

BYLAWS

OF

Alberta Cooperative Energy

Final Version, October 4, 2019

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**BYLAWS OF
ALBERTA COOPERATIVE ENERGY**

**ARTICLE 1
INTERPRETATION**

1.01 Definitions

In these Bylaws:

1. **“Act”** means the Cooperatives Act, S.A. 2001, c. C-28.1 as amended, and any successor legislation;
2. **“Annual Meeting of Members”** is the Meeting of Members that shall be held on each anniversary date of the first Meeting of Members as required by these Bylaws.
3. **“Articles”** means the Articles of Amalgamation of the Cooperative, as amended from time to time;
4. **“Board” or “Board of Directors”** means the Board of Directors of the Cooperative;
5. **“Bylaws”** means these Bylaws as amended from time to time;
6. **“Cooperative”** means ALBERTA COOPERATIVE ENERGY and its successors;
7. **“Delegate”** means a person who has been authorized by a Member as its representative and notice of such authority has been provided to the Cooperative in writing.
8. **“Director”** means a Member of the Board of Directors
9. **“Fiscal Year”** means the fiscal year for the Cooperative;
10. **“Good Standing”** means (with respect to a Member or a Director) not being in arrears with respect to any charges, dues, levies or other debts or payments properly payable by a Member or Director to the Cooperative, and not being in breach of any other agreement entered into between the Member and the Cooperative;
11. **“Loan Agreement”** means any Agreement between a Member and the Cooperative in such form as may be approved from time to time by the Board wherein the Member agrees to make a loan to the Cooperative;
12. **“Member”** means a person holding Membership Shares duly issued by the Cooperative;
13. **“Member Interests”** shall mean any right of any Member in any obligation of the Cooperative to the Member, including the right of a Member under any Shares or arising from any Loan Agreement;
14. **“Investment Shares”** means all Class “B” Investment Shares issued pursuant to the Articles and the Bylaws;
15. **“Member Loan”** means a loan made by the Member to the Cooperative under a Loan
 - a. Agreement;
16. **“Meeting of Members”** means the first meeting of Members
 - a. or a Special Meeting of Members;

17. **“Membership Shares”** means all Class “A” Shares issued pursuant to the Articles and the Bylaws;
18. **“Officer”** means an officer of the Cooperative as duly appointed from time to time by the Board of Directors;
19. **“Patronage Returns”** means “allocations in proportion to patronage” as defined in the Act which are declared as paid on and to Membership Shares pursuant to the Articles and the Bylaws.
20. **“Financial Statement”** has the meaning set forth in Section 3.12 of these Bylaws;
21. **“Special Meeting of Members”** means a Meeting of Members other than the Annual Meeting of Members that is called upon due notice to Members in accordance with these Bylaws;
22. **“Surplus”** means the surplus established in the Financial Statement;
23. **“Recorded Address”** means the last address of a Member, Shareholder or Director as recorded in the records of the Cooperative;
24. **“Regulations”** means the regulations passed under the Act and all amendments made thereto;
25. **“Share Subscription Agreement”** means any agreement binding on the Cooperative to issue Shares to any person, including Members and Investment Shareholders;
26. **“Shares”** means all Membership Shares and Investment Shares issued by the Cooperative in accordance with the Articles and Bylaws.;
27. **“Investment Shareholder”** means a person holding Investment Shares duly issued by the Cooperative.
28. **“Special Resolution”** means a resolution passed by a majority of not less than two thirds of the Members who are entitled to vote on the resolution and who do vote on the resolution;
29. **“Surplus Earnings”** means the surplus income of the Cooperative as determined by the Cooperative’s external accounting advisors using Generally Accepted Accounting Principles.

1.02 Additional Meanings

- (1) For the purposes of these Bylaws, words and phrases which are not defined herein but are defined in the Act shall have the meaning ascribed to those words and phrases in the Act.

1.03 Expanded Meanings

- (1) In these Bylaws, unless there is something in the subject matter or context inconsistent therewith, the singular shall include the plural and the plural shall include the singular and the masculine gender shall include the feminine and neuter genders

1.04 Headings and Margin Notes

- (1) The headings and margin notes used in these Bylaws are inserted for reference purposes only and are not to be considered in construing the terms and provisions of these Bylaws or be deemed in any way to qualify, modify or explain the effect of such terms or provisions.

**ARTICLE 2
BUSINESS OF THE COOPERATIVE**

2.01 Objects of the Cooperative

The primary object of the Cooperative is to provide energy retailing services to its member owners, to promote renewable energy generation, and other such services deemed to be a benefit to its members by the board of Directors in accordance with the principles set out in the Bylaws of the Cooperative.

2.02 Corporate Seal

- (1) The Cooperative may have a corporate seal in a form approved by the Board.
- (2) If the use of the corporate seal is approved by the Board, the seal shall be authenticated by the signatures of such person or persons as may be designated by the Board.
- (3) A document duly executed on behalf of the Cooperative by its authorized Director(s) and/or Officer(s), as applicable, is not invalid merely because the corporate seal is not affixed to it.

