

Rules of the
British Columbia Community Connectivity Co-operative

PART 1 – INTERPRETATION

Definitions

1. In these Rules:

“**Act**” means the *Co-operative Association Act* of British Columbia from time to time in force and all amendments to it;

“**adjourned meeting**” means the meeting to which a meeting is adjourned;

“**Association**” means the British Columbia Community Connectivity Co-operative;

“**board**” or “**the directors**” mean the directors of the Association for the time being;

“**member**” means an organizational member of the Association ;

“**regulation**” means the regulation under the *Co-operative Association Act* as made and amended from time to time;

“**Rules**” means these Rules and all amendments, additions, deletions or replacements from time to time in force and effect.

“**representative**” means a person appointed or elected by member organizations to be the official representative of that member to the Association.

Co-operative Association Act definitions apply

2. Subject to Rule 1, words and expressions defined in the Act as they read on the date these Rules become applicable to the Association apply to these Rules, with the necessary changes, so far as applicable.

Interpretation

3. Words in the singular form include the plural and vice versa and words importing a specific gender include the other gender and eligible organizations.

Co-operative Association Act governs

4. If there is a conflict or inconsistency between the Act and the Rules, the Act governs.

PART 2 – MEMBERSHIP

Open membership

5. Membership in the Association is open in a non-discriminatory manner to eligible organizations that can use the services of the Association and are willing and able to accept the responsibilities of membership.

Application for membership

6. An eligible organization that wishes to become a member must submit to the Association a written application for membership in any required form set by the Association, payment for the minimum number of membership shares required under Rule 8 for membership in the Association, and the name of the official representative of that member to the Association.

Member qualification

7. To be eligible for membership in the Association, an organization must be any legally constituted municipality, regional district, electoral area, tribal council, first nations band or not-for-profit society, co-operative or corporation operating in the province of BC, must be in good standing with the relevant regulatory body and must agree to the purpose and values statement of the Association as described on any memorandum of membership agreement between the Association and the member organization.

Associate Members

8. An individual or eligible organization that wishes to become an associate member must submit to the Association a written application for associate membership in any required form set by the Association, and upon payment of an annual associate membership fee to be established by the membership for associate membership in the Association.

Minimum share requirement

9. Each member must, as a condition of membership, subscribe to at least one (1) membership share.

Approval of application

10. The directors, or a person authorized by the directors to approve applications for membership, may approve or refuse an application for membership and may postpone consideration of an application for membership.

Effective date of membership

11. Membership is effective on the day that the application for membership is approved under Rule 9.

Withdrawal from membership

12. A member may withdraw from membership in the Association by
 - (a) giving four months written notice to the directors of the member's intention to withdraw, and
 - (b) surrendering any share certificates in respect of membership shares.

Effective date of withdrawal

13. The membership of a member ceases on the date the member has complied with the requirements of Rule 11.

Notice of bankruptcy, liquidation or dissolution of eligible organization member

14. Notice to the Association of the bankruptcy, liquidation or dissolution of a member has the same effect as a notice of intention to withdraw, and Rules 11, 12, 16 and 38 apply with the necessary changes, so far as applicable.

Grounds for termination of membership

15. The Association may terminate the membership of a member in accordance with the Act if
 - (a) the member has engaged in conduct detrimental to the Association,
 - (b) the member has not paid money due by the member to the Association within a reasonable time after receiving written notice to do so from the Association,
 - (c) in the opinion of the directors, based on reasonable grounds, the member
 - (i) has breached a material condition of an agreement with the association, and
 - (ii) has not rectified the breach within a reasonable time after receiving written notice to do so from the Association, or
 - (d) the member has not transacted any business with the Association for period of 2 consecutive years.

Appeal of termination of membership

16. (1) A member whose membership is terminated for the reason set out in Rule 14 (d)
 - (a) may appeal the termination in accordance with the Act, and
 - (b) if the member does so, the member continues to be a member of the Association, despite the resolution of the directors terminating the membership, unless the members at the general meeting to which the appeal is brought confirm the termination of membership by a simple majority.
- (2) The right of appeal of an organization whose membership in the Association is terminated for a reason set out in Rule 14 (a) to (c) is governed by the Act.

Effect of termination, withdrawal or other cessation of membership

17. (1) When a member withdraws from membership or a membership is terminated or ceases for any reason, all rights and privileges attached to membership cease except the right to require the Association to redeem, in accordance with Rule 38 or 39, whichever is applicable, the member's membership shares.
- (2) 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.

PART 3 – JOINT MEMBERSHIP

Joint membership

18. There will be no joint memberships in the association.

PART 4 – SHARE STRUCTURE

Authorized share structure

19. The authorized share structure of the Association is set out in the memorandum.

PART 5 - PAYMENT FOR SHARES

Payment for Shares

20. (1) Except as provided in this Rule, the Association must not issue or allot membership shares unless the shares are paid for in accordance with the Act.
- (2) Membership shares may be payable on call.

