

(Community Service – **Non-Share** Model)
(Updated June 2012)

Manitoba Rural Learning Consortium Co-op Inc.

BY-LAWS

I Deb Radi of Winnipeg in the Province of Manitoba, Secretary of the Manitoba Rural Learning Consortium Co op Inc. certify that these are the by-laws of the Cooperative as approved by the members on May 15, 2013.

_May 15, 2013_____

Date

Secretary

**BY-LAWS
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Section One DEFINITIONS

Definitions

1.01 The following definitions apply in these by-laws:

"**Act**" means *The Cooperatives Act*, C.C.S.M. c. C223.

"**articles**" are the articles of the Cooperative and has the same meaning as in the Act;

"**board**" means the board of directors of the Cooperative;

"**by-laws**" means the by-laws of the Cooperative and all amendments in force and effect;

"**Cooperative**" means *Manitoba Rural Learning Consortium Co-op Inc.*;

"**entity**" means a body corporate, a trust, a partnership, a fund or an unincorporated organization;

"**meeting of members**" means an annual meeting of members or a special meeting of members;

"**member**" means a person with a membership interest in the Cooperative who has complied with by-law 6.01 and the articles;

"**ordinary resolution**" has the same meaning as in the Act, but for clarity means a majority vote of persons present at a meeting who are entitled to vote;

"**patronage return**" means an amount that is allocated by the Cooperative to its members based on the business done with the Cooperative;

"**person**" means an individual or an entity, and includes a legal representative;

"**recorded address**" means, in the case of a member, the address (postal or electronic) of the member as recorded in the members' register; and in the case of a director, officer, auditor or member of a committee of the board, the latest address (postal or electronic) of such persons as recorded in the records of the Cooperative;

"**special resolution**" has the same meaning as in the Act, but for clarity means at least a 2/3rds vote of persons present at a meeting who are entitled to vote;

"**surplus**" means, for any financial year of the Cooperative, the amount that remains after deducting from revenue all operating expenses and any refunds or payments to members and patrons.

Section Two GENERAL

Financial Year

2.01 The Cooperative's financial year end is June 30.

Signing Authority

2.02 The president, secretary and treasurer of the cooperative have signing authority.

The board may by ordinary resolution designate another person(s) as having signing authority or the right to vote on behalf of the cooperative.

The board must record any resolution under the section in the board minutes.

The board may adopt policies related to purchasing, borrowing, confidentiality and execution of instruments that must be complied with at all times.

Information Available to Members

2.03 Subject to section 29 of the Act:

(a) No member is entitled to view or copy information or documents respecting the Cooperative's business if, in the opinion of the board, such information should be kept confidential.

(b) The board may decide whether it will disclose or make available to inspection an account, record or document of the Cooperative. The board may decide the extent of the disclosure and the time, place, conditions or rules of disclosure.

Amendments to By-laws

2.04 The by-laws may be amended by the directors. The amendment must then be ratified by ordinary resolution at the next meeting of members.

Section Three DIRECTORS

Number of Directors

3.01 After the first annual meeting of members, the board may, by ordinary resolution, establish the number of directors within the minimum and maximum stated in the articles. The resolution must be recorded in the board's minutes. Once the number of directors is set, the number must not be reduced to meet quorum. In addition, the board may designate the number of director positions that must be filled by each stakeholder group. At all times, at least 2/3 of such positions must be set-aside for and filled by members of the Rural School Division Group.

Quorum

3.02 The quorum for the transaction of business at any meeting of the board is a majority of the number of directors.

Director Qualifications

3.03 A person cannot be a director if that person:

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

Directors Must be Members

3.04 A director must be a representative of an entity that is a member of the Cooperative. Directors

may be elected from among the Rural School Division Group or Educational Support Group of members. Directors elected to positions set aside for a specific stakeholder group must be elected by a vote of the members of the stakeholder group to which they belong.

Election and Term

3.05 *Directors are elected by members*

(a) Directors are elected by secret ballot at the first meeting of members and at each subsequent annual meeting of members. Voting is split so that candidates representing each stakeholder group are elected by their stakeholder group's members. The candidates for director who receive the highest number of votes cast by their stakeholder group members are declared elected until all vacancies are filled.