2.03 Fiscal Year

The fiscal year of the Cooperative shall begin and end on such date as shall be fixed by the Board.

2.04 Execution of Instruments

- (1) All cheques, notes, bills of exchange deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be duly executed on behalf of the Cooperative by its authorized Director(s) and/or Officer(s), as applicable.

2.05 Information Available to Members and Investment Shareholders

Subject to the Act and the Regulations, all Member or Shareholder shall be entitled to any information respecting the Cooperative's business except in those instances, which, in the opinion of the Board, would be prejudicial to the interest of Members, or the Cooperative.

ARTICLE 3 DIRECTORS

3.01 Election of the Directors by Members

- (1) The Board shall consist of not less than 5 and not more than 11 Directors. A minimum of 2 Director positions shall be reserved for the members of the Consumer Class of Membership.
- (2) Directors from the Organizational Class of Members
 - (a) To be eligible for election as a Director from the Organizational Class of Members, a person must be a Delegate of an Organizational class Member.
 - (b) No Member is permitted to have its Delegates occupy more than forty-nine percent (49%) of Director positions on the Board at any one time.
 - (c) All Directors from the Organizational Class of Members shall be elected by Delegates in accordance with these By-laws at the first Meeting of Members and at each Annual Meeting of Members thereafter subject to any Special Meeting of Members held in accordance with these Bylaws.
 - (d) Members of the Organizational Class of members will have the opportunity to nominate from their Delegates for election to the office of Director at the first Meeting of Members and at each Annual Meeting of Members. The Directors may nominate a slate of Directors to stand for election by the Delegates, provided such nominees are disclosed to the Members and their Delegates by Due Notice in accordance with these Bylaws.
- (3) To be eligible for election as a Director from the Consumer Class of Members,
 - (a) a person must be a consumer of the cooperative's services in good standing with no outstanding financial obligations to the cooperative.
 - (b) Members of the Consumer Class of Members will have the opportunity to self-nominate, or nominate from the Consumer Class of Members at the first Meeting of Members at at each Annual meeting of Members. The Consumer Class of Members may nominate a slate of 2 directors to stand as Delegates of the Consumer Class Members, provided such nominees are disclosed to all Members by Due Notice in Accordance with these Bylaws.
- (5) The election of Directors shall be by secret ballot. Two scrutineers who are not Delegates or Directors shall be appointed by the Chair of the Meeting of Members, the Annual Meeting of Members or the Special Meeting of Members, as applicable, for the purpose of ascertaining and declaring the results of the election. In the event of an equal number of ballots cast for one or more Delegates, the Chair is authorized to prescribe a procedure to break the tie.
- (6) At the first Meeting of Members:
 - (a) In regards to Directors from the Organizational Class of Members
There shall be elected to hold office until the first Annual Meeting of Members
 - (i) One-third of the total number of Directors to be elected by Delegates
until the next Annual Meeting, or

- (ii) If one-third of that number is not a whole number, the next highest whole number.
 - (ii) There shall be elected to hold office until the second Annual Meeting of Members:
 - (i) One-half of the remaining number of Directors to be elected by Delegates after applying subsection (a), or
 - (ii) If half of that remaining number is not a whole number, the next highest whole number of Directors, and
 - (iii) There shall be elected to hold office until the third Annual Meeting of Members, the remaining number of Directors to be elected by Delegates after applying subsections (a) and (b).
 - (b) In regards to Directors from the Organizational Class of Members
 - (i) One of Directors to be elected by Delegates to hold office until the Next Annual General Meeting,
 - (ii) One of Directors to be elected by Delegates to hold office until the Third Annual General Meeting
 - (c) The Chair of the Meeting may either call nominations for each of the above groups of Directors or call for all nominations at the same time on the basis that the Directors receiving the highest number of votes will be elected for the longest terms.
- (7) Except as provided in 3.01(5), the regular term of the office of a Director duly elected in accordance with these Bylaws shall be three (3) years (or until the third subsequent Annual Meeting of Members following that Director's due election.
- (8) At the end of each regular term, a Director is eligible for re-election in accordance with these Bylaws.

3.02 Business to be Conducted by Board

- (1) Subject to the Articles, the Bylaws and the Loan Agreements, the Board will direct and supervise the business of the Cooperative, will set policy and may exercise all the powers of the Cooperative that are not required to be exercised by the Cooperative at a Meeting of the Members and the Annual Meeting of Members.
- (2) The Board shall maintain accurate and full records of all business transactions and of all actions of the Board.
- (3) The Board may appoint an executive committee from among its Directors.
- (4) The Board shall prescribe the executive committee's duties.
- (5) The Board may appoint persons or employ a manager or such other agents, employees, consultants or independent contractors for defined purposes to assist the Board in the discharge of its duties.
- (6) The Board may, from time to time, but only with the approval of a simple majority (50% +1) of the Members at a Meeting of Members called for this purpose, raise or borrow money for the purpose of the Cooperative's business and may secure the repayment of

the same by mortgage, charge or other security upon the undertaking and assets of the Cooperative, both present and future.