Calls on unpaid amount of membership shares

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

Interest on unpaid call

22. (1) If a call is not paid on or before the date set for payment by the resolution referred to in Rule 20, the member from whom the money is due on call must pay interest on the unpaid amount of the call at the rate of 8% per year from the date set for payment until the date of payment.
- (2) The interest that accumulates under subrule (1) is a debt due to the Association.
- (3) The directors may waive payment of interest due under subrule (2).

Dividends or interest on membership shares

23. Payment of dividends or interest on membership shares that are not fully paid is governed by the Act.

Notice requiring payment of call

24. If a member fails to pay a call on or before the date set for payment by the resolution referred to in Rule 20, 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 together with any interest that accrues under Rule 21.

Failure to comply with notice

25. If a member whom or on which a notice has been served under Rule 23 does not make the payment required by that notice in the time specified, the share in respect of which the notice is given may be forfeited to the Association by a resolution of the directors.

Effect of forfeiture

26. (1) A forfeiture under Rule 24 is effective on the date that the directors make the resolution referred to in that Rule.
- (2) A member whose share has been forfeited in accordance with a resolution under Rule 24 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 certificate in respect of the forfeited share.
- (3) A forfeited share may be sold or otherwise disposed of on terms and in a manner the directors think fit and, at any time before a sale or disposition, the forfeiture may be cancelled on terms the directors think fit.
- (4) A member whose share has been forfeited remains liable to the Association for interest that accrued under Rule 21 to the date of the resolution under Rule 24 and that interest is a debt due to the Association.

PART 6 – SHARE CERTIFICATES

Entitlement to share certificate

27. The Association must issue certificates in respect of membership shares in accordance with the Act.

Form of share certificate

28. Every share certificate issued by the Association must comply with the Act and be in a form approved by the directors.

Manual signing of share certificates

29. Each share certificate issued by the Association must be signed manually by at least two directors or officers of the Association.

Lost or destroyed certificates

30. If a share certificate is lost, stolen or destroyed, the Association must issue to the member entitled to the lost, stolen or destroyed certificate a new share certificate as a replacement if
 - (a) the Association has no notice that the lost, stolen or destroyed certificate has been acquired by a purchaser for value who entered into the transaction honestly and without notice of any adverse claim, including a claim that a transfer was or would be wrongful,
 - (b) the directors are satisfied that the certificate is lost, stolen or destroyed,
 - (c) the Association receives payment of the reasonable fee, if any, required by the directors for the issue of a replacement certificate, and
 - (d) the Association receives the indemnity, if any, the directors consider appropriate.

PART 7 – TRANSFER OF SHARES

Requirements of instrument of transfer

31. Shares of the Association are not transferable.

PART 8 – REDEMPTION OF SHARES

Association authorized to purchase and redeem its shares

32. Subject to the Act, these Rules and the special rights and restrictions attached to any class of shares, the Association may, by a resolution of the directors, redeem any of its shares at the price and on the terms specified by the resolution.

Redemption of shares to be made ratably

33. (1) If the Association proposes, at its option, to redeem some but not all of the shares of any class of shares, it must make its offer ratably to every shareholder who holds that class of shares.
- (2) A redemption of shares under subrule (1) must be made on a fair and equitable basis.

Sale and voting of redeemed shares

34. Subject to the Act, the Association may sell any share redeemed by it, but, while the Association retains the share, the Association must not exercise any vote, or pay or make any dividend or other distribution, in respect of that share.

Redemption of shares on withdrawal of membership

35. Subject to the Act, if a member withdraws from membership, the period within which the Association must redeem, upon request, the shares of the former member is 1 month from the effective date of the withdrawal.

Redemption of shares on termination of membership

36. If the Association terminates the membership of a member under Rule 14, the Association must redeem the shares of the member in accordance with the Act.

Entitlement to redemption

37. A member who wishes to have the Association redeem any of their shares under subrule (1) must give written notice to the Association and the Association, on receipt of the share certificates relating to the shares to be redeemed, and subject to the Act, must pay the member the amount paid up on the shares within 12 months.

Amount paid on redemption

38. A member is entitled to the amount paid up on the par value of a membership share on redemption by the Association under this Part.

PART 9 – REGISTER OF MEMBERS

Register of Members

39. The Association must keep and maintain a register of members in accordance with the Act.

PART 10 - GENERAL MEETINGS OF THE ASSOCIATION

Annual General Meetings

40. The Association must hold its first and subsequent general meetings within the time provided by the Act.

Business at annual general meeting

41. At the first general meeting and at each annual general meeting the following business must be considered:
- (a) adoption of procedures for the meeting and for the next year;
 - (b) report of the directors;
 - (c) financial statements;
 - (d) auditor's report, if applicable;
 - (e) election or appointment of directors;
 - (f) appointment or waiver of appointment of auditor.