First meeting of members

(b) The members must elect minimum of 5 to a maximum of 11 directors at the first meeting of members. The directors may be elected to staggered terms that are set by ordinary resolution of the members at the time of the first meeting of members.

Subsequent annual meetings of members

(c) Directors are elected to 3 year terms at each subsequent meeting of members to replace directors whose terms have expired or fill vacancies on the board.

Nominating Candidates for Director

3.06 Candidates for director may be nominated both by a nominating committee appointed by the board, if any, before the meeting of members, or at the time of the meeting of members by any member present, including the candidates themselves.

Tie Votes

3.07 In the case of a tie among candidates on the first ballot, those candidates' names must be submitted to a second ballot organized by the chairperson of the meeting. The same rule applies to subsequent ballots that must be held in the event of a tie.

Ceasing to Hold Office

3.08 A director ceases to hold office when the director:

- (a) dies or resigns;
- (b) ceases to be a member by withdrawal or termination of membership;
- (c) is removed from office by the members at a special meeting under by-law 3.09;
- (d) per by-law 3.03, is disqualified from being a director; or
- (e) is absent from three (3) consecutive regular meetings of the board, unless in the opinion of the other directors one or more of the absences were justified.

Removal of Directors by Members

3.09 Subject to the Act, the members of a stakeholder group may, by ordinary resolution at a special meeting, remove any director from office if that director was elected by their stakeholder group. The vacancy created by such removal may be filled by ordinary resolution of the members of the stakeholder group present at the same special meeting or, if not so filled, may be filled by the directors in accordance with the Act.

Vacancies

3.10 Subject to section 194 of the Act,

Vacancy where board **can** meet quorum

(a) If the board can meet quorum and a vacancy on the board arises, the directors may either fill the vacancy by ordinary resolution or continue to run the board without filling the vacancy. This subsection does not apply if the vacancy resulted from either the board's decision to increase the number of directors under by-law 3.01 or from a failure of the members to elect the required number of directors.

Vacancy where the board **cannot** meet quorum

(b) If the board cannot meet quorum, or if the vacancy resulted from a failure of the members to elect the required number of directors, the board must call a special meeting of members to fill the vacancy. If the board fails to call the special meeting or if there are no directors, any member may call the special meeting.

Stakeholder Group representation

(c) Any member selected to fill a vacancy on the board must represent the same stakeholder group as the board member he or she is replacing.

Limited term of the replacement director

(d) A person who fills a vacancy may only serve the balance of the term of the director whose departure created the vacancy.

Exercise of Authority

3.11 Resolutions

(a) The board or a committee of the board may exercise the powers of the Cooperative by passing ordinary resolutions (majority vote) at their meetings. In the event of a tie, the ordinary resolution fails.

Vacancies

(b) In the case of a vacancy, the remaining directors of the board or committee of the board may exercise the powers of the Cooperative so long as there is a quorum at their meetings.

Resolutions in Writing

3.12 An ordinary or special resolution of the board must be in writing and the decision must be recorded in the minutes of the Cooperative.

Meetings by Telephone or Other Electronic Means

3.13 Directors may participate in committee or board meetings by telephone, electronic or other means. All participants, however, must be able to communicate adequately with each other. Directors participating in such meetings are deemed to be present at the meetings.

Time and Place of Meetings

3.14 Board meetings must be held in Manitoba at a time and place of the board's choosing.

Notice of Meeting

3.15 Notice of the time, place and purpose of each board meeting must be given to each director not less than ten (10) days before the meeting. A director may waive the ten (10) day notice period. This by-law is subject to section 200 of the Act.

Regular Meetings

3.16 The board may set a day, time and place for regular meetings of the board. A notice to that effect

must be given to each director. Subject to the Act, no other notice is required.

Chairperson

3.17 The chairperson of any meeting of the board is the president or vice-president. Another director may be appointed chairperson by the directors at the meeting.

Conflict of Interest

3.18 A director who has a conflict of interest as described in section 207 of the Act must declare their conflict of interest in accordance with that section.

