

## HERITAGE CO-OP 1997 LTD.

### BY-LAW NO. 1/2024

Being a by-law to amend the by-laws of Heritage Co-op 1997 Ltd. (the “Cooperative”).

BE IT ENACTED as a by-law of the Cooperative that the By-law approved by the members of the Cooperative on April 6, 2000 (the “By-law”) be amended as follows:

1. The definition of “**bankruptcy**” be added to Section 1.01(a) of the By-law in alphabetical order as follows:

*“bankrupt” means a person who has made an assignment or against whom a bankruptcy order has been made or the legal status of that person and “bankruptcy” means the state of being bankrupt or the fact of becoming bankrupt;*

2. Section 1.01(c) of the By-law be deleted and replaced with the following:

*“Words expressing the singular number include the plural and vice versa;”*

3. Section 4.03 of the By-law be repealed and replaced with the following:

#### 4.03 Further Qualifications

*No person shall be a director unless that person or an entity of which that person is an officer, director, or member:*

- (a) *as a member purchased goods or services, or a combination of both, from the Cooperative during the last financial year of the Cooperative, worth the collective amount of at least \$2,500.00; and*
- (b) *supports the affairs of the Cooperative and complies with the by-laws, code of conduct and policies of the Cooperative, as may be amended by the board from time to time.*

4. Sections 4.05, 4.06 and 4.07 of the By-law be repealed and replaced with the following:

#### 4.05 Nominating Procedure

- (a) *All director nominations must be made through the nominating committee.*
- (b) *Where the term of office of a director is to expire at the next annual meeting of members, the nominating committee must invite members to submit nominations to replace a director whose term of office is to expire by:*

- (a) *advertising the invitation on the Co-op's website at least 30 days before the end of the Cooperative's last financial year; and*
- (b) *posting the invitation in each retail place of business of the Cooperative, starting at least 30 consecutive days before the end of the Cooperative's last financial year, and continuing through until 30 days after the end of the Cooperative's last financial year.*
- (c) *Nominations for the position of director must be:*
  - (a) *made in such form as may be established from time to time by the nominating committee;*
  - (b) *signed by at least two (2) persons who, at the end of the Cooperative's last financial year before the election, were members of the Cooperative (other than the nominee), including the residential address of each person;*
  - (c) *signed by the nominee indicating the nominee's acceptance of the nomination and including the residential address of the nominee; and*
  - (d) *submitted to the Cooperative's registered office, not later than the time specified in clause (e).*
- (d) *Only members who have complied with subsection 4.05(c) are entitled to run for the position of director.*
- (e) *All nominees must meet the qualifications under section 4.02 to become a Director for Heritage Co-op 1997 Ltd.*
- (f) *Nominations for the office of director must be received at the Cooperative's registered office not later than 4:30 pm C.S.T. on the 30th day after the end of the Cooperative's last financial year. All such nominations shall be delivered by the Cooperative to the nominating committee.*
- (g) *The secretary of the Cooperative shall provide the nominating committee with a list of members of the Cooperative as of the Cooperative's last financial year within 30 days after the end of the Cooperative's last financial year. That list shall conclusively determine the eligibility of those persons entitled to nominate a member as a director, be eligible to be elected as a director, and be eligible to vote in the election.*
- (h) *Where the nominating committee is satisfied that nominations are complete the nominating committee must forthwith provide each nominee with a list of the nominees. That list shall conclusively determine the nominees for the election.*

- (i) *A nominee may withdraw the nominee’s nomination by Notice in writing to the nominating committee delivered or mailed so that is received at the Cooperative’s registered office not later than the 5th day after the date of the delivery or mailing to the nominee of the list of nominees.*
- (j) *Where not more than the number of persons to be elected as a director are nominees, the nominating committee shall declare the nominees elected as the directors by acclamation. [Section 187(1)]*
- (k) *Where more persons are candidates for election as a director than persons to be elected:*
  - (a) *the board shall appoint a returning officer to conduct the election; and*
  - (b) *at the discretion of the board and in accordance with those voting procedures, rules, and processes established by the board from time to time (the “Voting Instructions and Procedures”) either:*
    - A. *conduct the vote by advanced voting and, therefore, at least 60 days prior to the annual meeting of members, determine the form of the advance ballot and the Voting Instructions and Procedures to accompany the advance ballot by resolution of the board and communicated to the returning officer; or*
    - B. *conduct the vote at the meeting of members when directors terms of office expire and, therefore, the nominating committee will place before the meeting a list of nominees for the position of director.*

4.06 *Advance Ballot Procedure*

- (a) *If the board determines, in its sole discretion, that members shall vote in advance regarding the election of directors, the advanced ballot and voting procedure shall be conducted through either: (i) mail-in voting; or (ii) electronic voting.*
  - (a) *Mail-in Advanced Voting*
    - A. *At least 40 days prior to the annual meeting of members the returning officer shall cause the following to be mailed to each person shown on a list of individual members referred to at **by-law 4.05(g)**:*
      - a) *An advance ballot, which may be used by the member in connection with the election;*