3.03 Officers/Meetings

- (1) Immediately after the first Meeting of Members and immediately after each Annual Meeting of Members, the Board will meet and appoint from the Directors
 - A) a Chair;
 - B) a Secretary; and
 - C) a Treasurer.
- (2) Subject to section 3.03(3), the Board will hold meetings, not less than once every four months, on days and at places and times decided on by the Board, or as requested by any manager or managing director appointed by the Board. The Board may appoint a day or days in any month or months for regular meetings of the Board at a place and hour to be named. A copy of any resolution of the Board fixing the place and time of such regular meetings shall be sent to each Director forthwith after being passed, and no other notice shall be required for any such regular meeting.
- (3) Special meetings of the Board may be called at the request of two (2) Directors or by the Chair. The Directors or Chair calling the meeting will fix the time, place and date of the meeting.
- (4) Due Notice of the time and place of special meetings of the Board shall be given to each Director not less than 5 days before the time when the meeting is to be held if the notice was delivered personally to each Director or by means of facsimile transmission or email to the last recorded facsimile number or email address of each Director, and not less than 10 days' notice if it is given by mail at the last recorded address of the Director or by any other means.
- (5) If all the Directors are present at a meeting it will be deemed to have been regularly called whether or not Due Notice of the meeting has been given or properly given. A Director may waive notice of a meeting in writing or by participation in a meeting.

3.04 Electronic Meetings and Resolutions in Writing

- (1) A Director may attend a meeting of Directors by means of a telephonic, electronic or other communication facility that permits all persons participating in the meeting to communicate adequately with each other during the meeting.
- (2) A resolution in writing signed by all the Directors entitled to vote on that resolution at a meeting of Directors or a committee of Directors is as valid as if it had been passed at a meeting of Directors or of a committee of Directors.
- (3) A resolution may be signed in counterpart, and by fax or email, in which event a faxed or email signature shall be deemed as good as an original, and all counterparts taken together shall be deemed to be one and the same instrument.

3.05 Quorum/Voting

- (1) A simple majority (50%+1) of the Directors constitutes a quorum for the transaction of business at a meeting of the Board, but a smaller number may adjourn from time to time until a quorum is obtained.

- (2) The Chair may vote on any question, but having done so, he does not have a casting vote.
- (3) If there is no majority in favour of a motion, the motion is lost.
- (4) At the meeting of Directors held before the Annual Meeting of Members, the Directors will adopt a report covering all the activities of the Cooperative for the preceding year which will be presented to the Members at the Annual Meeting of Members.
- (5) The act of a majority of the voting Directors present at a meeting at which a quorum is present will be the act of the Board, unless the act of a greater number is required by law or these Bylaws.

3.06 Qualifications of Directors

- (1) No person shall be a Director if that person is:
 - (a) under 18 years of age;
 - (b) an individual who is a dependent adult as defined in the Dependent Adults Act (Alberta), is subject to a Certificate of Incapacity under the Dependent Adults Act (Alberta), is subject to an Order under the Mentally Incapacitated Persons Act (Alberta), or has been found to be a person of unsound mind by a court elsewhere than in Alberta;
 - (c) an undischarged bankrupt;
 - (d) a full time employee of the Cooperative;
 - (e) not a person who actually resides in the province of Alberta, either on a full-time or part-time basis.
 - (f) not a Member in Good Standing of the Cooperative.

3.07 Removal of Directors

- (1) The Board may remove any Director and declare that Director's office vacant if the Director:
 - (a) is not in Good Standing, after 14 days' notice has been given to that Director to remedy the default which resulted in the Director not being in Good Standing by a person so authorized by the majority of the Board;
 - (b) fails to attend three (3) consecutive regular meetings of the Board of which the Director has been duly notified, unless the Director's absence has been explained to the satisfaction of the Board;
 - (c) is convicted of an indictable offence for which the Director is liable to imprisonment for a term of not less than two (2) years;
 - (d) has been established to the satisfaction of the Board to be guilty of disloyalty to the Cooperative;
 - (e) has been established to the satisfaction of the Board to be no longer qualified.
- (2) Subject to the Act, the Members of the Cooperative may, by a majority vote at a Meeting of Members, remove any Director from office who was elected by the Members.

- (3) A Director may resign from the Board by giving the Board notice of his resignation in writing.

3.08 Ceasing to Hold Office/Filling Vacancies

A Director ceases to hold office upon expiry of the Director's term, or when that Director dies, resigns, is removed from office, or becomes disqualified from continuing as a Director under the Act. If a Director's office is vacant, vacancy may be filled in accordance with the Act.

