

Memorandum of Association
My Recreational Mountain Co-operative

1. The name of the Co-operative is My Recreational Mountain Co-operative ("the Co-operative").

2. The purposes of the Co-operative are;

- To own and operate a recreational skiing, snowboarding and recreational facility near Terrace, British Columbia, commonly known as Shames Mountain.
- To provide recreational opportunities to the public;
- To enhance the health of the people in the communities served by the Co-operative;
- To provide a public amenity that enhances the quality of life in the communities served by the Co-operative;
- To offer programs to members of the public who require assistance in order to take part in the activities offered at Shames;
- To co-operate with governments and with other organizations with complementary purposes;
- To receive and invest money, hold tenures, own property, and enter into contracts in order to further the purposes of the Co-operative;
- To carry out all activities necessary to further the purposes of the Co-operative.

3. The Co-operative is a Community Services Co-operative as provided for by Section 178.1 of the British Columbia Co-operative Association Act.

4. The activities and purposes of the Co-operative must be carried on without purpose of gain for its members, and any income, profits or other accretions must be used to promote the purposes of the Co-operative.

5. Directors must not be remunerated for acting as directors, but a director may be reimbursed for expenses necessarily and reasonably incurred while engaged in the affairs of the Co-operative.

6. In the event of the winding-up or dissolution of the Co-operative, all the assets of the Co-operative remaining after the payment or satisfaction of its liabilities, including the remuneration (if any) of a liquidator, payment to employees of the Co-operative of any arrears of salaries or wages, and payment of any debts of the Co-operative, must be give to organizations that are registered charities as described in the Income Tax Act (Canada), or that are Community Services Co-operatives, and that;

- have purposes similar to those of the Co-operative, or
- are designated by the members of the Co-operative at the time of winding-up or dissolution.

7. The Co-operative is not permitted to issue investment shares.

8. Sections 3,4,5,6,7 and this section 8 are unalterable.

9. The Co-operative is permitted to issue an unlimited number of membership shares with a par value of \$1.

10. The liability of a member is limited in accordance with the Act.

THE RULES

1. Preliminary and definitions

1.1 In the Memorandum and these Rules:

- a) the singular includes the plural, and vice versa;
- b) persons include corporations, incorporated societies, co-operatives, and other incorporated bodies;
- c) "director," "Memorandum," "member," "officer," "membership share," and "Rules" have meanings assigned to them by the Act.
- d) "Act" means the Cooperative Association Act of British Columbia;
- e) "Co-operative" means My Recreational Mountain Co-operative;
- f) "the directors" means the board of directors of the Co-operative;
- g) "employee" means a person who is, or within the last year was, an employee of the Co-operative or of a corporation of which the Co-operative is the controlling shareholder;
- h) "may," where it refers to the authority of the directors or the Co-operative to make a decision, without qualification, means that the directors or the Co-operative have the sole discretion to make the decision;
- i) "share" means membership share;
- j) "spouse" means a person living with another person in a marriage-like relationship, whether or not they are married, and includes relationships between persons of the same sex; and
- k) "special resolution" means a resolution that is passed by a 75 percent majority of the total votes cast on the resolution by the members eligible to vote.

1.2 The Memorandum and Rules are subject to the Act, and the Act contains provisions not repeated in the Rules.

1.3 The Memorandum and Rules may be changed only by special resolution.

2. Becoming a member

2.1 To become a member, a person must:

- a) in the case of an individual, be at least 16 years of age;
- b) in the case of an institution, be a legally incorporated company or registered Society;
- c) subscribe for and own the required number of shares; and
- d) provide the member's full and correct name and address.

2.2 Application for membership must be made in a manner decided by the directors.

2.3 The directors, or a person authorized by the director to approve membership may approve or refuse an application for membership.

2.4 Membership is open in a non-discriminatory manner to individuals and incorporated bodies that wish to further the purposes of the Co-operative, and are willing and able to accept the responsibilities of membership.

3. Shares

3.1 A members must own the minimum required shares as designated by their class;

(1) There will be two classes of members;

Class A-Individual Membership requires a minimum of 299 shares

Class B-Institutional Membership requires a minimum of 599 shares.