Order of business at annual general meeting

42. The order of business at the first general meeting and at annual general meetings, to the extent appropriate in the circumstances, must be as follows:
- (a) meeting to be called to order;
 - (b) notice convening meeting to be read;
 - (c) adoption of procedures for the meeting;
 - (d) minutes of preceding annual general meeting to be read and adopted or amended and adopted as required;
 - (e) business arising out of minutes to be considered;
 - (f) reports of standing and special committees to be read;

- (g) financial statement to be placed before the meeting;
- (h) reports of directors and auditors to be read;
- (i) election of directors and appointment of auditors;
- (j) adoption of decision-making rules for the coming year.
- (k) special business to be considered;
- (l) unfinished business to be considered;
- (m) new business to be considered.

Special business

43. (1) Any business other than business listed in Rule 40 is special business.
(2) Special business must be approved by special resolution of the members unless the Act or these Rules require otherwise.

Special general meetings

44. (1) The calling of a special general meeting by the directors, either on their own initiative or in response to a requisition by the members, must be in accordance with the Act.
(2) The requisitioning of a special general meeting by the members must be in accordance with the Act.
(3) The directors may determine the order of business at a special general meeting.

Time and place of general meetings

45. General meetings must be held at the time and place in British Columbia that the directors specify or, in accordance with the Act, outside British Columbia.

Provision for 2 or more general meetings for the same matters

46. (1) If it is not possible to hold one general meeting at a time when, or place where, a large portion of the membership is able to attend, 2 or more general meetings may be held at the times and the places in British Columbia that the directors specify in accordance with the Act.
(2) Votes taken at meetings referred to in subrule (1) must be by secret ballot.
(3) The sum of the total votes taken at the meetings referred to in subrule (1) determine whether a resolution considered at those meetings is adopted or rejected.

Record date

47. (1) The record date for any general meeting is the 30th day before the date of the meeting of members.
(2) Only those members whose names are entered on the register of members on the record date are entitled to vote at the general meeting.

Notice of general meetings of the Association

48. Notice of general meetings must be given to members and to the auditor of the Association, if any, in accordance with the Act.

Financial statement

49. A copy of the financial statement that is to be placed before a general meeting must be provided to the members at least 10 days before the date set for the meeting.

Notice of special business

50. If special business is to be considered at a general meeting, the notice of the meeting under Rule 47 must state the nature of the special business in sufficient detail to permit a member to form a reasoned judgement concerning the business.
51. (1) If a special resolution is to be proposed at a general meeting, the notice under Rule 47 of that meeting must include
(a) the full text of the special resolution, or,

- (b) if the full text of the special resolution is too lengthy for convenient inclusion in the notice, a summary of the text in sufficient detail to permit a member to form a reasoned judgement concerning the special resolution.
- (2) If a notice under Rule 47 contains a summary of the text of a special resolution as provided in subrule (1) (b), the notice must also state the place where the full text of that special resolution can be read or copied.

Notice of adjourned meeting

52. If a general meeting is adjourned for fewer than 30 days, it is not necessary to give notice of the adjourned meeting other than by announcement at the first meeting that is adjourned, but if a general meeting is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting must be given in the same manner as for the original meeting.

Manner of giving notice

53. The notice and financial statement required to be provided to members under this Part must be given in a manner permitted in Part 22 of these Rules.

Meeting valid despite failure to give notice

54. The accidental omission to give notice of any general meeting to, or the non-receipt of any notice by, a member representative or person entitled to receive notice does not invalidate any proceedings at that meeting.

Quorum

55. The quorum for the transaction of business at a general meeting is the lesser of 20 member representatives or 20% of the member representatives, but in no case less than 5 member representatives, entitled to vote at the meeting.

Requirement of quorum

56. No business, other than the election of a chair and the adjournment of the meeting, may be transacted at any general meeting unless a quorum is present at the commencement of the meeting, and if at any time during the meeting there ceases to be a quorum present any business then in progress is suspended until there is a quorum present or until the meeting is adjourned or terminated as the case may be.

Lack of quorum

57. (1) If, within one hour from the time appointed for a general meeting, a quorum is not present, the meeting,
- (a) if convened by requisition of a member representative, must be dissolved, and
 - (b) in any other case, stands adjourned to the same day in the next week at the same time and place, unless the place of meeting is changed out of necessity.
- (2) If at the adjourned meeting referred to in subrule (1) a quorum is not present within ½ hour from the time appointed, the member representatives present in person or represented by proxy are deemed to constitute a quorum.

Chair

58. Subject to Rule 58, the chair or, in the absence of the chair, the vice-chair of the Association must preside as chair at every general meeting.

Alternate chair

59. If there is no chair present with 30 minutes after the time appointed for holding the meeting, the member representatives present at a general meeting must elect a member representative to chair the meeting.

Adjournments by chair

60. The chair of a general meeting may, and if so directed by the member representatives must adjourn the meeting from time to time and from place to place, but no business may be

transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Secretary

61. The Association secretary or secretary-treasurer will act as secretary at a general meeting, or in the absence of the Association secretary, the directors will appoint a member representative or other delegate to act as secretary.

