewer different names than the number of positions to be filled is invalid. Candidates receiving a plurality of votes for the available positions will be declared elected.

Where there is more than one position to be filled, the candidates receiving the greatest number of votes will be awarded the positions of longest term. In the event of a tie between two or more candidates, the winner will be determined by a run-off vote. If the run-off vote results in a tie, the winner will be determined by lot.

Where the number of candidates for office is less than or equal to the number of vacancies, the candidate(s) is (are) elected by acclamation and the term of office of each candidate shall be determined by the Board in a manner to ensure that no more than a simple majority of Directors is elected for a term of two years at any Annual General meeting.

4.12 Vacation of Office

- (a) The office of a Director is vacated when the Director:
 - (i) no longer qualifies for office under Rule 4.03 or the Act,
 - (ii) has been absent without leave of the Board from three consecutive regular Board meetings, in which case the office is vacated when the Board passes a resolution taking notice of the absences,
 - (iii) resigns by written notice,
 - (iv) is removed from office by a Special Resolution passed at a Meeting of Members held under the Act, or
 - (v) dies.
- (b) Provided a quorum of Directors remains in office, the Board may fill any vacancy in the Board from among persons qualified to be Directors of the Association, but a Director so appointed only holds office until the close of the next Annual Meeting.

4.13 Powers of the Board

- (a) The Board will manage or supervise the management of the business of the Association. The Board may exercise all the powers of the Association that the Act or these Rules do not require the Members to exercise. As permitted by the Act, the Board may delegate any of its powers by Resolution to a committee of Directors.
- (b) To the extent permitted by the Act, and where not prohibited by the Rules or by Resolutions passed by the Members, the Board may

- (i) borrow money on the credit of the Association,
- (ii) issue, sell or pledge securities of the Association,
- (iii) give guarantees,
- (iv) use the property of the Association as security for a loan or repayment of a debt,
- (v) invest the funds of the Association in the manner it considers appropriate, and
- (vi) delegate the powers referred to in (i) through (v) by Resolution to any Director of the Association as the Board sees fit.

4.14 Indemnification

- (a) To the extent permitted by the Act, the Association indemnifies current and former Directors and officers.
- (b) In respect of its indemnity under this Rule, the Association may:
 - (i) advance money to a Director, officer or other individual, for the cost of a proceeding contemplated by the Act, subject to the requirements in the Act for repayment, and
 - (ii) purchase and maintain insurance for the benefit of any individuals referred to in this Rule.

4.15 Time and Place of Board Meetings

Meetings of the Board may be held anywhere in British Columbia at any time the Board decides. The Board may hold meetings by means of a telephonic or other communications facility as long as all persons participating in the meeting can communicate adequately with each other during the meeting.

4.16 Notice of Board Meetings

Notice of Board meetings must be given in writing not less than five days before the meeting, unless the Board by Resolution adopts different rules for giving notice of Board meetings, provided always that the Directors may waive notice of meeting by unanimous written consent.

4.17 Quorum for Board Meetings

The quorum to commence a Board meeting and to conduct business at that meeting is a majority of the Directors.

ARTICLE 5 - OFFICERS

5.01 Appointment, Removal and Powers

The officers of the Association are the President, Vice-President, Treasurer, and Executive Director. These officers are appointed by the Board from among the Directors, except the Executive Director, who is hired by the Board. The Board may remove any officer from office by any procedure the Board decides that is not inconsistent with the Act or other applicable statute. The Board may appoint other officers as it determines necessary. Subject to the Act, the Board may specify the powers of the officers appointed, and may vary, add to or limit the powers of any officer.

5.02 Duties of President

The President will perform the duties and exercise the powers of President and perform any other duties that the Board assigns to the President.

5.03 Duties of Vice-President

The Vice-President will assist the President in the exercise of the President's duties and will perform any other tasks delegated to the Vice-President by the President or the Board. The Vice-President will perform the duties and exercise the powers of the President in the absence, disability or refusal to act of the President.