Section Four COMMITTEES AND OFFICERS

Committees of Directors

4.01 The board may appoint committees of directors, members or non-members. Committee members hold office at the will of the board. The board must determine the functions and duties of each committee. Committees are responsible to report to the board. However, the committee may set out its own procedure in accordance with the Act.

Officers

4.02 The board may specify the duties, powers, term, and remuneration of the officers to manage the business and affairs of the Cooperative.

Conflict of Interest

4.03 An officer who has a conflict of interest as described in section 207 of the Act must declare their conflict of interest in accordance with that section.

Section Five DUTY OF CARE AND INDEMNITY OF DIRECTORS AND OFFICERS

Duty of Care of Directors and Officers

5.01 Directors and officers of the Cooperative must:

- (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.

Indemnity

5.02 Subject to the Act, the Cooperative must indemnify directors and officers, former directors and officers, and persons who undertake or have undertaken any liability on behalf of the Cooperative, and their heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgement, reasonably incurred by them in any proceeding to which they are made a party 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;
- and

(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.

Dissent

5.03 Directors are deemed to have consented to any resolution passed or action taken at a meeting of the board or a committee of the board unless they record their dissent within the time and in the manner provided by subsection 213(1) of the Act.

Section Six MEMBERSHIPS AND TRANSFERS

Membership Qualifications

6.01

Stakeholder groups

(a) The cooperative has two stakeholder groups as listed below.

A member of a stakeholder group is also a member of the cooperative. An applicant for membership must be assigned to the stakeholder group listed herein with whom the applicant shares a common interest in the cooperative.

Rural School Division Group

(b) Any person may be a member of the Rural School Division Group if that entity:

(i) is a Rural school division or similar entity;

(ii) submits a written application for membership in the cooperative which is approved by the board of directors or by a person authorized by the board of directors to approve membership applications;

(iii) pays the minimum amount of \$1000.00 membership fees, non-refundable and payable on an annual basis, required to be a member of the Rural School Division Group as set by resolution of the board of directors from time to time; and

(iv) can reasonably use the services or supports the goals of the cooperative.

Educational Supporters' Group

(c) A person may be a member of the Educational Supporters' Group if that entity:

(i) is an educational institution or similar entity;

(ii) submits a written application for membership in the cooperative which is approved by the board of directors or by a person authorized by the board of directors to approve membership applications;

(iii) pays the minimum amount of \$250.00 membership fees, non-refundable and payable on an annual basis, required to be a member of the Educational Supporters'-Group as set by resolution of the board of directors from time to time; and

(iv) can reasonably use the services or supports the goals of the cooperative.

Membership Certificate

6.02 The Cooperative is not required to issue formal certificates for memberships. The Cooperative must, if requested by a member, provide a receipt for the payment of a membership fee.

Transfer of Membership

6.03 No transfer of a membership is valid unless it is completed in accordance with the Articles.

Lien for Indebtedness

6.04 If a member owes a debt to the Cooperative, the Cooperative has and may enforce a lien on:

- (a) any interest of the member in the property of the Cooperative; and
- (b) any sum payable by the Cooperative to the member.

Withdrawal of Membership

6.05 A member may withdraw their membership in the Cooperative by giving the Cooperative **60** days notice of their intention to withdraw. The board or a person authorized by the board may, in writing, accept the member's withdrawal on shorter notice.

Automatic Withdrawal – Death or Dissolution

6.06 An individual's membership in the Cooperative is deemed to be withdrawn on their date of death. By ordinary resolution, the board may deem a body corporate's membership in the Cooperative to be withdrawn if that body corporate has commenced dissolution proceedings or is dissolved by its corporate regulator.

Termination of Membership for Cause

6.07 The board may by special resolution at a meeting of the board terminate the membership of a member for cause.

Meaning of "for Cause"

6.08 For the purpose of by-law 6.07, "for cause" means:

- (a) the failure of the member to meet any contractual or debt obligation owing to the Cooperative;
- (b) the conduct of the member that is detrimental to the welfare of the Cooperative; or
- (c) the failure of the member to pay any annual membership fee.

Notice of the Board Meeting to Terminate

6.09 The member must be given at least seven (7) days' written notice of the board meeting under by-law 6.07 and the notice must include a statement of the grounds for termination. The member is entitled to appear at the board meeting and must be given an opportunity to be heard, including through an agent or counsel.