Individuals under the age of 16 can participate in the benefits of membership through a sponsoring family member.

3.1 Shares must be paid for in full before being issued.

3.3 A share is deemed to be issued when ownership of the share is noted in the records of the Co-operative, and is deemed to be cancelled when the note regarding ownership of the share is removed from the records.

3.4 Number of shares to be held;

The Co-operative, by special resolution, may change the minimum number of shares a member must hold. If the minimum number of shares is increased by special resolution, each member is deemed to have subscribed for the increased number of shares and must make any required additional payments for the shares.

3.5 The Co-operative must not issue investor shares.

3A Share Certificates,

3A.1 No Share Cerificates shall be issued

3.6 If a member fails to pay a call on or before the date set for payment by the resolution referred to in Rule 3.4, the directors may, at any time after that date, serve a notice on the member requiring payment within 14 days from the date of service of the unpaid amount of the call.

3.7 If a member on whom or on which a notice has been served under Rule 3.6 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 Co-operative by a resolution of the directors.

3.8 a) A forfeiture under Rule 3.6 is effective on the date that the directors make the resolution referred to in that Rule.

b) A member whose share has been forfeited in accordance with a resolution under Rule 3.6 ceases to be a member in respect of the forfeited share and the directors may strike the member's name from the register of members and cancel the share.

c) A forfeited share may be sold or otherwise disposed of on terms and in a manner the directors think for and, at any time before a sale or disposition, the forfeiture may be cancelled on terms the directors think fit.

4. Withdrawal from membership

4.1 A member may withdraw from membership by applying in writing to the directors.

4.2 An application to withdraw from membership

a) must be made in a form approved by the directors,

b) must be delivered to the head office of the Co-operative, and

c) is effective on the date the member has complied with the requirements of 4.1 and 4.2

a) b).

4.3 Notice to the Co-operative of the:

a) death, bankruptcy, or loss of mental competency of an individual member; or

b) bankruptcy, liquidation, or dissolution of a member which is incorporated has the same effect as an application to withdraw from membership and Rule 4 and 7.1 apply with the necessary changes, so far as applicable.

4.4 The Co-operative may terminate the membership of a member in accordance with the Act if:

a) The member has engaged in conduct detrimental to the Co-operative,

b) The member has not paid money due by the member to the Co-operative within a reasonable time after receiving written notice to do so from the Co-operative,

c) In the opinion of the directors, based on reasonable grounds, the member:

(i) Has breached a material condition of an agreement with the Co-operative,

and

(ii) Has not rectified the breach within a reasonable time after receiving written notice to do so from the Co-operative.

4.5 The right of appeal of a person whose membership in the Co-operative is terminated for a reason set out in Rule 4.4 (a) to (c) is governed by the Act.

4.6 When a member withdraws from membership or a membership is terminated or ceases for any reason, all rights and privileges attached to the membership cease except the right to require the Co-operative to redeem, in accordance with the Rule 7 , if applicable, the member's membership shares.

4.7 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.

5. Allocation of surplus

5.1 The Co-operative may apportion surpluses from its activities to:

- a) retaining all or part of the residue for the purposes of the Co-operative, or
- b) donating all or part of the residue for charitable or educational purposes.

6. Payments to members

6.1 The Co-operative must not make payments to members, except;

- a) repayment of the value of a member's share if the member withdraws from the Co-operative, or on the occurrence of a circumstance set out in Rule 4.4
- b) reimbursement of expenses necessarily and reasonably incurred by a member in the course of carrying out a volunteer function for the Co-operative; and
- c) wages payable to a member engaged as an employee of the Co-operative
- d) payment for services or supplies provided in the normal course of business.

6.2 A member may be employed by the Co-operative, but must not thereby receive consideration or benefits that would not be available to an employee who is not a member.

7. Redemption of Shares

7.1 The Co-operative must not redeem a member's share except on acceptance of the member's application to withdraw from membership, or on the occurrence of a circumstance set out in Rule 4.3. The board may choose to delay payment of redeemed membership shares if the redemptions will create a hardship, such as a cash flow shortage on the co-operative. The refund on account of membership shares must not exceed the amount paid up in the members membership shares

7.2 The person entitled to the membership shares of a deceased member, may on providing proof satisfactory to the directors of the death of the member and the person's entitlement:

- a) If the person is not a member, apply under Rule 2 for membership in the Co-operative,
- b) If the person is a member, apply to the directors to redeem the shares.