Minutes of meetings

62. The secretary must record the minutes of all resolutions and proceedings at a general meeting in books provided by the directors for that purpose.

Persons entitled to be present

63. The only persons entitled to be present at a general meeting are those entitled to vote at that meeting, the auditor of the Association, if any, officers of the Association, and others who are entitled or required under any provision of the Act or these Rules to be present.

Other persons may be admitted

64. A person who is not entitled to be present at a general meeting under Rule 62 may be admitted to a meeting only on the invitation of the chair or with the consent of the member representatives at the meeting.

Meetings by conference telephone

65. The Association may permit member representatives to participate in general meetings and vote by telephone or other communications medium in accordance with the Act.

PART 11 – VOTING AT GENERAL MEETINGS

Action to be determined by ordinary resolution

66. At a general meeting, every motion must be determined under the adopted decision-making rules of the meeting unless otherwise required by the Act or these Rules.

Chair not entitled to casting vote

67. The chair of a general meeting is not entitled to a second or casting vote.

Decisions by show of hands or poll

68. Unless otherwise provided in these Rules or the Act, every motion for a resolution put to a vote at a general meeting is to be decided on a show of hands unless

- (a) before or promptly on the declaration of the result of the vote by a show of hands, a poll is directed by the chair or demanded by at least one individual who is present and entitled to vote, and
- (b) one or more member representatives vote at the meeting by telephone or other communications medium, in which event the voting must be by poll or conducted in any other manner that adequately discloses the intentions of the member representatives.

Polls

69. (1) An individual that is present and entitled to vote at a general meeting may demand that a poll be taken on any matter under consideration at that meeting either before or promptly after the vote by show of hands is taken.

(2) Subject to Rule 70, a poll must be taken in the manner and at the time, either at the general meeting or within 7 days after the date of the meeting, and at the place that the chair of the meeting directs.

(3) The result of the poll is deemed to be a resolution of the general meeting at which the poll is demanded.

(4) The person who demanded a poll may withdraw the demand before the poll is taken.

Chair must resolve dispute on poll

70. The chair must determine any dispute as to the admission or rejection of a vote given on a poll, and the chair's determination, made in good faith, is final and conclusive.

Demand for a poll on adjournment

71. A poll demanded on a motion for adjournment must be taken immediately at the meeting.

Demand for a poll not to prevent continuance of meeting

72. A demand for a poll does not prevent the continuation of a general meeting for the transaction of any business other than the motion on which the poll has been demanded unless the chair orders otherwise.

Declaration of result

73. The chair must declare to the general meeting the decision under the adopted decision-making rules of the meeting on every motion in accordance with the result of the show of hands or the poll, and that decision must be entered in the minutes of the meeting.

Declaration is proof

74. Unless a poll is required or demanded, a declaration by the chair that a motion has been carried, or carried unanimously, or by a particular majority, or lost or not carried by a particular majority, and an entry to that effect in the minutes of the general meeting is proof, in the absence of evidence to the contrary, of the fact without proof of the number or proportion of the votes recorded in favour of or against that motion.

Retention of ballots and proxies

75. Each ballot cast on a poll, and each proxy appointing a proxy holder who casts a ballot on a poll,

- (a) must be kept at the registered office of the Association for 3 months after the general meeting,
- (b) during the period referred to in paragraph (a), must be open to inspection at the registered office of the Association during the Association's normal business hours by any member representative or proxy holder entitled to vote at the meeting from which the ballot and the proxy came, and
- (c) may be destroyed at the end of the period referred to in paragraph (a).

PART 12 – VOTING RIGHTS OF MEMBERS**Voting rights and restrictions**

76. A person who is not registered as the regularly appointed representative of a member but who is entitled to vote at a general meeting as a representative of a member at that meeting, may vote in the same manner as if they were a regularly appointed member representative if, before the meeting at which they propose to vote, they satisfy the directors of their right to vote at the meeting.

Representative of eligible organization

77. (1) If a member organization provides evidence that complies with Rule 78 of the special appointment of an individual to represent it at a specific general meeting,

- (a) the specially appointed representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the eligible organization as that member organization could exercise if it were represented by the regularly appointed representative of the member of the Association present, and
- (b) the specially appointed representative, if present at a meeting, is to be counted for the purpose of forming a quorum.

(2) The evidence of appointment required by Rule 78 with respect to a representative of an eligible organization may be provided by written instrument, facsimile transmission, telegram, telex or any method of transmitting legibly recorded messages.

Proxy voting

78. Proxy voting is not allowed.

Production of evidence of authority to vote

79. The chair of any meeting may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person evidence of their authority to vote.

PART 13 - DIRECTORS**Duties of directors**

80. The directors must manage the Association in accordance with the responsibilities, duties and powers set out in the Act, the regulation, the memorandum and these Rules.

Number of directors

81. (1) The Association must have,
 (a) in accordance with the Act, at least 5 directors, and
 (b) not more than 12 directors.
(2) The number of directors may be changed within the limits set out in subrule (1) by ordinary resolution of the members.