Notice of Termination Following Decision of the Board

6.10 The Cooperative must give written notice to the person whose membership is terminated within

seven (7) days of the board resolution.

Right of Appeal

6.11 Within fourteen (14) days of receiving the notice of termination under by-law 6.10, the person whose membership was terminated may file a written notice of appeal with the Cooperative. The appeal must be heard at the next meeting of members in accordance with section 244 of the Act.

**Section Seven
GENERAL RESERVE AND ALLOCATION OF SURPLUS**

General Reserve

7.01 The Cooperative may establish and maintain a general reserve to retain the surplus, if any, for a financial year.

Allocation of Surplus – Community Service

7.02 The Cooperative operates entirely for purposes of community service. The Cooperative cannot pay out any patronage returns or dividends on shares to members or patrons. The surplus of the Cooperative in any financial year must be used for the purposes of the Cooperative or donated for community welfare as the board may determine.

**Section Eight
MEETINGS OF MEMBERS**

Annual Meetings

8.01 The directors of the Cooperative must hold an annual meeting of members within 6 months of the end of each financial year of the Cooperative. The annual meeting is held for the purpose of considering the directors' annual report, the financial statements, the appointment of auditors, the election of directors, and other business as permitted by the Act.

Special Meetings

8.02 A special meeting may be called by the board at any time, or by 5% of the members who sign and send a written requisition to the board.

Place of Meetings

8.03 Meetings of members are held in Manitoba at a place determined by the Board.

Electronic Meeting

8.04 Members may participate in meetings of members by telephone or electronic means. All participants, however, must be able to communicate adequately with each other. Members participating in such meetings are deemed to be present, including for the purposes of quorum.

Notice of Meetings

8.05 Notice in writing of the time, place, and purpose of each meeting of members must be given to the members between fifty (50) and twenty-one (21) days in advance of the meeting. This is subject to sections 225 and 226 of the Act.

Chairperson (and Secretary)

8.06 The chairperson of the meeting of members is the president or, in the president's absence, the vice-president. By ordinary resolution, another member may be appointed chairperson. Where the secretary is not present, the chairperson may appoint another person to be secretary for the meeting.

Persons Entitled to be Present

8.07 Only members and the Cooperative's auditors are entitled to be present at a meeting of members. The chairperson may invite other attendees.

Quorum

8.08 Quorum at a meeting of members is the number of directors plus five (5). In addition, at least one (1) member from each stakeholder group must attend among the members present.

Voting at the Meeting

8.09 A person that is on the members' register at the time notice of a meeting is sent is entitled to vote. Voting is governed by these rules:

- (a) votes are counted on a one-member, one-vote basis;
- (b) votes, other than on special resolutions, are passed by a majority of members present who are entitled to vote;
- (c) an ordinary resolution or motion fails in case of a tie vote;
- (d) votes are decided by show of hands and the results, other than votes taken by secret ballot, are reported in minutes of the meeting; and
- (e) a member entitled to vote at the meeting may demand a ballot vote before or after a vote takes place.

Voting by Mail-In or Electronic Ballot

8.10 If arranged by the board, voting (including the election of directors) may take place in advance of the members meeting by mail-in or electronic ballot. A person that is on the members' register at the time notice of a meeting is sent is entitled to vote by mail-in or electronic ballot. Voting is governed by these rules:

- (a) votes are counted on a one-member, one-vote basis;
- (b) votes, other than on special resolutions, are passed by a majority of members who are entitled to vote and have actually voted within the time period set by the board;
- (c) an ordinary resolution fails in case of a tie vote; and
- (d) votes are counted on the day of the members' meeting and the results are reported at that meeting.

Section Nine
NOTICES IN WRITING

Method of Giving Notices in Writing

9.01 Where written notices are required to be given to members, officers, directors or committee members, those notices must be sent to the person's recorded address. Additional notices can be sent or published using any type of media as determined by the board. Notice can be waived by the recipient in accordance with the Act.

Undelivered Notices

9.02 If a notice in writing to a member is returned undelivered on three (3) consecutive occasions, the Cooperative does not need to give further notice until the member provides a new recorded address.