7.3 If the person entitled to the membership share of a deceased member does not qualify for membership under Rule 2 or the directors do not authorize the transfer of shares to that person, the Co-operative must, subject to the Act, redeem those shares by paying to that person, within 4 months of the date on which the person provided the Co-operative with proof of his or her entitlement, the amount paid up on the shares.

7.4 The Co-operative shall have a lien on a member's shares for a debt or any other amount whatsoever due to the Co-operative by the member and the lien will extend to the proceeds of any redemption or sales of the shares.

7.5 Despite any other provisions of this Rule, the Directors may, upon 30 Days written notice to a member, cause the Co-operative to sell or redeem all or a sufficient number of the shares of the member to satisfy the lien of the Co-operative.

7.6 Upon any sale or redemption of shares, the Directors must apply the proceeds of the sale or redemption in satisfaction of the lien of the Co-operative by the member and any surplus or excess from the proceeds will be paid to the member or other person entitled to the shares.

8. Transfer of Shares

8.1 An instrument of transfer of any shares in the Co-operative must;

- a) Be in writing.
- b) Specify the number of shares being transferred, and
- c) Be executed and dated both by the transferor and transferee, and the transferor

remains the holder of the shares until the name of the transferee is entered in the register of members.

8.2 Shares in the Co-operative may be transferred in a form approved by the Directors.

8.3 A transfer of shares does not take place until:

a) A duly executed instrument of transfer and the share certificate, if one was issued, has been delivered to the Co-operative;

b) Any lien of the Co-operative on the shares has been satisfied;

c) The transfer has been authorized by the Directors; and

The name of the transferee is entered in the register of members.

9. Voting at general meetings

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

9.2 In case of an equality of votes, and provided that the chair is a member, the chair of a general meeting is entitled to a second or casting vote.

9.3 Unless otherwise provided in the Act or these Rules, every motion for a resolution put to a vote at a general meeting is to be decided on a show of hands unless, before the vote is taken, the chair designates, or three or more members request a secret ballot.

9.4 The chair must declare to the general meeting the decision on every motion in accordance with the result of the show of hands or the secret ballot, and that decision must be entered in the minutes of the meeting.

9.5 Unless a secret ballot is required or demanded, a declaration by the chair of the decision on a motion and an entry in the minutes to that effect, in absence of evidence of the contrary, shall be conclusive evidence of the result.

10. Register of Members

10.1 The Co-operative must keep and maintain a register of members in accordance with the Act.

11. General Meetings

11.1 An annual general meeting must be held year at a date, time and place set by the directors and in the time provided by the Act.

11.2 The Co-operative must give notice to the members of the date, time and place of the annual general meeting

a) The co-operative must give notice to the members of the date, time and place of the annual general meeting by electronic mail and by posting on the My Mountain Co-operative Web page.

11.3 Notice of an annual general meeting must be given in a manner that allows for its delivery to the members no less than 14 full days in advance of the meeting.

11.4 The Co-operative may hold two or more members' meetings at different locations instead of a single general meeting, as permitted by the Act but votes taken must be by secret ballot and the sum of those votes will determine if a resolution is passed or not.

11.5 The directors may call a special general meeting.

11.6 The directors may call a special general meeting within seven days of receiving a written requisition signed by one fifth of the members, subject to the Act and the directors shall determine the order of business.

11.7 Quorum at a general meeting is twenty members who are eligible to vote at that meeting present at all times. If within 45 minutes from the time appointed for a general meeting a quorum is not present the meeting is dissolved.

11.8 Every member present at a general meeting who became a member, and who was 16 years of age or older, a full 30 days or more before that meeting is eligible to vote at the meeting.

11.9 Each member eligible to vote at a general meeting has one vote on each matter being voted upon.

11.10 Proxy voting is prohibited.

11.11 The chair, or the vice-chair, of the directors must preside over every general meeting. If neither is able or willing to preside, the members present must choose another person to preside.

