



Homegrown, Handmade on Gabriola & Mudge Islands

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## **RULES of the Gabriola Agricultural Association Co-operative**

### **Part 1 – Interpretation**

#### **Definitions**

**1** In these Rules:

"Act" means the Cooperative 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 Gabriola Agricultural Association Co-operative.

"Consensus" means the goal of voting is to reach a high level of agreement on issues addressed by the meeting.

"Facilitator" a member or director who has the responsibility of a Chair under the Act.

"Directors" mean the directors of the Association for the time being;

"Local" means Gabriola Island, all of the small islands adjacent to Gabriola Island, and Mudge, Link and DeCourcy Islands.

"Gabriola" or "Gabriola Island" mean Gabriola Island, all of the small islands adjacent to Gabriola Island, and Mudge, Link, and DeCourcy Islands.

"Member" means a member of the Association;

"Memorandum" means the Association's Memorandum of Association and all amendments, additions, deletions or replacements from time to time in force and effect.

"Permanent resident" means people who live full time on Gabriola and members of the Snuneymuxw Nation.

"Regulation" means the regulation under the Cooperative 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.

"Working groups" carries the same definition as 'committees'

**Cooperative 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 other genders.

**Cooperative 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:
  - (a) permanent residents of Gabriola and members of the Snuneymuxw First Nation who are actively engaged in farming, food production, or food processing from local food source and who are willing and able to accept the responsibilities of membership and
  - (b) permanent residents of Gabriola who are consumers of those food products.
- 6 On approval of her or his membership, members in the Association will be assigned to one of two classes of membership, as follows:

Consumer Members	<ul style="list-style-type: none"><li>- Are permanent residents of Gabriola who are consumers of food from local food sources and who support the goals of the co-operative.</li><li>- Will purchase one share in the co-operative</li></ul>
Producer Members	<ul style="list-style-type: none"><li>- Are permanent residents of Gabriola who are actively engaged in farming, food production, or food processing from local food sources.</li><li>- Will purchase one share in the co-operative</li><li>- Producer members, from amongst their numbers, will create working group(s) that will represent producers interests.</li></ul>

#### **Application for membership**

- 7 An individual that wishes to become a member must submit to the Association a written application for membership in the form provided by the Association for that purpose and payment for the minimum number of membership shares required under Rule 6 for membership in the Association.

#### **Age qualification**

- 8 To be eligible for membership in the Association, an individual must be at least 16 years of age.

#### **Approval of application**

- 9 The directors, or a person authorized by the directors to approve applications for membership, may approve or refuse an application for membership, may postpone consideration of an application for membership, and on approval shall assign the applicant to a class of membership.

#### **Effective date of membership**

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

#### **Withdrawal from membership**

- 11 A member may withdraw from membership in the Association by giving written notice to the directors of the member's intention to withdraw.

#### **Effective date of withdrawal**

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

#### **Notice of death or bankruptcy of individual member**

- 13 Subject to Rule 22, notice to the Association of the death or bankruptcy of an individual member has the same effect as a notice of intention to withdraw, and Rules 11, 12, 16 and 27 apply with the necessary changes, so far as applicable.

#### **Grounds for termination of membership**

- 14 The Association may terminate the membership of a member in accordance with the Act if the member
- (a) 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,
  - (b) 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.
    - iii. has engaged in conduct which is detrimental to the Association.

### **Appeal of termination of membership**

- 15** (a) A member whose membership is terminated for the reason set out in Rule 14 (iii)
- i. may appeal the termination in accordance with the Act, and
  - ii. if he or she 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.
- (b) The right of appeal of a person whose membership in the Association is terminated for a reason set out in Rule 14 (i) and (ii) is governed by the Act.

### **Effect of termination, withdrawal or other cessation of membership**

- 16** (a) 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 27 or 28, whichever is applicable, the member's membership shares.
- (b) 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**

- 17** There will be no joint memberships.

## **Part 4 — Share Structure**

### **Authorized share structure**

- 18** The authorized share structure of the Association is set out in the memorandum.

### **Investment shares**

- 19** There will be no investment shares.

### **Dividends or interest on membership shares**

- 20** There will be no interest or dividends paid on membership shares.