5.04 Duties of Treasurer

The Treasurer will ensure that proper arrangements have been made for the management of the financial affairs of the Association. The Treasurer will report to the Board and Members on the Association's finances and perform other duties assigned by the Board.

5.05 Duties of Executive Director

The Executive Director has the powers and responsibilities, and will perform the duties as assigned by the Board.

In addition, the Executive Director will ensure that:

- (a) required notices of Board meetings and Members Meetings and all other legally required notices are given,
- (b) the corporate records of the Association are properly kept,
- (c) notices and other documents are filed with governments as required.

ARTICLE 6 – SHARES

6.01 Payment for Shares

Membership shares are payable on call and may be forfeited for default of payment. All shares must be paid for in cash. No part of the funds of the Association shall be employed in liens upon the security of its shares.

6.03 Redemption and Transfer of Shares

- (a) The Association may, by a resolution of the Directors, redeem any of its shares at the price, not to exceed the amount paid up on the shares, and on the terms specified by the resolution, and the Association may reissue its shares.
- (b) Shares are non-transferable.

6.04 Redemption of Shares on Cessation of Membership

- (a) Subject to these Rules and the Act, and provided no liens exist which the Association may have against such shares, the Association must redeem the membership shares of an organization that withdraws from membership, whose membership is terminated, or whose membership ceases for any reason.
- (b) The amount paid on redemption of a membership share must not exceed the amount paid up on the share.
- (c) The Directors may defer redemption of membership shares for a period not exceeding three years from the date that membership ceases. If redemption is not made within 90 days from the date that membership ceases, interest shall be paid on the redemption amount at a rate, if any, to be determined by the Directors, not to exceed 8 per cent per annum, calculated annually not in advance from the date that membership ceases to the date when payment is made.

6.05 Lien on Shares

The Association has a lien on a Member's shares for a debt due it by the Member, and may on 30 days notice in writing set off the debt due it against the shares of the Member.

6.06 Share Certificates

The Association will not issue membership share certificates.

6.07 No Interest on Membership Shares

No dividend or interest will be paid on membership shares.

6.08 No Distribution of Income or Assets to Members

- (a) Save as provided in the Memorandum, in this Rule and in the Act:
 - (i) No part of the income of the Association may be paid to or otherwise available for the benefit of any Member of the Association,
 - (iii) No part of the assets or property of the Association may be paid or distributed to the Members of the Association during the existence of the Association or upon winding up or dissolution,

- (b) The Association, upon a Member ceasing to be a Member of the Association, may redeem the Member's membership shares by paying to that Member an amount not to exceed the amount paid on account of shares of the Association.

- (c) The Association may make a distribution of surplus of the Association by way of an adjustment or reduction of fees so long as the distribution is made to all in the same proportion as fees were paid.
- (d) Nothing in this Rule shall prohibit the Association from paying any bona fide indebtedness and interest thereon to any Member.
- (e)
 - (i) No payment made by the Association to a Member whether by way of allocation in proportion to patronage, by way of payment of any indebtedness or otherwise shall be made by way of issue of shares of the Association to the Member,
 - (ii) No payment by a Member to the Association by way of fees or for services shall be credited in whole or in part on account of the purchase of shares of the Association.
- (f) Nothing in this Rule shall prohibit a payment on dissolution or winding up in accordance with the Memorandum.

6.09 Calls on Unpaid Amount of Membership Shares

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

6.10 Interest on Unpaid Calls

If a call is not paid on or before the date set for payment, the Member from whom the money is due must pay interest on the unpaid amount of the call at the rate of 8% per year, calculated annually not in advance, from the date set for payment until the date of payment and the interest that accumulates is a debt due to the Association. The Board may waive payment of any or all of the interest due.

6.11 Notice Requiring Payment of Call

If a Member fails to pay a call on or before the date set for payment, the Board may, at any time after that date, deliver a notice on the Member requiring payment within 14 days from the date of service of the unpaid amount of the call together with any interest that has accrued.