11.12 A general meeting may adopt rules of order. If the meeting does not adopt other rules, or if the rules do not cover the point raised, then Robert's Rules of Order (Newly Revised) must be used as the rules of order.

11.13 Voting by an Institutional (Class B) Member:

a) A member which is an Institutional Member may appoint an individual to represent it and vote on its behalf at a general meeting, but the appointment must

- i) be in writing;
- ii) identify the appointing business member, and the individual appointed;
- iii) identify the meeting in respect of which the representative is appointed;
- iv) be signed by a duly authorized signatory of the business member; and
- v) include the date on which the appointment was signed.

b) A representative appointed under this rule is entitled to exercise at that meeting the same rights on behalf of the member as the member could exercise if it were an individual member present, and must be counted in determining quorum.

c) An individual may only represent one member at a meeting (one member, one vote) (ie. an individual cannot vote as a member AND as a representative or a Representative cannot represent more than one Business Member)

11.14 The only persons entitled to be present at a general meeting are members of the Co-operative, the auditor if any or accountant, and others who are entitled or required under the provisions of the Act or Rules to be present.

11.15 A person who is not entitled to be present at a general meeting under Ruler 11.14 may be admitted to a meeting only on the invitation of the chair, or with the consent of a majority of the members at that meeting.

11.16 The accidental omission to give a notice of any general meeting or the non receipt of any notice by a member so entitled does not invalidate any proceeding at the meeting.

11.17 The notice of any general or special meeting must specify the general nature of the business to be considered and if the financial statements are to be approved must be enclosed with the notice if possible. If a special resolution is to be considered the text of the resolution shall be enclosed with the notice.

11.18 The directors at a general meeting must appoint a member to act as secretary at the meeting and the secretary must record theminuted and present them to the next members meeting for consideration and approval.

11.19 The Co-operative may permit members to participate in general meetings and vote by phone or other communication devices in accordance with the Act.

12. Ordinary Resolution

12.1 A member wishing to move an ordinary resolution at a general meeting must deliver written notice of the resolution to the Co-operative no less than 14 full days before the date of the general meeting.

12.2 The Co-operative must, along with a call for moninations for directors and notice of an election, notify the members of the deadline for submitting a propsed ordinary resolution.

12.3 The directors may refuse to accept an ordinary resolution for consideration at a general meeting if a majority of the directors resolve that considering the resolution is not in the best interests of the Co-operative.

13. Special Resolutions

13.1 Except for special resolutions dealt with in Rule 13 (disposal of the undertaking of the Co-operative), special resolutions must be voted on at a general meeting of the members, and are subject to the notice requirements of this section.

13.2 Subject to Rule 13.4, the Co-operative must give notice at least 14 full days before the date of the next general meeting of the intention to propose a special resolution if the resolution:

- a) is being proposed by the directors, or

b) was submitted by a member and received by the Co-operative 90 full days before the general meeting, with a written request by at least five members that notice be given.

13.3 The Co-operative must give notice of the intention of propose a special resolution by;

- a) including a summary of the resolution in the notice of the next general meeting;
- b) indicating whether the resolution is being proposed by the directors, or by members, or by both;
- c) referring the members to the Co-operative's website; and
- d) publishing the entire resolution on the Co-operative's website at least 14 days before the annual general meeting.

13.4 If the majority of the directors resolve that a special resolution is frivolous, vexatious, or an abuse of process, or that the resolution, if passed, would harm the Co-operative, the Co-operative may refuse to give notice of the resolution, and must then notify the members(s) proposing the resolution of the decision and the reasons for it.

13.5 The Co-operative must, along with a call for nominations for directors and notice of an election, notify the members of the deadline for submitting a proposed special resolution.

14. Special resolution proposing to dispose of all, or substantially all, of the Co-operative's undertaking

14.1 The Co-operative must not dispose of the whole, or substantially the whole, of its undertaking unless the disposition is authorized by a special resolution on which the entire membership is able to vote by mail ballot.

14.2 Notice of a special resolution to dispose of the whole, or substantially the whole, of the Co-operative's undertaking must:

- a) be given electronically as identified by the members share application
- b) include the full set of the special resolution a full 14 days before the next general meeting

14.3 The provisions of Tule 13.2 and Rule 13.4 apply to special resolution to dispose of the whole, or substantially the whole, of the undertaking of the Co-operative.