### **No distribution of income or assets to members**

- 21** No part of the income of the Association may be paid or otherwise available for the benefit of any member of the Association.
- 22** No part of the assets or property of the Association may be paid or distributed to the members of the Association during the existence of the Association or upon the winding up or dissolution.
- 23** Except in the normal course of business of buying goods for trade from a member or selling goods for consumption to a member, no payment shall be made to the member by the

Association whether by way of allocation in proportion to patronage, by way of payment of any indebtedness, or by way of issue of shares of the Association or otherwise.

- 24** No payment by a member to the Association by way of fees or for services shall be credit in whole or in part on the account of the purchase of shares of the Association.

#### **Part 6 – Share Certificates**

##### **Entitlement to share certificate**

- 25** There will be no membership share certificates.

#### **Part 7 – Transfer of Shares**

- 26** Membership shares are non-transferable.

#### **Part 8 – Transmission of Shares**

##### **Procedure on death of a member**

- 27** The person entitled to the membership shares of a deceased member may, on providing proof satisfactory to the directors of the death of the member and the person's entitlement may apply to the directors to redeem the share.

#### **Part 9 – Redemption of Shares**

##### **Redemption of shares on withdrawal of membership**

- 28** Subject to the Act, if a member withdraws from membership, the period within which the Association must redeem the shares of the former member is 4 months from the effective date of the withdrawal.

##### **Redemption of shares on termination of membership**

- 29** 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.

##### **Amount paid on redemption**

- 30** 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 10 – Register of Members**

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

## **Part 11 — General Meetings of the Association**

### **Annual general meetings**

- 32** The Association must hold its first and subsequent Annual general meetings within the time provided by the Act.

### **Business at annual general meeting**

- 33** At the first general meeting and at each annual general meeting the following business must be considered:
- (a) report of the directors; (b) financial statement;
  - (b) auditor's report, if applicable;
  - (c) election or appointment of directors;
  - (d) appointment or waiver of appointment of an auditor;

### **Order of business at annual general meeting**

- 34** 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) minutes of preceding annual general meeting to be read and adopted or amended and adopted as required;
  - (d) business arising out of minutes to be considered;
  - (e) reports of standing and special committees to be read;
  - (f) financial statement to be placed before the meeting;
  - (g) reports of directors and auditors to be read;
  - (h) election of directors and appointment of auditors;
  - (i) special business to be considered;
  - (j) unfinished business to be considered;
  - (k) new business to be considered;
  - (l) report on adherence to the Principles of Co-operation.

### **Special business**

- 35** (a) Any business other than business listed in Rule 34 is special business.  
(b) Special business must be approved by ordinary resolution of the members unless the Act or these Rules require otherwise.

### **Special general meetings**

- 36** (a) 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.  
(b) The requisitioning of a special general meeting by the members must be in accordance with the Act.  
(c) The directors may determine the order of business at a special general meeting.

### **Time and place of general meetings**

**37** Annual general meetings must be held between November 1 and March 31, at the time and place in British Columbia that the directors specify.

### **Record date**

- 38** (a) The record date for any general meeting is the 30th day before the date of the meeting of members.
- (b) 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**

- 39** (a) At least 21 days notice of every annual general meeting and of every general meeting at which a special resolution is to be proposed must be given to each member and to the auditor of the Association, if any.
- (b) In the case of a general meeting other than one referred to in subsection (a) at least 14 days' notice or longer must be given to each member.

### **Financial statement**

**40** 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**

**41** If special business is to be considered at a general meeting, the notice of the meeting under Rule 39 must state the nature of the special business in sufficient detail to permit a member to form a reasoned judgment concerning the business.

### **Notice of special resolution**

- 42** (a) If a special resolution is to be proposed at a general meeting, the notice under Rule 39 of that meeting must include
- (i) the full text of the special resolution, or,
  - (ii) 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 judgment concerning the special resolution.
- (b) If a notice under Rule 39 contains a summary of the text of a special resolution as provided in subrule 42(a)(ii), the notice must also state the place where the full text of that special resolution can be read or copied.

### **Notice of adjourned meeting**

**43** 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**

**44** The notice and financial statement required to be provided to members under this Part must be given in a manner permitted in Rules 39 and 40 and Part 24 of these Rules.

