



Southern Plains

BYLAWS OF SOUTHERN PLAINS CO-OPERATIVE LIMITED
THE CO-OPERATIVES ACT
PROVINCE OF SASKATCHEWAN

DEFINITIONS

1.01 In these and all other bylaws of the Co-operative unless the context otherwise requires or specifies.

(a) “Act” means **The Co-operative Act**, as amended from time to time, and in the case of such amendment, any references in the bylaws of the Co-operative shall be read as referring to the amended provisions.

(b) “Co-operative” means Southern Plains Co-operative.

(c) “Directors”, “Board” and “Board of Directors” mean the director of the Co-operative.

(d) “in writing” and “written” include words printed, painted, engraved, lithographed, photographed or represented or reproduced by any mode of representing or reproducing words in visible form.

(e) “Regulations” means the regulations, from time to time, passed by the Lieutenant Governor in Council pursuant to the Act.

(f) “trading area” means the geographic area or areas in which the Co-operative carries on its business activities.

(g) All terms contained in the bylaws and which are defined in the Act shall have the meanings given to such terms in the Act.

(h) Words importing the masculine gender shall include the feminine, and words importing the singular shall include the plural and vice versa.

(i) The headings used in the bylaws are inserted for reference only and are not to be considered in construing the terms thereof or to be deemed in any way to clarify, modify or explain the effect of any such items.

II. BUSINESS OF THE CO-OPERATIVE

Registered Office

2.01 The registered office of the Co-operative shall be located in the City of Estevan in the Province of Saskatchewan.

Fiscal Year

2.02 The fiscal year of the Co-operative shall end on the 31st day of January in each year.

Execution of Instruments

- 2.03** (a) Contracts, documents or instruments in writing requiring execution by the Co-operative shall be signed on behalf of the Co-operative by two persons, at least one of which is a member of the Board; and, subject to clause (b), either the President or the Secretary shall sign such contracts, documents or instruments in writing on behalf of the Co-operative.
- (b) The Board is authorized, from time to time to appoint, by resolution, any officer or officers or any persons on behalf of the Co-operative either to sign contracts, documents or instruments in writing generally or to sign specific contracts, documents or instruments in writing.

Borrowing Powers

- 2.04** (a) The borrowing powers shall be as specified in the Act
- (b) The Board may from time to time delegate to such one or more of the directors and officers of the Co-operative as may be designated by the Board all or any of the powers conferred on the Board by the Act to such extent and in such manner as the Board determines at the time of such delegation.

Financing Arrangements

- 2.05** The financial business of the Co-operative, including without limitation, the maintenance of deposit accounts shall be transacted with such credit unions, credit union centrals, banks, trust companies or other bodies corporate or organizations as may, from time to time, be designated by or under the authority of the Board. Such financial business or any part thereof shall be transacted under such agreements, instruments and delegations of powers as the Board may from time to time specify or authorize.

III. SHARES AND MEMBERSHIP

Membership

- 3.01** Subject to paragraph 3.02 any person who can use the services of the Co-operative and who, in the case of an individual, is 16 (sixteen) years of age or older, is eligible to become a member of the Cooperative.

Approval of Membership

- 3.02** No person may become a member of the Co-operative unless that person has submitted a written application for membership, subscribed to purchase 10 common shares and their application has been approved by the Board, who shall have sole and absolute discretion to accept or reject any application.

Share Purchase Requirements

- 3.03** Members and applicants for membership are required, as a condition of membership, to subscribe for (10) \$1.00 common shares in the Co-operative. All (10) \$1.00 common shares must be paid for in cash at the time of application

No Share Certificates

3.04 The Co-operative is not required to issue share certificates for common shares, but shall make available to any member a patronage statement indicating the number of shares held by that member in those years when allocations have been made.

Responsibility of Members

3.05 Members shall faithfully support and promote the business and affairs of the Co-operative and shall be bound by the bylaws and policies of the Cooperative

Lien and Set-Off

- 3.06** (a) The Co-operative's lien on a member's shares, whether held solely or jointly with others, shall be a first and paramount lien whether or not the time for payment of the member's debt has arrived.
- (b) The Co-operative may redeem any member's shares and set off against the proceeds of such redemption all debts of such member as are due by the member to the Co-operative at the time of such redemption.
- (c) The Co-operative may refuse to register a transfer, or acknowledge an assignment, of any share affected by the lien.
- (d) The Co-operative may set off against amounts standing to the credit of a member all debts of such member as may be due to the Co-operative.