3.09 Conflict of Interest

- (1) A Director or Officer of the Cooperative must, in accordance with the Act, disclose to the Cooperative the nature and extent of any interest that the Director or Officer has in a material contract or transaction, or a proposed material contract or transaction, with the Cooperative and any material change to any such interest.

- (2) This provision does not require disclosure of:

- (a) a Loan Agreement with the Cooperative, or
- (b) any other contract or transaction that is available to and customarily entered into between the Cooperative and its Members or Investment Shareholders,

if the said Loan Agreement, contracts, or transactions are on the same terms as are generally available to Members.

- (3) Notwithstanding section 3.10(2) an Officer or a Director may not vote matters involving Loan Agreements, contracts, or transactions entered into between the Cooperative and the Director or Officer, provided that a vote in these circumstances will not of itself obligate the Director or Officer to account for any profit realized from the contract, but may disqualify the Director or Officer from the Board if the Board, by a majority vote, decides that the Director or Officer's conduct justifies disqualification.

3.10 Remuneration and Expenses

The Directors and Officers shall be paid such remuneration for their services as the Members may from time to time by ordinary resolution determine. The Directors and Officers shall also be entitled to be reimbursed for traveling and other expenses properly incurred by them in attending meetings of the Board or any committee thereof. Nothing in these By-laws shall preclude any Director or Officer from serving the Cooperative in any other capacity and receiving remuneration therefore, except as a full time employee of the Cooperative.

3.11 Financial Statements/Reports

The Board shall submit or cause to be submitted to every Annual Meeting of the Members financial statements as prescribed by the Act and the Regulations and a report as to the affairs of the Cooperative and the business carried on by the Cooperative.

3.12 Fees and Levies

The Directors may set and vary, fees and levies to be paid by the Members and Shareholders, including annual Membership or Shareholders fees and levies, and fees for services rendered.

ARTICLE 4 COMMITTEES, OFFICERS AND STAFF

4.01 Committees

- (1) A standing Renewable Energy Investment Committee shall be established to invest any surpluses as defined by 9.01 (b) (i) of these bylaws. The sitting Directors representing the Consumer Class of Members shall serve as co-chairs of this committee.
- (2) The Board may appoint other committees from the Board or the Membership to assist with the governance and planning of Cooperative operations. At least one Member of the Board must serve on any committee.
- (3) Unless otherwise determined by the Board, each committee shall have the power to fix its quorum at not less than a simple majority of its Members, to elect its Chair and to regulate its procedure.

4.02 Officers

- (1) There will be at least three Officers of the Cooperative who will assume the duties of Chair, Secretary and Treasurer. Officers will be elected by resolution of the Directors. All such Officers will also be Members of the Board. The Board may also establish other offices from time to time; which may be filled by individuals who need not necessarily be Members of the Board.
- (2) The Chair will preside at all meetings of the Cooperative and of the Board.
- (3) The Chair is ex officio a Member of all committees of the Board.
- (4) The Chair will present to the first meeting of Members and each annual general meeting of the Members the Directors' report of the Cooperative's activities for the previous year.
- (5) In case of the absence of the Chair, or in the event of the Chair's inability to act, the Board will nominate one of the Members of the Board who are present or participating by telephone to act as Chair.
- (6) Subject to paragraph 4.02(7) and (8), the Secretary will:
 - A) attend all Meetings of Members, Annual Meetings of Members and of the Board and keep correct minutes of the meetings,
 - B) have charge of the correspondence, records and books of the Cooperative, and
 - C) perform such other duties as are assigned from time to time by the Board.
- (7) Subject to paragraph 4.02(8), the Treasurer will:
 - A) receive and deposit in the bank, treasury branch, credit union, or place of safekeeping designated by the Directors, all money paid to the Cooperative, and issue receipts for that money,
 - B) keep a proper set of books, showing accurately the dealings of the Cooperative,
 - C) present a full and detailed account of the receipts and disbursements to the Board whenever requested by it, D) prepare for submission to the annual meeting of the Cooperative, a complete statement of the financial position of the Cooperative, and

E) perform other duties assigned by the Board.

- (8) The duties of the Secretary and Treasurer referred to in paragraph 4.02(6) and (7) may be modified or altered in keeping with the assignment of duties to the manager or other Officers of the Cooperative by the Board.
- (9) All Officers will serve at the pleasure of the Board. The Board will have the right to remove any Officer.
- (10) The Board will fill any office of a required Officer of the Cooperative which becomes vacant with a successor who will hold office at the pleasure of the Board.

4.03 Accounting Advisor and Auditor

At the first Annual Meeting of Members, and subsequently at each Annual Meeting of Members, the Cooperative shall appoint a qualified accounting advisor. If the Cooperative is not a distributing Cooperative within the meaning of the Act, the Members and Investment Shareholders may, by Special Resolution, resolve not to appoint an Auditor at the first Meeting of Members and at each subsequent Annual Meeting of Members.