**Commented [SF1]:** I think "Rules 39 and 40" need to be added (or should it only refer to Rules 39 and 490?)

#### **Meeting valid despite failure to give notice**

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

#### **Quorum**

**46** The quorum for the transaction of business at a general meeting is 10% of the members including 10% of the Producer members entitled to vote at the meeting.

#### **Requirement of quorum**

**47** 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**

**48** (a) If, within one hour from the time appointed for a general meeting, a quorum is not present, the meeting,  
(i) if convened by requisition of members, must be dissolved, and  
(ii) 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.  
(b) If at the adjourned meeting referred to in subrule (a) a quorum is not present within 1/2 hour from the time appointed, the members present in person are deemed to constitute a quorum.

#### **Facilitator**

**49** Subject to Rule 50, a director chosen by the board, must preside as facilitator at every general meeting.

#### **Alternate facilitator**

**50** If there is no facilitator present within 30 minutes after the time appointed for holding the meeting, the members present at a general meeting must elect a member to facilitate the meeting.

#### **Adjournments by facilitator**

**51** The facilitator of a general meeting may, and if so directed by the members 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.

#### **Minute-taker**

**52** The minutes of a general meeting will be taken by a designated staff member or a director appointed by the board.

#### **Minutes of meetings**

**53** The minutes of all resolutions and proceedings at a general meeting must be recorded in books provided by the directors for that purpose.

#### **Persons entitled to be present**

**54** 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, and others who are entitled or required under any provision of the Act or these Rules to be present.

#### **Other persons may be admitted**

**55** A person who is not entitled to be present at a general meeting under Rule 54 may be admitted to a meeting only on the invitation of the chair or with the consent of the members at the meeting.

#### **Meetings by **electronic communication****

**56** The Association may permit members to participate in general meetings and vote by telephone or other communications medium in accordance with the Act.

### **Part 12 – Voting at General Meetings**

#### **Actions to be determined by consensus**

- 57** (a) At a general meeting or meeting of members, questions or resolutions arising are to be decided by consensus.
- (b) In addition to consensus of the general membership consensus of the Producer members is also required, when an issue affects their food producing business or related activities.

### **Part 14 – Voting Rights of Members**

#### **Voting rights and restrictions**

**58** The rights of a member to vote at a general meeting are governed by the Act.

#### **Proxy voting at a general meeting**

**59** There will be no proxy voting.

## **Part 15 – Directors**

### **Duties of directors**

**60** 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**

- 61** (a) The Association must have, in accordance with the Act, at least 3 directors, and not more than 9 directors.  
(b) The number of directors may be changed within the limits set out in subrule (a) by ordinary resolution of the members.

### **Qualifications for directors**

**62** In addition to the qualifications required by the Act, the majority of directors must be individuals who are not employees of the Association and who are 18 years or older.

## **Part 16 – Election, Appointment and Removal of Directors**

### **Election at annual general meeting**

**63** 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 70.

### **Nomination of candidates**

**64** A member 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**

**65** 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 ballot.

### **Candidates declared elected**

**66** 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**

**67** In an election of directors, the facilitator 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**

- 68** 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**

- 69** 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**

- 70** (a) A director's term of office is 2 years.
- (b) A director may serve a maximum of 3 consecutive terms.
  - (c) The term of office of a director ends at the end of the annual general meeting at which a replacement is elected.
  - (d) A reduction in the number of directors under Rule 61(b) does not affect the unexpired term of a director in office.
  - (e) In the election of directors held at an annual general meeting,
    - (i) if the Board has an even number of directors,
      - 1. half of the directors must be elected for a term ending at the 2nd annual general meeting after the general meeting at which those directors were elected, and
      - 2. the remainder must be elected for a term ending at the next annual general meeting, or
    - (ii) if the Board has an odd number of directors,
      - 1. a simple majority must be elected for a term ending at the 2nd annual general meeting after the general meeting at which those directors were elected, and
      - 2. the remainder must be elected for a term ending at the next annual general meeting.