Withdrawal of Membership

- 3.07** (a) A member may apply to withdraw from the Co-operative by giving to the Secretary of the Co-operative six months written notice of intention to withdraw. The Board, by resolution, may accept any application to withdraw upon shorter notice.
- (b) Written notice to the Co-operative of the receivership or bankruptcy of a member of the Co-operative shall have the same force and effect as an application to withdraw.
- (c) Written notice to the Co-operative of the intended dissolution of a body corporate that is a member of the Co-operative shall have the same force and effect as an application to withdraw.

Members Who Have Reached the Age of 65 (sixty-five)

3.08 When an individual member reaches the age of 65 (sixty-five) years, he may request payment of amounts owing to him, except for those shares required as a condition of membership, and the payment out pursuant to such a request shall be subject to paragraph 3.12.

Cessation or Termination of Membership

3.09 Membership ceases when the Board of Directors approves withdrawal or issues an order of termination pursuant to paragraph 3.10.

Membership Termination Order

3.10 The Board, by a simple majority vote at any director's meeting, may order the termination of a membership.

Appeal of Membership Termination Order

3.11 A person whose membership has been terminated by the Board of Directors may appeal the decision to the general meetings of the membership of the Co-operative in the manner

specified in the Act and rescind the order with the support of at least two-thirds members present.

Payment to Members

- 3.12** (a) Subject to clause (d), the Co-operative shall purchase all of a withdrawing member's share at their par value and shall repay the member loans within 6 (six) months of the date of the directors' approval of the withdrawal, when withdrawal is for one of the following reasons:
- (i) death of the member, or
 - (ii) the member has permanently moved out of the Co-operative's trading area, or
 - (iii) bankruptcy
- (b) Subject to clause (d), when withdrawal is for reasons other than those described in clause (a), the Co-operative shall repay those shares required as a condition of membership, at their par value, and the member loans within six months of the date of the directors' approval of the withdrawal, and the balance of the member's allocated earnings shall be paid within a period not exceeding 20 (twenty) years of the date of the directors' approval of the withdrawal.
- (c) Subject to clause (d) when the directors have terminated the membership of a person in the Co-operative, the Co-operative shall pay the amounts due to the member in the manner provided in the Act.
- (d) When, in the opinion of the directors, payment of all amounts due to members would impair the financial stability of the Co-operative, or would be contrary to the interests of the remaining members, the directors shall pay such amounts according to the following order of priority:
- (i) to persons whose memberships have been terminated;
 - (ii) to estates of deceased members;
 - (iii) to members who have reached the age of 65 (sixty-five) years;
 - (iv) to members who have withdrawn because they have moved permanently out of the trading area of the Co-operative.
 - (v) to members who have withdrawn for other reasons.
- (e) The Co-operative may, when authorized by resolution of the directors, purchase at par value a member's share in the Co-operative, except for those required as condition of membership, at such time and in such amounts as, in the opinion of the directors, the financial position of the Co-operative permits.

Joint Memberships

- 3.13** There shall be no joint memberships in the Co-operative.

IV. GENERAL MEETINGS

Place of General Meetings

- 4.01** (a) General meetings of the Co-operative shall be held at such locations in Saskatchewan and in the trading area of the Co-operative, as may be determined by the Board of Directors.
- (b) Electronic Attendance: The Board of Directors may permit members to attend a meeting of members by means of telephonic, electronic or other communication facility that permits all persons participating in the meeting to communicate adequately with each other during the meeting.

Quorum at General Meetings

- 4.02** (a) The quorum at any annual or special meeting of members shall be the lesser of:
- (i) 15 (fifteen) members; and
 - (ii) 10% (ten percent) of the membership
- (b) (i) Where a quorum is present at the opening of a general meeting of members but does not continue to be present throughout the general meeting, the remaining members present may not transact any business after the quorum ceases to exist.
- (ii) When the fact that a quorum ceases to be present has been drawn to the attention of the chair, they shall adjourn the meeting to a fixed time and place, and the chair may continue to do so at subsequent meetings until a quorum is present.