14.4 A special resolution to dispose of the whole, or substantially the whole, of the Co-operative's undertaking must be considered, but not voted upon, at a general meeting.

14.5 Ballots on a special resolution to dispose of the whole, or substantially the whole of the Co-operative's undertaking, returned to the Co-operative no more than 30 days after the general meeting at which the special resolution was considered, must be counted by the auditor if any or accountant, and the results published to the members within a reasonable time.

14.6 A special resolution to dispose of the whole, or substantially the whole, of the Co-operative's undertaking must conform to the Act as it applies to a Community Service Co-operative.

15. Election of directors

15.1 The Co-operative must conduct an election of directors each year.

15.2 The Co-operative must, at least 14 days before the date of the annual general meeting:

- a) give notice to the members of the election of directors,
- b) call for nominations
- c) give notice to the members of the date by which nominations must be received by the Co-operative.

15.3 Notice under Rule 15.2 must be in writing and delivered by electronic mail and posted on the My Mountain Co-operative website.

15.4 Nominations must be submitted to the Co-operative, in the required form and accompanied by the required documents, at least 14 full days before the annual general meeting.

15.5 The Co-operative must notify the members of the names of those nominated and qualified as candidates for election as directors, and provide the members with other election materials by email or via web site at least 14 days before the annual general meeting.

15.6 The Co-op must post the campaign statements of properly nominated and qualified candidates on the Co-operative's website at least 14 days before the annual general meeting and must provide notice of that posting to the members along with the delivery of ballots under Rule 13.5

15.7 If the number of properly nominated and qualified candidates, after the date for submitting nominations has passed, is equal to the number of directors to be elected, the candidates must be declared elected.

15.8 There must be a minimum of five and up to nine directors at the end of each annual general meeting.

15.9 The full term of office of a director is three years, from the close of the annual general meeting at which he or she was elected to the close of the annual general meeting held three years later.

15.10 In each election, three directors must be elected for three years, and any other vacant positions on the board must be filled, so that immediately after the annual general meeting there are three directors with three years remaining in their terms, three directors with two years remaining, and three directors with one year remaining. When the total number of directors is less than nine, the terms should be staggered over three years using the same methodology.

15.11 Transitional: At the time of incorporation, the foundation members of the Co-operative must appoint three directors to serve three-year terms of office, three directors to serve two-year terms, and three directors to serve one-year terms. Beginning with the first annual general meeting, Ruler 15.10 applies.

15.12 When an election requires filling positions with terms of differing lengths, the candidates receiving the highest number of votes must fill the positions with the longest terms. If the election is by acclamation, the terms of those elected must be decided by the lot.

15.13 If two candidates receive an equal number of votes, the successful candidate, or longest term of office, must be decided by lot.

15.14 A member's vote is invalid if, in the opinion of the election adjudication;

a) it is illegible, unintelligible, or ambiguous, or

b) the member did not vote, or voted for more than the specified number of candidates, or

c) it appears that the member voted more than once, in which case none of the votes cast by the member will be counted.

15.15 Each candidate may appoint a scrutineer, who may, at the candidate's expense, attend and observe the drawing of lots, counting of votes, and at any recount.

15.16 The directors may establish policies governing elections and campaigning by candidates, including but not limited to:

a) The nature of the supporting materials required to qualify as a candidate, e.g. campaign statements and certificates;

b) the nature, length, and distribution of candidates' campaign statements; and

c) other rules regarding places and methods of campaigning.

15.17 The Co-operative must provide a copy of any policies governing elections and campaigning to all candidates, and to any members on request.

15.18 In the event of an interruption of normal postal service, or of any other event beyond the control of the Co-operative that has the effect of making it impractical to complete the election of directors at the annual general meeting, the directors may extend the for

completing the election, and take the necessary actions to complete the election. A director whose term was to end at the annual general meeting continues in office until the election is completed.

16. Appointment of duties of the election adjudicator

16.1 The directors must appoint an election adjudicator each year prior to the election of directors. The election adjudicator may be the Co-operative's accountant, a firm of accountants, a trust company, or any other firm which is able to carry out the duties of an election auditor.