#### **Effect of vacancy on ability of directors to act**

- 71** (a) Despite any vacancy on the board, the continuing directors
- (i) 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 to fill the vacancy, or
  - (ii) 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 other purposes.
- (b) Except in the circumstances described, and to the extent authorized in subrule (a) (ii), 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 61 or a failure to elect the minimum number of directors required by these Rules.
- (c) in the circumstances described in subrule (a) (ii) or when there are vacancies on the board as a result of an increase in the number of directors under Rule 61 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.

- (d) The term of office of a director appointed under subrule (a) (i) is the unexpired portion of the term of office of the individual whose departure from the office created the vacancy.
- (e) The term of office of a director appointed under subrule (a) (i) or (ii) is until the vacancy is filled under subrule (c).
- (f) If, as the result of a vacancy, there are no directors of the Association, the members may, by ordinary resolution or by an instrument in writing signed by a simple majority of members, 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**

**72** A person whose term as director is ending is eligible for re-election or reappointment subject to Rule 70 (b).

#### **Director ceasing to hold office**

- 73** The office of a director is vacated when the director
- (a) no longer qualifies for office under Rules 5, 62, 69 or the Act.
  - (b) has been absent without leave of the board for 3 board meetings
  - (c) resigns by written notice
  - (d) is removed from office by a special resolution passed at a General Meeting

#### **Removal of director**

**74** The Association may by special resolution remove any director before the expiration of her or his term of office, and may by an ordinary resolution fill the vacancy created by the removal.

### **Part 17 – Meetings of Directors**

#### **Meetings of directors**

**75** 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 place of meetings**

**76** Meetings of the board must be held at the time and place in British Columbia that the board determines is appropriate, and if the board does not determine the time and place, the president of the Association or any two directors may he make that determination.

**77** If the date and place of a board meeting is not set by consensus at a previous board meeting, the date and place must be agreed to by at least 66% of the directors.

#### **Who may call meetings**

**78** A minimum of two directors may, and the manager of the Association on request of those directors must, call a meeting of the directors at any time.

### **Notice of meeting**

- 79** (a) Subject to Rules 80, 81, 82, 83 and 84, at least 4 days notice of a meeting of the directors, specifying the place, time, date and hour of the meeting must be give to each director and is sufficiently given is provided
- (i) by personal delivery
  - (ii) by mail to the directors address as it appears in the registrar of directors
  - (iii) by leaving it at the director's usual business place or residential address
  - (iv) by telephone to the director's telephone number as provided by the director
  - (v) by electronic communication to the directors as provided by the director.
- (b) 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:
- (i) a question or matter requiring approval of the members
  - (ii) filling a vacancy on the board
  - (iii) issuing or redeeming membership shares.
  - (iv) 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.
- (c) A notice mailed under subrule (a) (ii) is deemed received on the second day, not including Saturday and holidays, after the date of mailing.
- (d) A notice given in any other way under subrule (a) is deemed received when the information is provided, sent, or delivered.

### **Meeting of new board**

- 80** 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**

- 81** (a) 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.
- (b) A copy of the resolution under subrule (a) 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**

- 82** In an emergency, any two directors of the Association may call a meeting of the directors by giving each director at least 48 hours written, electronic or oral notice of the meeting.

### **Notice of adjourned meeting**

- 83** 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**

**84** 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**

**85** A quorum of the board is a majority of the total number of directors authorized by the Association under Rule 61 and at least one member of a) the marketing working group and b) any working group primarily concerned with food production and agriculture.

#### **Facilitator**

**86** Directors will create a roster of directors to facilitate their meetings.

#### **Voting at meetings**

**87** Questions arising at any meeting of the directors are to be decided by consensus.

#### **Minutes of directors' meetings**

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

#### **Transaction of business without a meeting**

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

#### **Effective date of written resolution**

**90** A resolution referred to in Rule 89 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**

**91** For the purposes of a resolution referred to in Rule 89, written consent may be provided by email, electronic message or any other method of transmitting legibly recorded messages.

#### **Meetings by electronic communications**

**92** 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 18 –Working Groups of Directors and/or Members**

#### **Appointment of working groups**

**93** (a) The board may, by resolution, appoint one or more working groups consisting of the director or directors and/or members that the board consider appropriate to exercise the powers delegated by the board to them as authorized by the Act.