4.04 Manager and Staff

- (1) The Board may, from time to time, appoint a manager for the Cooperative. The duties of the manager shall be as determined by the Board from time to time.
- (2) The Board may, from time to time, appoint such other staff as it may feel is necessary to carry on the Cooperative's business and undertaking, with such duties as may be determined by the Board.

4.05 Agents and Attorneys

The Board may from time to time appoint agents or attorneys for the Cooperative with such powers of management or otherwise, including the power to sub-delegate as may be approved by the Board.

4.06 Bonding Requirements

The Board may require such Officers, employees and agents of the Cooperative as the Board deems advisable to furnish bonds for the faithful discharge of their powers and duties, in such form and with such surety as the Board may from time to time determine.

**ARTICLE 5
DUTY OF CARE AND PROTECTION OF
DIRECTORS, OFFICERS AND OTHERS**

5.01 Duty of Care of Directors and Officers

Directors and Officers of the Cooperative, in exercising their powers and discharging their duties, shall

- (a) act honestly and in good faith with a view to the best interests of the Cooperative; and
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

5.02 Insurance

The Cooperative may purchase and maintain such insurance for the benefit of its Directors and Officers, as the Board may from time to time determine.

5.03 Indemnity

Subject to the limitations contained in the Act, the Cooperative shall indemnify Directors and Officers, former Directors and Officers and their heirs and legal representatives and successors, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by them in respect of any civil, criminal or administrative action or proceeding to which they are made a part by reason of being or having been Directors or Officers of the Cooperative if:

- (a) they acted honestly and in good faith with a view to the best interests of the Cooperative; or
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, they had reasonable grounds for believing that their conduct was lawful.

**ARTICLE 6
MEMBERSHIPS, SHARES AND TRANSFERS**

6.01 Qualifications for Membership

Membership is restricted to Cooperatives incorporated under the Act, as amended, Corporations incorporated pursuant to Alberta's *Business Corporations Act*, as amended, and other entities incorporated pursuant to the laws of the Province of Alberta with business interests in retailing energy and other related products in Canada

6.02 Application for Membership and Subscriptions for Membership Shares and Investment Shares

Entities who qualify for Membership in the Cooperative as per Section 6.02 may apply for Membership by submitting to the Board, or to the person authorized by the Board to approve Membership applications, each of the following:

- (a) an Application for Membership which shall include a signed Share Subscription Agreement for the allotment of at least one Class "A" share.
- (b) such agreements (including a Loan Agreement) as may be stipulated by the Board;
- (c) payment for the shares subscribed for, provided that Board may, in its discretion permit payment to be made over time;
- (d) signed Statutory Declaration agreeing to any Letter of Intent and other such other documents, materials and payment as may be required by the Board as a condition of Membership.

6.03 Refusal of Membership Applications and Subscriptions

All Applications for Membership in the Cooperative shall be subject to the approval of the Board. Subject to the Articles and these By-laws, the Board, in its sole discretion, may refuse any Application for Membership.

6.04 Right to Vote

Each Delegate shall have only one vote regardless of the amount of loans, Investment Shares, or other investments held by the Member represented by that Delegate or how the right to vote is exercised.

6.05 Joint Membership

No Membership in the Cooperative may be held jointly or by fragmented interest by two or more entities. Each Member shall hold full Membership.

6.06 Transfer and Transmission of Shares

- (1) Memberships and Member Interests may not be transferred without the approval of the Board. Memberships may be transmitted subject to the discretion of the Board and Bylaw 6.06(2).
- (2) Notwithstanding the foregoing, Shares in the Cooperative are only transferable to the extent permitted by law and to the extent permitted by any Subscription Agreements signed by the Member or Investment Shareholder at the time of issue.

6.07 Duty of Members

A Member and its Delegates shall faithfully support and promote the business and the objectives of the Cooperative and shall be bound by the Articles and By-laws. A Delegate who is not in Good Standing shall not be entitled to vote at a Meeting of Members or an Annual Meeting of Members.

6.08 Withdrawal of Members

- (1) Subject to the approval of the Board, and subject to the Act, and upon such terms and conditions as the Board requires, a Member may withdraw from Membership in the Cooperative by giving 90 days' notice in writing of the intention to withdraw. The Board, in its sole discretion, may accept any application for withdrawal upon shorter notice. A withdrawing Member must satisfy all that Member's obligations to the Cooperative prior to withdrawal.
- (2) A Member who has withdrawn from Membership shall not be entitled to the repayment of Member Loan, or the redemption of any Membership Shares or Investment Shares, until repayment or redemption is permitted or due, as provided in the Loan Agreement related to any Member Loan, these Bylaws and the Articles.