6.12 Failure to Comply with Notice

If a Member on whom a notice has been delivered does not make the payment required by that notice in the time specified, the share in respect of which the notice is given may be forfeited to the Association by a resolution of the Board.

6.13 Effect of Forfeiture

The following applies to the forfeiture of shares under Rule 6.12:

- (a) The forfeiture is effective on the date that the Board passed the resolution.

- (b) A Member whose share has been forfeited ceases to be a Member in respect of the forfeited share and the Board may strike the Member's name from the register of Members.
- (c) A forfeited share may be sold or otherwise disposed of on terms and in the manner the Board thinks fit and, at any time before the sale or disposition, the forfeiture may be canceled on the terms the Board thinks fit.
- (d) A Member whose share has been forfeited remains liable to the Association for interest accrued to the date of the resolution made under Rule 6.12 and that interest is a debt due to the Association.

ARTICLE 7 – FINANCIAL YEAR

7.01 Financial Year

The financial year of the Association will begin on April 1 and end on March 31 of the following year.

ARTICLE 8 – AUDITORS

8.01 Appointment of Auditor

At each Annual General Meeting the Members may, subject to the Act, waive the appointment of an Auditor by a special resolution of the members, or appoint an auditor to audit the accounts of the Association. If an auditor is appointed, the auditor will hold office until the close of the next Annual Meeting. The Board may fill any vacancy in the office of the auditor that occurs between Annual Meetings, subject to the provisions of the Act.

ARTICLE 9 - NOTICES AND SERVICE OF DOCUMENTS

9.01 Notice to Directors, Members and Others

Unless otherwise specified in the Act or these Rules, any notice or other document required to be served on or given to a Director, Member or any other person must be in writing and is sufficiently served or given if it is:

- (a) delivered personally,
- (b) delivered to the last known address of the intended recipient, as recorded in the Association's register of Members or other record of the Association,
- (c) mailed by prepaid mail to the intended recipient's last known address, as recorded in the Association's register of Members or other record of the Association, or
- (d) sent to the intended recipient by facsimile transmission to a telephone number provided by the intended recipient for that purpose.

9.02 Notice to Association

Unless otherwise specified in the Act or these Rules, any notice or other document required to be served on or given to the Association must be in writing and is sufficiently served or given if it is:

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

ARTICLE 10 – CORPORATE SEAL AND EXECUTION OF DOCUMENTS

10.01 Use and Custody of Corporate Seal

The Directors may provide a seal for the Association and may determine its form, and the Directors must cause the seal to be stored in a safe place at the registered office of the Association.

10.02 Execution of Documents

- (a) The impression of the seal on any document or instrument must be attested by the signature(s) of one or more Directors, officers or other persons as determined by resolution of the Directors.
- (b) Documents and other instruments may be executed by the Directors, officers or other persons authorized by resolution of the Directors without the impression of the seal.

ARTICLE 11 – AMENDMENTS TO RULES

11.01 Amendments to Rules

Rules can be made, amended or repealed by Special Resolution passed at a Meeting called for that purpose or at any Annual General Meeting of the Association.

ARTICLE 12 – DISTRIBUTION ON DISSOLUTION OR WINDING UP

12 Distribution on Dissolution or Winding Up

Subject to the Act and the Memorandum, on the dissolution or winding up of the Association, its property, after satisfaction of its liabilities, costs, charges and expenses properly incurred in the dissolution or winding up, shall be transferred to or distributed among one or more other organizations each of which is either

- (a) a community services co-operative incorporated under the laws of British Columbia or of Canada, whose purposes include purposes that are similar or complementary to those of the Association, or
- (b) a charitable organization registered under the Income Tax Act (Canada),

as the Directors of the Association may designate by resolution, upon the condition that any property so turned over shall be used for the purpose of any or all of education about, encouragement of, promotion of, development of, or services to co-operatives, including co-operatives providing services to people of low income, seniors, the disadvantaged and those with special needs, in the Province of British Columbia, in such manner or means as the co-operatives, central credit unions or charitable organizations may determine and whether by way of loan, guarantee, grant or donation.