

CANADIAN WORKER CO-OPERATIVE FEDERATION  
FÉDÉRATION CANADIENNE DES COOPÉRATIVES DE TRAVAIL

CHARTER BY-LAW NO. 1 (as amended)

ARTICLE 1. - INTERPRETATION

1. "Act" means the Canada Co-operative Associations Act, R.S.C. 1985, c. C-40 as amended and any act passed in substitution therefor.
2. "Board" means the Board of Directors of the Federation and "Directors" has the same meaning.
3. "Federation" means CANADIAN WORKER CO-OPERATIVE FEDERATION/ FÉDÉRATION CANADIENNE DES COOPÉRATIVES DE TRAVAIL.
4. "good standing" means that a Member is not in arrears in respect of any dues or other financial obligations of such Member to the Federation, and has complied with all other requirements of Membership.
5. "Member" or "Membership" means, collectively, Regular Members, Worker Co-operative Developer Members, Associate Members, Regional Federation Members and Honorary Members unless the context determines it to be otherwise.
6. "Members' Meeting(s)" means the annual general meeting of the Members, and any special general meetings of the Members of the Federation.
7. "Region" means a geographic area as designated from time to time by the Board and approved by the Members, at a Members' Meeting, upon recommendation of the Board.
8. "Regional Federation Member" means a federation or association whose membership includes Worker Co-operatives, and which has been approved by the Board and may include federations operating within a Region or carrying on activity on a co-operative basis in a designated field of endeavour.
9. "Worker Co-operative(s)" means a co-operative incorporated under the laws of Canada or any of its provinces or territories that is owned and democratically controlled by its members who are employees or contractors of the co-operative.
10. In this by-law, words importing the singular number shall include the plural and vice versa. Words importing the feminine gender shall include the masculine and neuter genders, and vice versa. References to persons shall include firms, companies, and corporations.

11. This by-law has been drafted in English; any French text is a translation. In the case of conflicting interpretation, the English text shall prevail.
12. Unless the context otherwise indicates, all words and phrases used in this by-law shall have the same meaning as in the Act.

## ARTICLE 2. - MEMBERSHIP

1. Designation. The Membership of the Federation shall be limited to those co-operatives or persons interested in furthering the objectives of the Federation and shall consist of the following classes of Membership:
  - a. "Regular Members", as further defined in Article 2, Section 3 herein, shall be entitled to attend all Members' Meetings, shall be entitled to vote for delegates to such Members' Meetings, may stand for election for an office of the Board and shall enjoy any other rights accorded to such Members pursuant to the Act, the articles of association and the by-laws of the Federation;
  - b. "Associate Members", as further defined in Article 2, Section 4 herein, shall enjoy all the rights accorded to the Regular Members pursuant to the Act, the articles of association and the by-laws of the Federation, with the exception that they may not stand for election for the Board;
  - c. "Regional Federation Members", as further defined in Article 2, Section 7 herein, shall enjoy all the rights accorded to the Regular Members pursuant to the Act, the articles of association and the by-laws of the Federation.
  - d. "Honorary Members" means individuals who in the opinion of the Directors have made an outstanding contribution to Worker Co-operatives and warrant designation as Honorary Members of the Federation and shall enjoy all the rights accorded to the Regular Members pursuant to the Act, the articles of association and the by-laws of the Federation, with the exception that Honorary Members may not stand for election for the Board, and that participation of Honorary Members at Members' Meetings shall be limited to that of observers without the right to vote, although they may participate freely in the debate.
  - e. "Worker Co-operative Developer Members," as further defined in Article 2, Section 4.1 herein, shall enjoy all rights accorded to the Regular Members pursuant to the Act, the articles of association and the by-laws of the Federation, with the exception that they may not stand for election for the Board.

### 1.1 Membership Benefits

a. The manner in which the value of the membership benefits in the Federation will be determined shall be decided by ordinary resolution of the members at a members' meeting.

b. All members of the Federation shall have substantially the same benefits as those of all other members of the same membership class in the Federation. The benefits of membership shall be the right to:

- attend all meetings of members;
- receive a certificate of membership, if the member has paid any applicable membership fee;
- receive from the Federation a certified copy of its by-laws, on request and without payment;
- have access to the books of the Federation;
- have access to the auditor's report; and
- enjoy any other membership benefits which are set out in the Canada Co-operatives Act or which are embodied from time to time in the by-laws of the Federation.

2. Application for Membership. Each Regular Member, Associate Member, Worker Co-operative Developer Member and Regional Federation Member shall have submitted an application to the Federation for admission as a Member. Such application shall have been approved by the Board of the Federation and each Member shall have received notice of acceptance as a Member.