6.09 Termination of Membership for Cause

- (1) The Board shall have the right, by special resolution, to terminate the Membership of any Member if, in the opinion of the Board:
 - (a) the Member remains not in Good Standing, after 14 days' notice has been given to the Member to remedy the default which resulted in the Member not being in Good Standing;
 - (b) the Member is petitioned or makes an assignment into bankruptcy, a Receiver is appointed with respect to the Member or the Member's property, or a seizure or extra-judicial seizure is effected with respect to the Member's property which affects the Member's ability to carry on business;
 - (c) the Member is convicted of an offense involving imprisonment without the option of a fine;
 - (d) the Member is a dependent adult as defined in the Dependent Adults Act (Alberta), is subject to a Certificate of Incapacity under the Dependent Adults Act (Alberta), is subject to an Order under the Mentally Incapacitated Persons Act (Alberta), or has been found to be a person of unsound mind by a court elsewhere than in Alberta;
 - (e) there is any other just cause which warrants termination of Membership.
- (2) Within 7 days after the date on which the resolution to terminate the Membership of a Member is passed by the Board, the Cooperative shall, in the same manner as that provided for the giving of notice of a meeting of Members, notify the person whose Membership was terminated.
- (3) A person whose Membership is terminated for cause or by resolution of the Board may appeal the decision to the next Meeting of Members or Annual Meeting of Members.
- (4) At the next Meeting of Members or Annual Meeting of Members, the Members may, by majority vote, affirm or overturn the termination. The outcome shall be final and binding on the Member.
- (5) A Member who has been terminated shall be entitled to the repayment of all the Member's Loans subject to the provisions of the Act and notwithstanding any restrictions in any Loan Agreement.

**ARTICLE 7
DELEGATES**

7.01 General

- (1) Members will be represented at Meetings of Members and Annual Meetings of Members during the one year period following each fiscal year end by a minimum of one Delegate.
- (2) Organizational Class of Members and Consumer Class of Members may be assigned additional Delegates in proportion to overall financial investment in the cooperative, based on the following formula:

Total financial commitments by the Organization Member, or the Consumer Class of Members as a whole via loans, share subscription or other financial instruments in the cooperative based on the cooperative's previous years financial statements

Divided by

value of the balance sheet in the previous years financial statement

equals

total proportion of Delegates assignable to the member

- (3) Regardless of whether any one Member, or the Consumer Class of Members as a whole, has more than 50% of the overall financial commitment in the Cooperative as calculated in Section 7.01 (2), no Member may be assigned more than 49% of the overall number of delegates eligible to vote from all Members of the cooperative.
- (4) Members must fill a minimum of one delegate position to a maximum number of assigned delegates based on the formula in 7.01 (2).
- (5) Members are not required to fill all delegate positions they are entitled to as per the formula in section 7.01 (2).
- (6) Delegates shall have the power to vote on behalf of the member they represent during the one year period following the fiscal year end in question.
- (7) Following the end of each fiscal year, the number of delegates assigned to each member will be based on the formula in section 7.01 (2).
- (8) The authority of delegates to represent a Member may be established in writing if signed by the Member or by any other means acceptable to the Board.

ARTICLE 8 MEETINGS OF MEMBERS

8.01 Annual Meetings

- (1) The Board shall call a first Meeting of Members within 180 days after the Cooperative comes into existence.
- (2) The Board shall call the first annual Meeting of Members and their delegates not later than 18 months after the Cooperative comes into existence. Subsequent annual Meetings of Members must be held not later than the earlier of 15 months after the holding of the preceding annual Meeting of Members and six months after the end of the preceding fiscal year.

8.02 Special Meetings

- (1) The Board may at any time call a special Meeting of Members or Shareholders.
- (2) 25% of the Members may by written requisition require the Board to call a special Meeting of Members for the purposes stated in the requisition.

8.03 Place of Meetings

Meetings of Members shall be held at the business office of the Cooperative or elsewhere in Alberta as the Board may determine.

8.04 Notice of Meetings

- (1) Notice of the time and place for each Meeting of Members shall be given to the Members not less than 10 days and no more than 45 days before the date of the meeting.
- (2) The notice shall be given to each Director, to the accounting advisor, if any, and to each Member registered in the records of the Cooperative at the close of business on the day immediately preceding the day on which the notice is given.
- (3) Notice of a Meeting of Members called for any purpose other than the consideration of the annual report of the directors, the financial statements, the accounting advisor, the election of directors, the appointment or reappointment of the Cooperative's accounting advisor, shall state the nature of that business in sufficient detail to permit the Member to form a reasoned judgment thereon, and shall state the text of any special resolution to be submitted to the meeting or, if the full text is too lengthy for convenient inclusion in the notice, a summary thereof.
- (4) A Member may, in any manner, waive notice of or otherwise consent to a Meeting of Members without notice.
- (5) Failure to receive a notice does not deprive a Member of the right to vote at a Meeting of Members.