Qualifications for directors

82. In addition to the qualifications required by the Act, directors must be individuals who are an official representative of its member organizations.

PART 14 – ELECTION, APPOINTMENT AND REMOVAL OF DIRECTORS**Election at annual general meeting**

83. An election of directors must be held at each annual general meeting to replace those directors whose terms of office have expired or will expire at the end of the meeting in accordance with Rule 89.

Nomination of candidates

84. Each member organization may nominate a candidate for director either before or at an annual general meeting at which a director is to be elected.

Voting by secret ballot

85. If the number of nominees in an election for directors exceeds the number of directors to be elected at the election, the election of directors must be by secret paper or electronic ballot.

Candidates declared elected

86. If the number of candidates nominated for director is equal to the number of directors to be elected, those nominated candidates are declared elected and no election is required.

Directors elected according to number of votes

87. In an election of directors, the chair must declare elected the candidates who received the highest number of valid votes up to the number of directors to be elected.

If 2 or more candidates receive equal number of votes for last vacancy

88. If 2 or more candidates receive an equal number of votes for the last vacancy on the board and it is not practical to hold a run-off election at the meeting,
 (a) the directors who have already been elected in the election, and
 (b) the directors whose terms of office will not expire at the end of the meeting at which the election is held
must determine which of those candidates is to be elected.

Consent to act as director

89. For the election or appointment of a director to be valid, consent of the candidate must be provided in accordance with the Act.

Staggered terms of office of directors

90. (1) In this section, "1st annual general meeting" means the first general meeting of the Association.
- (2) The term of office of a director ends at the end of the annual general meeting at which a replacement is elected.
- (3) A reduction in the number of directors under Rule 80 does not affect the unexpired term of a director in office.
- (4) In the election of directors held at the 1st annual general meeting,
- (a) if the Board has an even number of directors,
- (i) half of the directors must be elected for a term ending at the 2nd annual general meeting, and
- (ii) the remainder must be elected for a two-year term, or
- (b) if the Board has an odd number of directors,
- (i) a simple majority must be elected for a term ending at the 2nd annual general meeting, and
- (ii) the remainder must be elected for a two-year term.
- (5) In the election of directors held at each annual general meeting after the first annual general meeting, all directors shall be elected to two year terms.

Effect of vacancy on ability of directors to act

91. (1) Despite any vacancy on the board, the continuing directors
- (a) if and so long as the number of continuing directors constitutes a quorum of the board, may continue to function without filling the vacancy and may appoint a qualified member representative to fill the vacancy, or
- (b) if the number of continuing directors does not constitute a quorum of the board, may appoint directors for the purpose of increasing the number of directors to a quorum or to call a general meeting and for no purposes
- (2) Except in the circumstances described, and to the extent authorized in subrule (1)(b), the directors are not entitled to fill a vacancy on the board that is caused by either an increase in the number of directors under Rule 80 or a failure to elect the minimum number of directors required by these Rules.
- (3) In the circumstances described in subrule (1)(b) or when there are vacancies on the board as a result of an increase in the number of directors under Rule 80 or a failure to elect the minimum number of directors required by these Rules, the board must call, as soon as practicable, a general meeting to fill the vacancy.
- (4) The term of office of a director appointed under subrule (1)(a) is the unexpired portion of the term of office of the individual whose departure from the office created the vacancy.
- (5) The term of office of a director appointed under subrule (1)(b) or (2) is until the vacancy is filled under subrule (3).
- (6) If, as a result of a vacancy, there are no directors of the Association, the member representatives may, by ordinary resolution or by an instrument in writing signed by a simple majority of member representatives, appoint a qualified individual as director solely for the purpose of calling a special general meeting to fill the vacancies on the board.

Directors eligible for election or appointment again

92. A person whose term as director is ending is eligible for re-election or reappointment.

Director ceasing to hold office

93. A director ceases to hold office in accordance with the Act and these Rules.

Removal of director

94. The Association may by special resolution remove any director before the expiration of their term of office, and may by an ordinary resolution fill the vacancy created by the removal.

PART 15 – MEETINGS OF DIRECTORS

Meetings of directors

95. Subject to the Act and these Rules, the directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they consider appropriate.

Time and locations of meetings

96. Meetings of the board must be held at times, locations, electronic co-ordinates and with communications vehicles that the board determines is appropriate, and if the board does not determine the times, locations, electronic co-ordinates and communications vehicles, the chair of the Association or any two directors may make those determinations.

Who may call meetings

97. A director may, and the secretary of the Association on the request of a director must, call a meeting of the directors at any time.

