

Swan Valley Consumers Cooperative Limited

Proposed Bylaw Additions and Revisions (noted in bold font)

1. Original

2.07 is not present in current bylaws.

Proposed Revision

2.07 Directors' Powers – Support of Federated Co-operatives Limited

- a) **Notwithstanding the powers of the board of directors to oversee the business and affairs of the Cooperative, the Cooperative shall source at least 90% of the monetary value of the goods and commodities intended for resale by the Cooperative from or through Federated Co-operatives Limited, or a Federated Co-operatives Limited approved or preferred source.**

Explanation for addition:

The proposed addition below supports the board's and management's desire to maintain our strong support of our co-operative model and wholesaler, Federated Co-operatives Ltd. As this support is foundational to our co-operative structure, addition of this bylaw ensures accountability to our members.

2. Original

4.02 Personal Qualifications [Section 184]

No person shall be a director if that person:

- (a) is not an individual;
- (b) is less than 18 years of age;
- (c) is of unsound mind and has been so found by a court in Canada or elsewhere;
- (d) is bankrupt;
- (e) is an employee of the Cooperative or a commission operator under contract with the Cooperative;
or
- (f) has an account with the Cooperative that is more than 60 days in arrears.

Proposed Revision:

4.02 Personal Qualifications [Section 184]

No person shall be a director if that person:

- (a) is not an individual;
- (b) is less than 18 years of age;
- (c) is of unsound mind and has been so found by a court in Canada or elsewhere;
- (d) is bankrupt;

- (e) is an employee of the Cooperative, **partner of an employee or immediate family member of an employee residing in the same household**; or a commission operator under contract with the Cooperative.
- (f) has an account with the Cooperative that is more than 60 days in arrears.

Explanation for revision:

The revision in 4.02 (e) is being proposed to address potential director conflict of interest situations.

3. Original

4.05 Nominating Procedure

- (a) The nominating committee must invite members to submit nominations for the position of director by:
 - (i) advertising the invitation on at least two separate occasions at least 5 days apart, including the day of publication, in a newspaper circulating in the Cooperative's trading area, where the first advertising day is between 45 and 60 days before the annual members' meeting; and
 - (ii) posting the invitation in each place of business of the Cooperative, starting at least 60 days before the annual members' meeting.

Proposed Revision:

4.05 Nominating Procedure

- (a) The nominating committee must invite members to submit nominations for the position of director by:
 - (i) advertising the invitation on at least two separate occasions at least 5 days apart, including the day of publication, in a newspaper circulating in the Cooperative's trading area **and/or electronically on the Cooperative's website or through such other electronic means as may be determined by the Board**, where the first advertising day is between 45 and 60 days before the annual members' meeting; and
 - (ii) posting the invitation in each place of business of the Cooperative, starting at least 60 days before the annual members' meeting.

Explanation for revision:

The proposed revision allows for the inclusion of electronic advertising for board nominations.

4. Original

4.06 Voting Procedure

(a) Ballots must be:

- (i) obtained by a member from the Cooperative's business office, and cast in person by the member at that office during the 6 day period, in which that office is normally open for business, which ends at 6:00 p.m. the Saturday of the week prior to the week in which the annual members' meeting will be held; and
- (ii) counted by the scrutineers immediately following the close of balloting as described in 4.06 (a) (i); and
- (iii) made available for a 30 minute period immediately prior to the annual members' meeting, at the location of the meeting. Ballots cast during this time will be counted by the scrutineers following the end of this 30 minute period and added to the total votes cast during the voting week.

Proposed Revision

4.06 Voting Procedure

a) The Directors may determine that elections be conducted by any one or any combination of the following methods:

- (i) obtained by a member from the Cooperative's business office, and cast in person by the member at that office during the 6 day period, in which that office is normally open for business, which ends at 6:00 p.m. the Saturday of the week prior to the week in which the annual members' meeting will be held;
- (ii) made available for a 30 minute period immediately prior to the annual members' meeting, at the location of the meeting. Ballots cast during this time will be counted by the scrutineers following the end of this 30 minute period and added to the total votes cast during the voting week;

(iii) electronically; and/or

(iv) mail in ballots.

- (b) Ballots will be counted by the scrutineers immediately following the close of balloting as described in 4.06 (a) (i), (ii), (iii), (iv).

Explanation for revision:

An addition to allow for the voting of directors to be completed electronically and/or mail in ballots to support our growing geographic trading area.

5. Original

4.07 Term of Office

- (a) Except as set out in (b) and (c), a director elected to replace one whose term of office has expired holds office until the close of the third annual meeting of members after the one at which that director's election is first announced. [Sections 186(1) and 186(2)]
- (b) A director appointed or elected to fill a vacancy holds office for the unexpired term of the predecessor in office.
- (c) The Cooperative, by ordinary resolution at an annual meeting of members and before elections are held at that meeting, may provide for directors' terms of office that are shorter than those provided in (a).

Proposed Revision

4.07 Term of Office

- (a) **No person elected to the Board of Directors shall serve for more than four (4) consecutive terms of three (3) years each. A Director is ineligible for nomination for one (1) year following the completion of the four (4) consecutive terms.**
- (b) Except as set out in (c) and (d), a director elected to replace one whose term of office has expired holds office until the close of the third annual meeting of members after the one at which that director's election is first announced. [Sections 186(1) and 186(2)]
- (c) A director appointed or elected to fill a vacancy holds office for the unexpired term of the predecessor in office.
- (d) The Cooperative, by ordinary resolution at an annual meeting of members and before elections are held at that meeting, may provide for directors' terms of office that are shorter than those provided in (b).

Explanation for revision:

The addition of director term limits promotes the long term health of the Co-op by encouraging board diversity and succession planning.

6. Original

10.03 Time and Place of Meetings [Section 221(1)]

Meetings of members shall be held at the time and place in Manitoba that the board determines is appropriate.

Proposed Revision

10.03 Time and Place of Meetings [Section 221(1)]

- (a) **The Board of Directors will determine the time and format of meetings of members. This may include attendance by members in person, electronically or by other means that permit all persons participating in the meeting to communicate adequately with each other during the meeting.**

Explanation for revision:

The proposed revision allows for meetings of members to be conducted either in person or electronically to meet compliance requirements of the MB Co-op Act. Electronic member meetings were allowed during the COVID-19 pandemic by a temporary provision in the Emergency Measures Act.

7. Original

10.05 Notice of Meetings

- (a) Notice of the date, time and place of each meeting of members shall be given by:
[Section 226(1)]
- (i) advertising on at least two separate occasions at least five days apart, including the day of publication, in a newspaper circulating in the Cooperative's trading area, where the first advertising day of publication is between 14 and 30 days before the meeting; and

Proposed Revision

10.05 Notice of Meetings

- (a) Notice of the date, time and place of each meeting of members shall be given by:
[Section 226(1)]
- (i) advertising on at least two separate occasions at least five days apart, including the day of publication, in a newspaper circulating in the Cooperative's trading area **and/or electronically on the Cooperative's website or through such other electronic means as may be determined by the Board**, where the first advertising day of publication is between 14 and 30 days before the meeting; and

Explanation for revision:

The proposed revision allows for the inclusion of electronic advertising for notice of member meetings.