- b) *A copy of the biographical resume and recent photograph of each candidate submitted with the candidate's nomination form identifying that the materials are published as submitted;*
- c) *A copy of the Voting Instructions and Procedures on the casting of the ballot which must provide the ballot may be cast by:*
  - i) *Mailing or delivering the ballot to the returning officer, provided the ballot is received at the returning officer's registered office at least ten days prior to the annual meeting of members; or*
  - ii) *As applicable, an electronic process described in the Voting Instructions and Procedures, provided such ballot is cast in accordance with such Voting Instructions and Procedures.*

*(b) Electronic Advanced Voting*

- A. *At least 40 days prior to the annual meeting of members the returning officer shall invite members to vote online, in advance, through a dedicated, secure portal on the nominated directors by:*
    - a) *advertising the invitation on the Co-op's website; and*
    - b) *posting the invitation in each retail place of business of the Cooperative.*
  - B. *The secure online portal shall include:*
    - a) *An advance ballot, which may be used by the member in connection with the election;*
    - b) *A copy of the biographical resume and recent photograph of each candidate submitted with the candidate's nomination form identifying that the materials are published as submitted;*
    - c) *A copy of the Voting Instructions and Procedures.*
- (b) The returning officer must ensure that all methods of advance balloting must preserve the anonymity of voters and the secrecy of the voter's vote.*

- (c) *Each member casting an advance ballot shall be entitled to vote for a number of nominees up to the number of directors to be elected.*
- (d) *The returning officer must not accept an advance ballot unless it is received by the returning office in the manner, at the place, and within the time specified in the Voting Instructions and Procedures.*

4.07 *Procedure for Voting at Annual Meeting of Members*

*If the board determines, in its sole discretion, that members shall vote for the election of directors at the annual meeting of members, the following ballot and voting procedure is to be followed:*

- (a) *At each annual meeting of members when directors' terms of office expire, members shall vote to elect directors to replace those whose terms have expired. [Section 186(1)]*
- (b) *Directors shall be elected by secret ballot. [Section 187(1)]*

5. The following section be added to the By-law immediately following Section 4.07 of the By-law:

4.08 *Final Balloting and Counting of Ballots for Sections 4.06 and 4.07*

- (a) *The candidate who receives the greatest number of votes in the election is elected a director and the other candidates who receive, in descending order, the next greatest number of votes are also elected director, until the number of directors to be elected has been elected. [Section 187(3)]*
- (b) *If the candidates are to be elected for different terms of office, the candidate who receives the greatest number of votes in the election is elected for the longest term and the other candidates who receive, in descending order, the next greatest number of votes are elected to the longest remaining terms to be filled, until the number of directors to be elected have been elected. [Section 187(6)]*
- (c) *If candidates are to be elected for different terms of office and the members have not been required to cast ballots due to the application of section 4.05(j), the directors whose terms of office do not expire at or before the end of the meeting of members at which the election is to be held, will announce which of the candidates are to be elected for the longest terms.*
- (d) *Where directors are to be elected for different terms, if two or more candidates receive an equal number of votes for the last position of a particular term, the chair of the meeting of members shall arrange, if it is practical to do so, for a run-off election to be held by secret ballot at that meeting to decide which of the candidates is to be elected for the particular term. [Section 187(7)]*

(e) *If two 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 of members:*

(i) *the directors who have already been elected in the election; and*

(ii) *the directors whose terms of office do not end at or before the end of the meeting of members at which the election is held*

*will determine which of the tied candidates is to be elected. [Section 187(5)]*

(j) *A ballot that is cast for more than the number of directors to be elected is null and void. [Section 187(2)]*

(k) *Notwithstanding the foregoing, in addition to any voting procedures determined by the board from time to time, mail-in or electronic ballot voting shall be governed by these rules:*

(i) *votes are counted on a one-member, one-vote basis;*

(ii) *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;*

(iii) *an ordinary resolution fails in case of a tie vote.*

6. Sections 4.08 through Sections 4.23 of the By-law shall be renumbered as Sections 4.08 through Sections 4.24 to account for the amendment in section 5 above.

7. Section 7.04(a) of the By-law be repealed.

8. Section 8.06(a) of the By-law be repealed and replaced with the following:

(a) *is a member in such member's own right; or*

9. Section 9.07 of the By-law be amended by adding the following words in the first sentence immediately after the word "annually":

*have the option to*

10. Section 10.01(b)(v) of the By-law be repealed and replaced with the following:

*appointment of auditors;*

11. Section 10.04(a) of the By-law be repealed and replaced with the following:

*The record date for each meeting of members is the 50th day before the meeting of members.*

12. Section 10.11(c) of the By-law be repealed.
13. Section 11.04 of the By-law be amended by deleting the words “his or her” and replacing them with the words “*such recipient’s*”.

This By-law shall be effective from the day it is confirmed by an ordinary resolution passed at a meeting of the members in accordance with Part Twelve of the By-law.

ENACTED by the board this            day of            , 2024.

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President

\_\_\_\_\_  
Secretary

CONFIRMED by an ordinary resolution passed by the members of the Cooperative at a meeting of the members this            day of            , 2024.

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Secretary