Notice of meeting

98. (1) Subject to Rules 98, 99, 100, 101, and 102, at least 10 days notice of a meeting of the directors, specifying the locations, electronic co-ordinates, communications vehicles, date and hour of the meeting, must be given to each director and is sufficiently given if provided
- (a) by personal delivery,
 - (b) by mail addressed to the director's address as it appears in the register of directors,
 - (c) by leaving it at the director's usual business or residential address,
 - (d) by telegram, telex, facsimile transmission, email, or any other method of transmitting legibly recorded messages, or
 - (e) by telephone to the director's telephone number as provided by the director.
- (2) A notice of a meeting of directors must specify the purpose of, or the business to be transacted at the meeting if the meeting is called to deal with an emergency or any of the following matters:
- (a) a question or matter requiring approval of the members;
 - (b) filling a vacancy on the board;
 - (c) filling a vacancy in the office of auditor;
 - (d) issuing shares;
 - (e) declaring patronage returns or dividends on shares;
 - (f) redeeming shares issued by the Association;
 - (g) approving a financial statement of the Association;
 - (h) making decisions that by the Act or these Rules are required to be made by a vote of greater than a majority of the directors.
- (3) A notice mailed under subrule (1)(b) is deemed received on the second day, not including Saturday and holidays, after the date of mailing.
- (4) A notice given in accordance with subrule (1)(c) is deemed received when it is delivered.
- (5) A notice given under subrule (1)(d) is deemed received at the time the telegram, telex, facsimile transmission or other electronic transmission is sent.
- (6) A notice given under subrule (1)(e) is deemed received at the time the information is provided by telephone.

Meeting of new board

99. If a quorum of directors is present, the directors newly elected at an annual general meeting and the directors whose terms of office do not expire at the end of that meeting, without notice, may hold a meeting of the board immediately after that general meeting.

Regular meetings

100. (1) The board may, by resolution, appoint a day or days in any month or months for regular board meetings at the places and times specified by the board.
- (2) A copy of the resolution under subrule (1) must be sent to each director immediately after being passed, and no other notice is required for any regular board meeting, unless the Act or these Rules require that the purpose of the meeting or the business to be transacted at it be specified in a notice.

Notice of emergency meeting

101. In an emergency, the chair of the Association may call a meeting of the directors by giving each director at least 48 hours written or oral notice of the meeting.

Notice of adjourned meeting

102. Notice of an adjourned meeting of directors is not required if the time and place of the adjourned meeting is announced at the original meeting.

Meeting valid despite failure to give notice

103. The accidental omission to give notice of any meeting to, or the non-receipt of any notice by, a director does not invalidate any proceedings at that meeting.

Quorum of the board

104. A quorum of the board is a majority of the total number of directors authorized by the Association under Rule 80.

Chair

105. (1) The chair of the Association or, in the absence of the chair, the vice-chair must chair all meetings of the board.
- (2) If both the chair and vice-chair are absent from a meeting of the board, the directors present must appoint one of their number to chair the meeting.

Decision-making and voting at directors' meetings

106. Questions arising at any meeting of the directors are to be decided under the adopted decision-making rules of the meeting unless the Act or these Rules require otherwise and the chair does not have a second or casting vote.

Minutes of directors' meetings

107. The minutes of the proceedings of the directors must be kept in accordance with the Act.

Transaction of business without a meeting

108. A resolution of the directors may be passed without a meeting in accordance with the Act and these Rules.

Effective date of written resolution

109. A resolution referred to in Rule 107 is effective from the date specified in the resolution, but that date must not be before the day on which the last director consents in writing to the resolution.

How written consent may be given

110. For the purposes of a resolution referred to in Rule 107, written consent may be provided by telegram, telex, facsimile transmission, email, or any other method of transmitting legible recorded messages.

Meetings by conference telephone

111. A director may participate in a meeting of the directors or of any committee of the directors by means of telephone or other communications medium in accordance with the Act.

PART 16 - COMMITTEES OF DIRECTORS

Appointment of committees

112. (1) The board may, by resolution, appoint one or more committees consisting of a director or directors that the board considers appropriate to exercise the powers delegated by the board to them as authorized by the Act.
- (2) Any committee so formed, in the exercise of the powers delegated to it, must
- (a) conform to any terms of reference that may from time to time be imposed on it by the directors, and
 - (b) report every act or thing done in the exercise of those powers to the earliest meeting of the directors held next after the act or thing has been done.

Variation of terms of reference

113. The board may vary, add to or limit the terms of reference of any committee of directors.

Time and place of committee meetings

114. The members of a committee of directors may meet, conduct business and adjourn as they consider appropriate.

Quorum

115. Unless the board determines otherwise, each committee of directors has the power to fix its quorum at not less than a majority of the committee members.

Vacancy

116. If there is a vacancy on a committee of directors, the remaining committee members may exercise all the powers of the committee as long as a quorum of the committee remains in office.

Chair

117. A committee of directors may elect a chair of its meetings but, if no chair is elected, or if at any meeting the chair is not present within 15 minutes after the time appointed for holding the meeting, the directors present who are members of the committee may, by resolution, choose one of their number to chair the meeting.

Voting at committee meetings

118. Questions arising at any meeting of a committee of directors are determined by the adopted decision-making rules of the meeting and the chair has no second or casting vote.

