

INCORPORATION BY SHARES

By-laws

NAME

1. The name of the association shall be: _____

INTERPRETATION

2. In these by-laws, unless the context otherwise requires:
- (a) "Act" means the *Co-operative Associations Act* being Chapter C-22.1 of the Acts of New Brunswick;
 - (b) "Regulation" means Regulation 82-58 under the *Co-operative Associations Act*;
 - (c) "Association" means: _____

REGISTERED OFFICE

3. The registered office of the association shall be located at _____
_____ in the Province of New Brunswick.

FISCAL YEAR

4. The fiscal year of the association shall commence on the first day of _____
_____ in each year and shall end on the last day of _____
of the next year following.

SHARE CAPITAL

5. (a) The par value of the shares of this association is _____
dollars(\$ _____) each.
- (b) Application for membership in the association shall be made in writing to the board of directors and no application for membership shall be accepted and no allotment, assignment or transfer of shares shall be valid unless and until approved by the board of directors.
- (c) Anyone wishing to become a member shall subscribe for not less than _____
_____ share(s) and pay to the association the value of _____
_____ share(s) upon subscription.
- (d) The maximum amount of shares that any member may hold is _____
(cannot be unlimited).

WITHDRAWAL FROM MEMBERSHIP

6. If a member wishes to withdraw from the association, he must give notice in writing addressed to the secretary of the board. The board shall deal with such withdrawal application and if approved, shall pay out the withdrawing member's shares and other amounts held to his credit subject to section 27 of the Act.

MEMBERSHIP MEETINGS

7. (a) The annual membership meeting shall be held within four months following the end of the fiscal year at a time and place as determined by the board of directors and specified in the call of the meeting.
- (b) Notice of every annual or special meeting unless otherwise provided by these by-laws shall be
 - (i) posted prominently in the association's place of business, and
 - (ii) sent, at least ten calendar days prior to the meeting, to every member at the address as registered in the books of the association.

However, you may choose any combination of these three alternatives:

- (i) Notice of every annual or special meeting shall be posted prominently, at least ten calendar days prior to the meeting, in the association's place of business.
- (ii) Notice of every annual or special meeting shall be published in the local newspaper at least ten calendar days prior to the meeting.
- (iii) Notice of every annual or special meeting shall be announced on television or radio at least ten calendar days prior to the meeting.

The notice shall specify the place, date and hour of the meeting and, if a special meeting, shall state the purpose of calling the meeting, and the business to come before it, and no business other than that specified in the notice shall be transacted.

- (c) Special general membership meetings may be called at any time by the board of directors and such meetings shall be called whenever a petition therefore is signed by at least fifty (50) members or ten per cent (10%) of the members of the association, whichever is lesser, and presented to the board of directors.
- (d) At all meetings of the association _____ members shall constitute a quorum.

DIRECTORS

8. (a) The management of the association shall be vested in a board of directors consisting of _____ (**not less than three**) members duly elected at an annual meeting or nominated pursuant to subsection f).
- (b) Any member in good standing who is at least sixteen years of age qualifies to become a director.
- (c) Candidates for the position of director shall be nominated by a nominating committee appointed by the board at least 30 days previous to the meeting at which the election takes place. Additional candidates may be nominated from the floor of the meeting.

- (d) At the first general meeting, one-third of the directors shall be elected to serve until the first annual meeting, one-third of the directors shall be elected to serve until the second annual meeting and one-third of the directors shall be elected to serve until the third annual meeting. Thereafter, all elections shall be for a three (3) year term. Directors may be re-elected but shall not serve more than three consecutive three-year terms without a lapse of at least one year. **(Where an association has fifteen or more members, directors may be re-elected but shall not serve more than three or, if the by-laws of an association specify, two consecutive three-year terms without a lapse of at least one year).**
- (e) At the meeting where the election takes place, or immediately thereafter, the board shall meet and elect amongst themselves a president and vice-president. They shall also appoint a secretary or secretary-treasurer who may or may not be a director.
- (f) If a vacancy occurs in the board of directors by reason of death or resignation or other cause, or in the case where a newly elected director fails to qualify himself for the office of director pursuant to subsection 31 (5) of the Act, the vacancy so created shall be filled by appointment by the remaining directors until the next annual meeting.
- (g) The board of directors shall meet regularly every _____ at such time and place as the board may determine. A majority of the directors shall constitute a quorum at all board meetings.
- (h) The books containing the minutes of directors' meetings shall be kept in the custody of the secretary of the association.

BORROWING

- 9. (a) Subject to subsection 15 c) of the Act, the association may purchase on credit, pledge its credit for money borrowed to pay for materials purchased or incur other liability on the credit and security of the association upon such terms and conditions as the board of directors may from time to time determine; but at no time shall the liability incurred under this by-law exceed the sum of _____.
- (b) The association may borrow money from its members for periods and at interest rates as determined by the general membership in these by-laws.

CREDIT POLICY

10. The credit policy of the association shall be:

DISTRIBUTION OF SURPLUS

- 11. (a) At the close of the fiscal year the net surplus shall be disposed of as follows:
 - (i) an amount for interest, if any, shall be paid on paid-up share capital at a rate to be determined from year to year by general membership, but in no case to exceed _____ percent (%) per year;

- (ii) after provision for income tax has been made and allocation to the reserve funds:
- (1) part of the remainder of the surplus in proportion to business done with members shall be apportioned to the members according to patronage with appropriate differences in accordance with the kinds and classes and grades of commodities handled;
 - (2) part in proportion to the business done with non-members shall be disposed of as determined by the general membership.
- (b) Application to shares - Any interest on shares and patronage dividend due a member shall be placed to his credit on share capital.
- (c) Repayment of share capital - Subject to section 20 of the Regulation, the board shall review annually the financial situation of the association and may recommend to the annual meeting the repayment of a percentage of the total share capital pursuant to section 22 of the Regulation. Repayment of share capital shall never reduce the shares below the amount necessary to become or maintain membership.
- (d) Reserve funds of the association shall consist of the accumulation of amounts required to be set aside annually from the net surplus pursuant to section 23 of the Regulation together with such further amounts as may be determined by the general membership in these by-laws.

AMENDMENTS

12. These by-laws or any of them may be repealed or replaced as provided for by the Regulation.

APPROVAL

13. Pursuant to the authority granted to me by subsection 11(1) of the *Co-operative Associations Act*, I hereby approve these by-laws.

Inspector of Co-operative Associations

Date