Appointment of Auditor

- 4.03** (a) The members shall, by ordinary resolution at the first annual general meeting of members, and at each succeeding annual general meeting, appoint an auditor to hold office until the close of the next annual general meeting.
- (b) Notwithstanding clause (a), where an auditor is not appointed at an annual general meeting of members, the incumbent auditor continues in office until the successor is appointed.

V. ALLOCATIONS

Allocation of Unallocated Earnings from Previous Years

- 5.01** The directors may allocate among and credit or pay to the members as a patronage dividend
- (a) any reserves, other than reserves the Co-operative is required to maintain pursuant to the Act, and
 - (b) any unallocated earnings from previous years: in proportion to the business done by the members with or through the Co-operative in the immediately preceding fiscal year, in the manner specified in the Act, and at a rate or rates set by the directors.

Patronage Dividends Applied to Shares

- 5.02** (a) In lieu of payment in cash or in kind of patronage dividends to members, the directors may annually apply the patronage dividends that have been declared pursuant to the Act or bylaws to the purchase of shares of the Co-operative.
- (b) The members hereby apply for the shares and assign, transfer and set over to the Co-operative all or any portion of the patronage dividends allocated to them, and each of them by the Co-operative, to be applied to the payment of shares in the current year and in each fiscal year thereafter.
- (c) If the amount of patronage dividends in any year is not an even multiple of the par value of one share, the member hereby applies for a share to which the balance of the amount shall be applied as part payment.

Non-Payment of Small Patronage Dividends

5.03 Where the patronage dividend that would otherwise be payable or allocatable to any member with respect to the operations of a fiscal year is less than or equal to \$1.00 (one dollar), the Co-operative shall not pay or allocate any patronage dividend to that member, and the amount that would otherwise be payable or allocatable shall be used as the directors may decide.

VI. DIRECTORS

Qualification of Directors

6.01 The following individuals, in addition to those specified in the Act, shall not be eligible to be elected or entitled to remain directors of the Co-operative:

- (a) individuals having an account with the Co-operative which is over 180 (one hundred and eighty) days in arrears
- (b) employees of the Co-operative
- (c) failure to meet the minimum spend amount of \$500 per annum.

Election of Directors and Filling of Vacancies

6.02 (a) Except as provided herein, the procedure for election of directors and the filling of vacancies on the Board shall be as specified in the Act.

(b) All nominations must be made through the nominating committee.

(c) Members who wish to be nominated for the position of director of the Co-operative must deliver nomination papers to the nominating committee at least 14 (fourteen) days before the meeting of members at which directors' terms of office expire.

(d) All nomination papers submitted to the nominating committee must:

- (i) be signed by at least 2 (two) members other than the nominee; and
- (ii) be accompanied by a brief biography of the nominee; and
- (iii) contain the written consent of the nominee.

(e) At each meeting of members when directors' terms of office expire, the nominating committee will place before the meeting a list of nominees for the position of director

(f) Only members who have complied with (b), (c) and (d) are entitled to run for the position of director.

Number of Directors

6.03 The number of directors required to constitute a full board shall be a minimum of 7 (seven) to a maximum of 10 (ten) as determined by the board.

Term of Office

6.04 (a) The term of office for directors shall be 3 (three) years, provided that there shall be rotation of terms to require the election of one-third of the directors to office each year.

(b) A retiring director shall be eligible for re-election.

Removal of Directors

6.05 Any director who is absent from 3 (three) consecutive regular meetings of the Board may be removed from office by a majority vote of all the remaining directors.

Quorum

- 6.06** (a) The quorum necessary for the transaction of business by the directors at any Board meeting shall be a majority of the directors.
- (b) If a quorum is not present at the opening of a Board meeting, the directors present may adjourn the meeting to a fixed time and place but may not transact any other business.
- (c) Where a quorum is present at the opening of a Board meeting, but does not continue to be present throughout the meeting, the remaining directors may not transact any business after the quorum ceases to exist.