16.2 The election adjudicator must:

- a) perform the procedures and functions which in the opinion of the election adjudicator are necessary to validate the process and outcome of the election;
- b) preside over any drawing of lots;
- c) verify that each person who receives a ballot is a member qualified to vote;
- d) receive and examine the completed ballots;
- e) ensure that the counting of the ballots is accurate;
- f) certify the election as valid, or declare it invalid;
- g) declare the results of the voting to the members at the annual general meeting; and
- h) destroy the ballots as directed by motion of the members.

16.3 The election adjudicator must not disclose to any person how any member voted.

16.4 In an election of director, the chair must, after receiving the adjudication report, declare elected the candidates who received the highest number of valid votes up to the number of the directors to be elected.

17. Appointment and duties of the nominations committee

17.1 The directors must appoint a nominations committee.

17.2 The nominations committee must;

- a) ensure that the procedures required to initiate and successfully complete an election are carried out in a timely and effective way;
- b) receive the nominations of candidates;
- c) verify that the materials received from prospective candidates are on time,
- d) declare candidates to be qualified or not;
- e) ensure that the number of candidates at least equals the expected number of vacant positions;
- f) inform the election auditor of the names of qualified candidates at least 14 full days before the election.

17.3 The nominations committee may nominate candidates.

18. Becoming a director

18.1 To qualify for election as a director, a candidate must, at least 14 days before the election;

- a) be a resident of Canada;
- b) be at least 18 years of age;
- c) not be disqualified by the Act from becoming or acting as a director; and
- d) be a person who has held a membership in an individual capacity, i.e. not as the representative of a business member, for at least ninety days.

18.2 A member is not permitted to be a candidate if;

- a) the member, or a member of the member's immediate family, is employed or in the two years prior to the election has been employed by the Co-operative; or
- b) a member of the member's immediate family is also a candidate, or is an incumbent director who would be on the board at the same time as the member if the member was elected.

For the purpose of this Rule, "immediate family" means spouse, sibling, parent, child, or any relative of the member or the member's spouse (including common law) who lives with the member.

18.3 A member is not permitted to be a candidate if, on election to the longest term to be filled, the member would be a director for more than seven consecutive years without a period of at least 48 weeks in which the member was not a director.

18.4 To become a qualified candidate, a member must submit to the nominations committee, at least 14 days before the election (see Rule 15.4)

- a) a written nomination signed by at least five members, or by a representative of the nominations committee;
- b) the member's written consent to act as director;
- c) the member's written agreement to follow the rules and policies regarding elections;
- d) a candidate's campaign statement as specified in the Co-operative's election policies;
- e) a certificate stating that the member;
 1. is qualified to act as a director;
 2. is aware of the duties of directors under the Act;
 3. will not campaign for or on behalf of, or against, any other candidate;
 4. has disclosed all personal, employment and business relationships with the Co-operative or its employees, suppliers, contractors or directors, or with other candidates.
 5. has disclosed all conflicts between the candidate's personal interests and those of the Co-operative;
 6. will disclose any future conflicts of interest as they arise; and

7. will comply with the Rules, and any policies set by the directors.

18.5 If the majority of the directors resolve that the member's nomination information under Rule 18.4e is in any material respect false, incomplete, or misleading, or that the candidacy is frivolous, vexatious or for the purpose of harming the Co-operative, the Co-operative may reject or remove the member as a candidate at any time during the election, or after the election may remove the member as a director.

18.6 The directors may appoint a member to fill a director's position which becomes vacant between elections, but:

- a) no more than three directors appointed under this rule may hold office at the same time;
- b) directors appointed under this rule hold office only until the close of the next annual general meeting; and
- c) directors appointed under this rule must comply with Rules 18.1, 18.2, 18.3, and 18.4 (b) and 18.4 (e).

18.7 At least 50% of directors must be individuals ordinarily resident in British Columbia.

18.8 Notwithstanding any other Rule, if at any time less than 50% of the directors are individuals not ordinarily resident in British Columbia, the directors must appoint a tenth director who is an individual ordinarily resident in British Columbia, who holds office until the close of the next annual meeting.