Minutes of committee meetings

119. The minutes of the proceedings of a committee of directors must be kept in accordance with the Act.

PART 17 OFFICERS

Appointment of chair and vice-chair

120. The board must appoint, by resolution, a chair and a vice-chair of the Association from among the directors.

Appointment of other officers

121. (1) The board may appoint, by resolution, a secretary, a treasurer, a chief executive officer, and other officers that the board determines are necessary.
- (2) The officers appointed under subrule (1) may be, but need not be, directors.

One person may hold more than one office

122. Two or more offices of the Association may be held by the same individual.

Powers and duties of officers

123. Subject to the Act, the board may specify the powers, duties and responsibilities of the officers appointed, and may vary, add to, or limit the powers, duties, and responsibilities of any officer.

Term of office and remuneration

124. (1) The board must determine the term of office and remuneration of any officer it appoints.
(2) The board, in its discretion, may remove any officer of the Association without prejudice to that officer's rights under any employment contract.

PART 18 – CONFLICT OF INTEREST RULES FOR DIRECTORS AND OFFICERS**Act applies**

125. The directors and officers of the Association are governed by the disclosure and conflict of interest rules set out in the Act.

PART 21 – INDEMNIFICATION OF DIRECTORS AND OFFICERS**Act applies**

126. The Association must indemnify the directors and officers in accordance with the Act.

PART 20 – FINANCES**Borrowing powers**

127. The directors may, for the purposes of the Association, on behalf of the Association,
(a) borrow or raise money in the manner and amount, from the sources, on terms and conditions, and
(b) issue notes, bonds, debentures and other debt securities as the directors consider appropriate.

Investment powers

128. Subject to any limitations adopted by the directors, and, if applicable, to Rule 128, the directors may invest the funds of the Association in the manner they consider appropriate.

Limitations on investing

129. (1) The directors must not invest any of the funds of the Association over \$10,000 at any one time without the prior approval by special resolution of the members or unless the money is to be invested in a security or class of securities in which trustees are permitted to invest trust funds under the *Trustee Act*.
(2) The Association must not provide loans on the security of its shares.

Auditor

130. (1) Subject to and in accordance with the Act, the directors must appoint the first auditor and the Association must appoint subsequent auditors, if any.
(2) The duties and rights of the auditor are governed by the Act.

Accounting records

131. The directors must cause accounts to be kept in accordance with the Act.

Financial year

132. The financial year of the Association ends on the date fixed by the directors

Use of surplus funds

133. The directors must apply surplus funds arising from the operation of the Association in a financial year as follows:
- (a) first, to the reserves required by Rule 133;
 - (b) next, to retire all or a portion of any deficit previously incurred by the Association, as the directors determine is appropriate;
 - (c) last, to grants or contributions to services and programs offered by the association or by members of the association.

Reserves

134. The directors must set aside as reserves for meeting contingencies at least 10% of the surplus funds arising from the operations of the Association in each financial year until those reserves are equal to the following percentages of paid up share capital at the date of apportionment under Rule 132:
- (a) if the paid up share capital is \$25,000 or less, 30%;
 - (b) if the paid up share capital is greater than \$25,000 but not greater than \$50,000, 20%;
 - (c) if the paid up share capital is greater than \$50,000 but not greater than \$100,000, 10%;
 - (d) if the paid up share capital exceeds \$100,000, the percentage, if any, determined by resolution of the members.

Application of reserves

135. Subject to the Act and these Rules, reserves must be available to meet contingencies and until required for that purpose may be employed in any manner the directors consider appropriate.

Part 21 – Dispute Resolution

Disputes to be referred to arbitration committee of member representatives

136. A dispute that under the Act may be submitted for arbitration must be referred to an arbitration committee of 3 member representatives of the Association in accordance with this Part.

Commencement of arbitration proceedings

137. (1) An arbitration referred to in Rule 135 must be commenced in accordance with the Act.
(2) If notice is provided to a director under subrule (1), that director must promptly provide the Association with a copy of the notice.

Nomination of arbitration committee member

138. Within 14 days of receipt of a notice referred to in Rule 136, the chair of the Association and the other party must each nominate one member representative of the Association as a member of the arbitration committee, and the third member must be appointed by the 2 nominated members.

Failure to nominate committee

139. If for any reason an arbitration committee has not been appointed within 6 weeks after the first arbitration committee member is nominated to the committee, on application by a party, the Supreme Court of British Columbia may appoint the members of the arbitration committee not appointed under Rule 137.

Consolidation of disputes

140. Disputes that have arisen between the Association or a director and different parties may be heard in one arbitration if
- (a) the disputes are similar, and

- (b) all parties agree on the appointment of the arbitration committee and the steps to be taken to consolidate the disputes into the one arbitration.