8.05 Meetings Without Notice

A Meeting of Members may be held without notice at any time and place if all Members entitled to vote thereat are present in person or by delegate or if those not present waive

notice of or otherwise consent to such meeting being held, and if the directors are present or waive notice of or otherwise consent to such meeting being held. At such meeting any business may be transacted which the Cooperative at a meeting of Members may transact.

8.06 Chair, Secretary and Scrutineers

- (1) The Chair of any meeting of Members shall be one of the following individuals who are present at the meeting: the Board Chair, or some other person elected by the Members at the meeting if the Board Chair is absent.
- (2) The Chair of the meeting shall appoint some person to act as secretary of the meeting.
- (3) The Chair of the meeting shall appoint scrutineers under appropriate circumstances, for the purpose of ascertaining and declaring the results of any ballot taken.

8.07 Persons Entitled to be Present

The only persons who are entitled to be present at a meeting of Members are the Members, the Members' delegates, Directors and Officers of the Cooperative, and Cooperative's legal and accounting advisors. Others may only be admitted upon invitation of the Chair of the meeting or the consent of the majority of the Members and their respective delegates present at the meeting.

8.08 Quorum

A quorum for the transaction of business at any Meeting of Members shall be a minimum of either 50% of delegates, or 10 delegates (whichever is less) present and entitled to vote at the meeting.

8.09 Record Date

- (1) The Record Date for each Meeting of Members is 10 days prior to that meeting.
- (2) Only Members who have been entered on the Member register, and delegates of these Members by the Record Date are entitled to vote at the Meeting of Members and in the election of Directors, provided that the Chair of the meeting may permit a non-registered delegate to vote in place of a Member, if the Chair is satisfied that the delegate has the authority to do so.

8.10 Order of Business

So far as applicable at any particular Meeting of Members of the Cooperative, the order of business is as follows:

- (1) Calling of meeting to order by the Chair.
- (2) Approval of Minutes of the preceding meeting.
- (3) Business arising out of the minutes.
- (4) Report of the Officers and board of Directors and committee reports (if any).
- (5) Consideration of financial statements.

- (6) Report of the accounting advisor.
- (7) Nomination and election of Directors by Members.
- (8) Nomination and appointment of the accounting advisor.
- (9) New business.
- (10) Adjournment.

At any Meeting the Members may amend the agenda, add items to it, or delete items for it in accordance with normal rules of practice for the conduct of business and meetings, and in accordance with the direction of the Chair.

8.11 Votes to Govern

At any Meeting of Members, every question shall, unless otherwise required by the Act or these Bylaws, be determined by the majority of the votes cast on the question. In case of an equality of votes, the motion shall be lost.

8.12 Show of Hands

Subject to the Act and these Bylaws, any question at a Meeting of Members shall be decided by a show of hands unless a ballot thereon is required. Whenever a vote by show of hands has been taken upon a question, unless a ballot thereon is so required, a declaration by the Chair of the meeting that the vote upon the question has been carried or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the question, and the result of the vote so taken shall be the decision of the Members.

8.13 Ballots

- (1) On any question proposed for consideration at a Meeting of Members, any three Members or delegates entitled to vote at the meeting may demand a ballot with respect to matters which may be decided by Members. A ballot so demanded shall be taken in such manner as the Chair shall direct. A demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken, the result of the ballot shall be the decision of the Members upon the question.
- (2) The Board may authorize and provide for the voting by mail, e-mail or facsimile ballot, or by a combination of these ballots and ballots at a Meeting of Members, on any matter of special business.

8.14 Adjournment

If a Meeting of Members is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the adjourned meeting. If a Meeting of Members is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given.

8.15 Resolution in Writing

A resolution in writing signed by all the Members or delegates entitled to vote on that resolution is as valid as if it had been passed at a meeting.

**ARTICLE 9
ALLOCATION OF REVENUES**

9.01 Disposition of Surplus Earnings

Subject to the Articles, the disposition of Surplus Earnings remaining in the hands of the Cooperative at the end of a fiscal year shall be dealt with as follows:

- (a) The Board shall set aside such reserves as the Board considers necessary for the current obligations of the Cooperative, and for the operations of the Cooperative for the next Fiscal Year. These reserves shall be set aside from the year, as set forth in the Cooperative’s Financial Statements at the end of each Fiscal Year. The amount of the reserves allocated and payable from the Surplus shall be calculated in accordance with the following formula:

$$\frac{\text{Total accumulated amount of Member Loans and/or all Shares invested in the cooperative}}{\text{Total accumulated amount of all Member Loans and all Shares invested in the cooperative}} = \frac{x}{100}$$