Transaction of Business of Director's Meetings

- 6.07** (a) At regularly and legally constituted meetings of the Board or any committee of the Board, all questions may be decided by a simple majority vote. In the case of an equality of votes, the motion shall be lost.
- (b) The President or other presiding officer may vote upon any resolution but shall not have a second or casting vote in the event of a tie.
- (c) A resolution of the Board may be passed without a meeting where:
- (i) all the directors consent in writing to the resolution; and
 - (ii) the consent is filed with the minutes of the proceedings of the directors except that no resolution of the Board involving the expenditure of money may be passed without a meeting of directors being held.

Directors' Duties and Powers

- 6.08** (a) The directors shall carry out the duties and may exercise the powers given to them in the Act.
- (b) The directors shall fix the remuneration of any officers appointed by them and shall approve the scale of remuneration for the management group reporting directly to the general manager.

Directors' Remuneration

- 6.09** The directors shall be paid such remuneration for their services as the members shall approve by ordinary resolution at the annual meeting.

Officers

- 6.10** (a) No director shall hold more than one office.
- (b) Within 14 (fourteen) days following the conclusion of the annual general meeting in each year, the Board shall appoint:
- (i) from among the directors, a President and First Vice- President; and
 - (ii) a Secretary who may, but need not, be a director.
- (c) The President shall:
- (i) preside as chair of all general meetings of the Co-operative and all meetings of the directors unless some other member is appointed by the meeting to do so;
 - (ii) be an ex officio member of all committees appointed

- (iii) perform such other duties and exercise such other powers as are incidental to such office or as may be required, from time to time, by the Board.
- (d) The First Vice-President, in the absence of the President, shall discharge the duties of the President.
- (e) The Secretary shall:
 - (i) attend all general meetings of the Co-operative and all directors' meetings and keep or cause to be kept correct minutes of same;
 - (ii) have charge of the seal, if any, of the Co-operative;
 - (iii) conduct the correspondence of the Co-operative and, subject to the order of the Board, have charge of all non-financial corporate records, books, papers and documents of the Co-operative.
 - (iv) perform such other duties and exercise such other powers as are incident to the office or as may be required, from time to time, by the Board
- (f) The Board may appoint and delegate powers and duties to such officers, in addition to the President, First Vice-President and Secretary, as it deems necessary to properly conduct the affairs of the Co-operative.
- (g) The Board, in its discretion, may remove any officer of the Co-operative and elect or appoint another individual to fill the unexpired portion of that individual's term.
- (h) Subject to clause (g) each director appointed to the Board as an officer shall hold office until the conclusion of the next following annual meeting or until resigning, whichever first occurs.

VII. ENACTMENT, AMENDMENT, & REPEAL OF BYLAWS

- 7.01** (a) The members may, at any annual or special meeting called for the purpose, enact, amend or replace any bylaws where written notice of the proposed enactment, amendment, repeal or replacement is:
- (i) sent to the members with the notice of the meeting at which the enactment, amendment, repeal or replacement is to be considered, by a simple majority of the votes cast at the meeting: or
 - (ii) not forwarded to each member with the notice described in clause (a) by a unanimous vote of the votes cast at the meeting.
- (b) In lieu of the written notice required to be sent to the Co-operative's members pursuant to clause (a), the Co-operative may:
- (i) insert the notice in not less than 2 (two) issues of a newspaper circulated in the trading area of the Co-operative; and
 - (ii) post the notice in a place that, in the opinion of the directors, is prominent and accessible to the members; and the provisions in the Act respecting newspaper notices for annual or special meetings shall be applicable.

VII. DISSOLUTION

Instrument of Dissolution

8.01 Upon the dissolution of the Co-operative, the distribution of the property shall be in accordance with the instrument of Dissolution.

Unclaimed Funds

8.02 Any funds remaining and unclaimed by creditors or members after 3 (three) years from the date of the approval of the dissolution of the Co-operative shall be distributed in accordance with the instrument of Dissolution.

VIII. Director's Powers

Support of Federated Co-operative Limited

9.01 Notwithstanding the powers of the board of directors to manager the business and affairs of the Cooperative, the Cooperative shall source at least 90% of the goods and commodities intended for resale that Federated Co-operatives Limited (FCL) supplies or makes available from an approved source, from and through FCL.

NOTES

Southern Plains Co-operative Limited
826 - 4th Street
Estevan, SK S4A 0W1
Business: 306-637-4300 Fax: 306-634-3199
Email: estcoop@sasktel.net