18.9 In making an appointment under Rule 15.8, the directors must consider the votes received by, and residencies of, the candidates not elected, and if possible appoint the individual candidate resident on British Columbia who came closest to being elected.

19. Ceasing to hold office as a director

19.1 A director may be removed from office before the end of her or his term by:

- a) a special resolution, or
- b) a resolution passed by no fewer than 75 percent of all the directors.
- c) the resolution must specify the reason (s) for the removal and these minutes maintained by the co-operative for the legally required time.

20. Meetings and functions of directors

20.1 The quorum for a meeting of directors is five directors present at all times.

20.2 There must be at least four meetings of the directors each year.

20.3 A person may participate in a meeting of the directors or a committee by electronic means. Each participant in such a meeting must be able to communicate with all the others, and is deemed to be present, and to have agreed to participate.

20.4 The directors must:

- a) conduct the business of the Co-operative,
- b) appoint, by resolution, a secretary, a treasurer and other officers that the board determines are necessary and set their duties.

20.41 The Directors may:

- a) delegate their powers, and
- b) regulate their meetings and affairs.

20.5 The directors by resolution must:

- a) Appoint a chair and vice-chair from among the directors,
- b) set the powers and duties of the chair and vice-chair,
- c) appoint a General Manager, and
- d) set the title, remuneration, powers and terms of employment of the General Manager.

20.6 The officers appointed under 20.4 may be, but need not be, directors.

20.7 The directors, in their discretion, may remove any officer of the Association without prejudice to that officer's rights under any employment contract.

20.8 The term of office of officers who are directors is one year, unless an officer resigns or is removed by a resolution of the directors.

20.9 The term of office of officers who are employees or volunteers is determined by the directors.

20.10 A resolution approved in writing by at least two thirds of the directors is as valid as if it had been passed at a directors' meeting. Approval may be by facsimile, electronic mail, or similar method, provided that it is recorded and verifiable.

21. Restriction on employment of a former director.

21.1 A person may not become an employee, supplier, or contractor of the Co-operative within one year after ceasing to hold office as a director.

22. Financial

22.1 The directors may, without the authority of a special resolution, cause the Co-operative to borrow money, and to secure the repayment of money borrowed by means of a charge on all or part of its assets.

22.2 The directors may invest all or part of the funds and assets of the Co-operative in such manner and on such terms as they deem in the best interests of the Co-operative.

22.3 Subject to section 22.6 an auditor must be appointed by ordinary resolution at each annual general meeting, but the directors may appoint an auditor to fill a vacancy arising between meetings.

22.4 At every general meeting, the directors must present the financial statements required by the Act.

22.5 The Co-operative must, on request by a member, but no more than once a year, provide a copy of the Co-operative's latest financial statements and the accountant's report on them to the member.

22.6 The Co-operative may, by special resolution, waive the appointment of an auditor, but must then appoint a qualified accounting firm to prepare and report on the financial statements at a review engagement level.

23. Notices and service

23.1 A notice that must be given to the Co-operative must be in writing, and may be given by:

- a) delivering it to the registered office, or
- b) mailing it to the registered office by prepaid mail, or
- c) sending it by facsimile transmission to a telephone number provided by the Co-operative for that purpose, or
- d) delivering it as is otherwise required or permitted by the Act or Rules.

23.2 Notice or other document which must be served by the Co-operative may be served by:

- a) mailing it by registered mail to the last known address of the intended recipient, as recorded in the register of members or other records of the Co-operative; or
- b) personal service, or
- c) as is otherwise required or permitted by the Act or Rules.

23.3 A notice or other document served under Rule 20.2 (a) is deemed to have been received on the third day, not including Sundays and holidays, after the date of mailing.

23.4 Instruments may be executed on behalf of the Co-operative by:

- a) any two directors,

- b) an officer and a director, or
- c) one or more directors, officers or other persons authorized by a resolution of the directors.

24. Conflict of Interest Rules for Directors and Officers

24.1 The directors and officers of the Co-operative are governed by the disclosure and conflict of interest rules set out in the Act.

25. Indemnification of Directors and Officers

25.1 The Co-operative must indemnify the directors and officers in accordance with the Act.

26. Records

26.1 Retention of, and entitlement and access to records of the Co-operative are governed by the Act.