- (b) Any working group so formed, in the exercise of the powers delegated to it, must
  - (i) conform to any terms of reference that may from time to time be imposed on it by the directors, and
  - (ii) 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.
  - (iii) ensure a minimum of one working group member attends each meeting of the board.

#### **Variation of terms of reference**

- 94** The board may vary, add to or limit the terms of reference of any working group appointed under Rule 93.

#### **Time and place of working group meetings**

- 95** The members of a working group may meet and adjourn as they consider appropriate.

#### **Quorum**

- 96** Unless the board determines otherwise, each working group has the power to fix its quorum at not less than a majority of the working group members.

#### **Vacancy**

- 97** If there is a vacancy on a working group of directors, the remaining working group members may exercise all the powers of the working group as long as a quorum of the working group remains.

#### **Facilitator**

- 98** the members of the working group present may, by consensus, choose one of their number to facilitate the meeting.

#### **Voting at working group meetings**

- 99** Questions arising at any meeting of a working group are determined by consensus.

#### **Minutes of working group proceedings**

- 100** The minutes of the proceedings of a working group must be kept in accordance with the Act.

### **Part 19 – Officers**

#### **Responsibilities of Officers**

- 101** The board will designate a director for the duties of president, secretary and treasurer.

**Part 20 – Conflict of Interest Rules  
for Directors and Officers**

**Act applies**

**102** 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**

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

**Part 22 – Finances**

**Borrowing powers**

**104** 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**

**105** Subject to any limitations adopted by the directors, and, if applicable, to Rule 110, the directors may invest the funds of the Association in the manner they consider appropriate, provided that the funds are to be invested in a security or class of securities in which trustees are permitted to invest trust funds under the Trustee Act.

**Limitations on investing**

**106** (a) The directors must not invest any of the funds of the Association over \$ 100,000 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*.  
(b) The Association must not provide loans on the security of its shares.

**Auditor**

**107** (a) Subject to and in accordance with the Act, the directors must appoint the first auditor and the Association must appoint subsequent auditors, if any.  
(b) The duties and rights of the auditor are governed by the Act.  
(c) the membership may waive the appointment of the auditor for one year by special resolution at the general meeting where an auditor would otherwise be appointed.

**Accounting records**

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

**Financial year**

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

**Use of surplus funds**

**110** The directors must invest all surplus funds into the purposes of the Association.

**Application of reserves**

**111** 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 that furthers the Purpose of the Association.

**Patronage returns**

**112** There will be no patronage returns.

**Part 23 – Dispute Resolution**

**113** This section is governed by the Act.

**Part 24 – Notices****Notice to directors, members, and other persons**

**114** Unless otherwise specified in the Act or these Rules, any notice required to be given to a director, member, 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 investment shareholders or other record of the Association,
- (d) sent to the person by electronic communications provided for that purpose, or
- (e) served in accordance with Rule 115.

**Notice to Association**

**115** 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 electronic transmission to a telephone number or email address provided for that purpose, or
- (d) served in accordance with the Act.

#### **Deemed receipt**

- 116** (a) A notice given in accordance with Rules 114 (a) or 114 (b) is deemed received when it is delivered.
- (b) A notice given in accordance with Rule 114 (c) is deemed received on the second day, not including Saturday and holidays, after the date of mailing.
- (c) A notice given in accordance with Rule 114 (d) or 114 (e) is deemed to be received at the time the notice is sent.

#### **Computation of time**

- 117** 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**

- 118** 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 his or her new address.

#### **Omissions, non-receipt and errors**

- 119** The accidental omission to give a notice to, or the non-receipt of a notice by, a member, investment shareholder, 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 25 — Service of Documents**

#### **Service by the Association**

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

#### **Service on the Association**

- 121** Service on the Association must be in accordance with the Act.

## **Part 26 —Execution of Instruments**

### **Use of corporate seal**

**122** the Association will not provide a seal.

### **Who may execute documents**

**123** Any executed document will be attested by the signature or signatures of

- (a) any 2 directors,
- (b) one or more directors or other persons as determined by resolution of the directors.

## **Part 27 — Records**

### **Records of the Association**

**124** Retention of and entitlement and access to records of the Association are governed by the Act.

## **Part 28 — Alteration of Memorandum or Rules**

### **Alteration of memorandum or Rules**

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

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