- (b) The Board shall then declare the following returns to Members, and dividends to Shareholders, in accordance with the following provisions:
 - (i) Returns to Members of the Consumer Class of Membership as a whole as per the formula in 9.01(a) above will be treated in the following manner.
 - a. 70% of the returns will be set aside in escrow to be used to advance renewable energy projects in Alberta as determined by the Consumer Member investment committee described in sections ...
 - b. The remaining balance shall be disbursed to Consumer Member’s on pro rata basis according to the percentage of business conducted with the co-operative.
 - (ii) Returns to Members shall be declared and paid from the balance of the Surplus which has been funded by Member Loans to the cooperative. Subject to the Loan Agreements, the amount of these Patronage Returns shall be the Member’s pro rata share from the remaining Surplus, based on the amount of each Member’s Loans and the total amount outstanding on all Member Loans to the end of the last Fiscal Year. If any Member Loans have been repaid by the Cooperative in whole or in part during the last Fiscal Year, the Returns payable to the Member(s) shall be adjusted to the date in the last Fiscal Year when the Member Loan was repaid.
 - (iii) Dividends shall be declared and paid from the balance of the Surplus funded by Class “B” shares. Dividends in an equal amount, on a per share basis, shall be declared and paid to Class “B” shareholders from the remaining Surplus to the end of the last Fiscal Year. If any Class “B” shares have been redeemed in whole or in part during the last Fiscal Year, the dividends payable to the shareholder shall be adjusted to the date in the last Fiscal Year when the shares were redeemed.

- (c) The Cooperative may set off against any Returns or dividends payable to a Member or shareholder, amounts payable by the Member or shareholder to the Cooperative. Returns and dividends are not payable to a Member or shareholder so long as the Member or shareholder is not in Good Standing.

9.02 Borrowing of Patronage Returns

- (1) The recipients of dividends shall be treated as agreeing to lend to the Cooperative each year that portion of the dividends credited to the recipient that are not promptly paid.
- (2) The Cooperative shall pay to each such recipient all sums borrowed by the Cooperative under subsection (1) without interest and as soon as revenue becomes available for that purpose.

ARTICLE 10 NOTICES

10.01 Method of Giving Notice to Members and Shareholders

- (1) Any notice required or permitted to be given under the Bylaws to a Member or Shareholder will be in writing and may be given or delivered by:
 - a) personal delivery to the Member or Shareholder;
 - b) by sending it by mail to the postal address last provided by the Member or Shareholder to the Cooperative; or
 - c) by facsimile transmission to the facsimile transmission number last provided by the Member or Shareholder to the Cooperative; or
 - d) by email at the last email address provided by the Member or Shareholder to the Cooperative.
- (2) A notice delivered by hand or electronically shall be deemed to be given when it is delivered or transmitted as the case may be. A notice given by mail shall be deemed to be received on the third business day following mailing.
- (3) Each Member and Shareholder will provide the Cooperative with a current mailing address for service of notice and may provide a facsimile number, or email address for the purposes of receiving notice under these Bylaws.

10.02 Notice to Cooperative

Any notice or ballot required or permitted to be given under the Bylaws to the Cooperative by the Member will be in writing and will be given to the Cooperative by mailing it to or delivering it to the Cooperative at its business office, or by facsimile transmission or email to the Cooperative's facsimile number or email address.

10.03 Change of Address

Any party may at any time give notice in writing to the other of any change of address or facsimile number or email address of the party giving such notice and from and after the giving

of such notice, the address therein specified will be deemed to be the address of such party for the giving of notices under these By-laws.

10.04 Undelivered Notices

If any notice given pursuant to this section is returned, the Cooperative shall not be required to give any further notices until the person to whom it is directed informs the Cooperative in writing of their new address, facsimile number, or e-mail as the case may be.

10.05 Waiver of Notice

Any Member, delegate, Shareholder, Director, Officer, auditor or member of a committee, may at any time, waive any notice, or waive or abridge the time any notice is required to be given.

**ARTICLE 11
AMENDMENT TO BYLAWS**

11.01 Amendment by Members

- (1) Articles 7 and 9 of these Bylaws may only be amended, repealed or replaced in whole or in part by resolution of 80% of the delegates at any meeting duly constituted for that purpose.
- (2) All remaining Bylaws may be amended by ordinary resolution.

11.02 Amendment by Directors

Notwithstanding section 11.01, the Directors may by ordinary Resolution make or amend a By-law, provided such Bylaw or amendment is not contrary to a Bylaw made and approved by the Members and provided further that the Bylaw or amendment as the case may be will be presented to the Members at the next meeting of Members for confirmation or amendment, failing which the Bylaw or amendment as the case may be will be deemed to be repealed as of the date of the meeting of Members at which it was not confirmed.

The undersigned Directors of the Cooperative certify that the above Bylaws were adopted by a resolution the Members of the Cooperative at a meeting held at ___Red Deer_____, Alberta the 4th day of October , 2019.

Witness Signature

Carl Beniuk

Witness Signature

Robert Coppock

Witness Signature

Harvey Yoder

Witness Signature

Larry Dykstra

Witness Signature

Robert Peyton

Witness Signature

David Vonesch

Witness Signature

David Rumer