Procedure

- 141. (1) Subject to these Rules, the arbitration committee may conduct a hearing in the manner it considers appropriate, but each party must be treated fairly and must be given full opportunity to present its case.
- (2) Each party to the dispute must submit to the arbitration committee a written statement describing the nature of the dispute and a summary of the evidence the party intends to present at the hearing.
- (3) The arbitration committee must hold a hearing as soon as possible at a location that is convenient to both parties.
- (4) The arbitration committee may determine whether the hearing is open to all member representatives of the Association.
- (5) Each party to the dispute must attend the oral hearing, if any, and may be represented by another person including a lawyer.
- (6) If both parties agree, the hearing may consist of an exchange of written statements or any other procedure.

Examination and evidence

- 142. (1) A party to the dispute is a compellable witness at an oral hearing.
- (2) Witnesses at an oral hearing must
 - (a) respond fully to questions asked by members of the arbitration committee, and
 - (b) produce all relevant records that the arbitration committee may require.
- (3) Each party may present or rebut evidence and may examine or cross-examine witnesses at an oral hearing.
- (4) The arbitration committee is not bound by the rules of evidence and may admit as evidence any oral testimony or any record that the arbitration committee considers is credible or trustworthy and relevant to an issue in dispute between the parties.

Decision must be in writing and signed by committee members

- 143. (1) The arbitration committee may make whatever decision it considers just having regard to the Act, the regulation, the memorandum of the Association, these Rules and the evidence presented by the parties.
- (2) The decision must be in writing and signed by each member of the arbitration committee.
- (3) Within 4 weeks of the date of the decision, the arbitration committee may vary a decision to correct a clerical or typographical error or omission, or a similar type of error or omission.

Costs of arbitration

- 144. Parties to arbitration must bear their own costs.

PART 22 – NOTICES

Notice to directors, members, and other persons

- 145. Unless otherwise specified in the Act or these Rules, any notice required to be given to a director, member representative, or any other person must be in writing and is sufficiently given if it is
 - (a) delivered personally,
 - (b) delivered to the person's last known address, as recorded in the Association's register of members or other record of the Association,
 - (c) mailed by prepaid mail to the person's last known address, as recorded in the Association's register of members or other record of the Association,
 - (d) sent to the person by facsimile transmission to a telephone number provided for that purpose, or
 - (e) served in accordance with Rule 150 or 151.

Notice to Association

146. Unless otherwise specified in the Act or these Rules, any notice required to be given to the Association must be in writing and is sufficiently given if it is
- (a) delivered to the registered office of the Association,
 - (b) mailed to the registered office of the Association by prepaid mail,
 - (c) sent by facsimile transmission to a telephone number provided for that purpose, or
 - (d) served in accordance with the Act.

Deemed receipt

147. (1) A notice given in accordance with Rules 144 (b) or 145(a) is deemed received when it is delivered.
- (2) A notice given in accordance with Rules 144 or 145 (b) is deemed received on the second day, not including Saturday and holidays, after the date of mailing.
- (3) A notice given in accordance with Rules 144(d) or 145(c) is deemed received at the time the notice is sent by facsimile.

Computation of time

148. In computing the date when notice must be given under any provision requiring a specified number of days notice of any meeting or other event, the date of giving notice must be excluded and the date of the meeting or other event must be included.

Undelivered notices

149. If a mailed notice is returned on two consecutive occasions because the intended recipient cannot be found, the Association is not required to give any further notices to that intended recipient until the intended recipient informs the Association in writing of their new address.

Omissions, non-receipt and errors

150. The accidental omission to give a notice to, or the non-receipt of a notice by, a member, director, officer, auditor or member of a committee of the board, or an error in a notice that does not affect the substance of it, does not invalidate any action taken at a meeting held in accordance with, or otherwise founded on, that notice.

PART 23 – SERVICE OF DOCUMENTS

Service by the Association

151. (1) A notice or other document required by the Act to be served by the Association may be served by
- (a) mailing it by registered mail to the last known address of the intended recipient, as recorded in the Association's register of members or other record of the Association, or
 - (b) personal service.
- (2) A notice or other document served under subsection (1)(a) is deemed received on the second day, not including Saturday and holidays, after the date of mailing.

Service on the Association

152. Service on the Association must be in accordance with the Act.

PART 24 – CORPORATE SEAL AND EXECUTION OF INSTRUMENTS

Use of corporate seal

153. The directors may provide a seal for the Association and may determine its form.

Custody of seal

154. The directors must provide for the safe custody of the seal, which must be stored at the registered office of the Association.

Who may attest seal

155. The seal must not be impressed on any instrument unless that impression is attested by the signature or signatures of

- (a) any 2 directors,
- (b) an officer and a director, or
- (c) one or more directors, officers or other persons as determined by resolution of the directors.

Execution of documents where no seal

156. Subject to Rule 27, if the directors have not adopted a seal for the Association, instruments may be executed on behalf of the Association by the persons specified in Rule 154.

PART 25 - RECORDS**Records of the Association**

157. Retention of, and entitlement and access to, records of the Association are governed by the Act.

Part 26 – Alteration of Memorandum or Rules**Alteration of memorandum or Rules**

158. Amendments to the memorandum and Rules of the Association must be in accordance with the Act and these Rules.