3. Each Regular Member must be a corporate entity whose eligibility for membership has been confirmed by the Directors, and which

- a. is incorporated pursuant to the Act or pursuant to similar co-operative legislation in any of the provinces or territories of Canada as a Worker Co-operative; or
- b. is incorporated pursuant to the Canada Business Corporations Act, R.S.C. 1985, c.C-44 as amended or any act passed in substitution therefore, or similar corporate legislation in any of the provinces or territories of Canada, and
  - i. whose voting shares are held only by employees of the company, and
  - ii. whose shareholders each have equal voting control vis-à-vis each other, and
  - iii. all of whose permanent employees are entitled to purchase voting shares in the company, and
  - iv. which has stated the intention of incorporating under the Act or similar co-operative legislation in any of the provinces or territories of Canada, within three (3) years of the application for Membership; or

- c. is incorporated pursuant to the Canada Corporations Act or pursuant to similar corporate legislation in any of the provinces or territories of Canada, as a non-profit corporation; and
  - i. which is controlled by its permanent employees, and
  - ii. each of whose permanent employees is entitled to an equal vote in managing the corporation, and
  - iii. which has stated the intention of incorporating under the Act or similar co-operative legislation in any of the provinces or territories of Canada, within three (3) years of the application for Membership, or
- d. is a co-operative in which there are two or more categories of members of which one is for the employees (“multi-stakeholder co-operative”) and in which there is substantial worker control; or
- e. is a co-operative which holds shares in another corporation and whose status as shareholder permits its members to work for the corporation (“shareholder co-operative” or “cooperative de travailleurs actionnaires”), in which there is substantial worker control, and in which there is a plan in place for worker control of over 50% of voting shares within the next 5 years.

No Member admitted under Section 3, Paragraph b or c of the Article will be required to change its jurisdiction, e.g. by changing from provincial to federal jurisdiction, in order to retain its Membership. However, any Member admitted under Section 3, Paragraph b or c must agree to work with the Federation to lobby for legislative changes which would allow the Member to convert to a co-operative within its jurisdiction of incorporation.

Note that in 3 (d) and (e), whether worker control is “substantial” is to be determined by the Board pursuant to Board policy.

4. Associate Members. Associate Members are Members which must be corporate entities and which are approved as sponsoring organizations of national or regional prominence which will lend strong support and substantial assistance to the Federation.

4.1 Worker Co-operative Developer Members can be either incorporated entities or individuals which are actively involved in worker co-op development, and/or interested in supporting the CWCF’s network of worker co-op developers. The class of membership (Worker Co-op Developers) shall have three categories of members: full members (members who have completed the CWCF’s accreditation process), associate members (people currently in the process of obtaining accreditation), and supporting members (all others). With regard to application for membership, withdrawal and expulsion, Worker Co-op Developer Members shall follow the same processes as Associate Members.

5. Directors' Discretion. The Directors, in their discretion, may refuse any application for Membership. The grounds for refusing an application for Membership are a determination by

majority vote of the Board that the applicant is working in a manner detrimental to the Federation.

6. Appeals. A rejected applicant may appeal a decision of the Board by submitting a notice of appeal to the Federation for consideration at the next Members' Meeting. The Membership shall upon hearing such an appeal decide, by a majority vote, whether or not to grant Membership to the applicant.

Regional Federation Members. Regional federations may be accepted into membership by the Board, provided that:

- a. such regional federation is a corporate entity; and
- b. other requirements which may be set from time to time by the Board are met by the regional federation.

With regard to application for membership, withdrawal and expulsion, Regional Federation Members shall follow the same processes as Associate Members.

7. Dues.

- a. Each Member of the Federation must pay such annual dues as may be established from time to time by the Membership at the annual general meeting. Any changes in dues shall be effective at the beginning of the fiscal year and Members will be notified not less than two (2) months prior to the effective date of such change.
- b. Dues shall be based on the class of Membership to which such Member is admitted, and each Member shall remain in good standing.

8. Withdrawal of Members.

- a. A Regular Member, Worker Co-operative Developer Member, Associate Member or Regional Federation Member may withdraw from the Federation by giving to the Board three (3) months' written notice of its intention to withdraw.
- b. An Honorary Member may withdraw from the Federation by giving to the Board written notice of its intention to withdraw and stating the date the withdrawal is to take effect.

9. Expulsion of Members. The Board, by special resolution (at least a two-thirds majority vote) taken at a duly constituted Board meeting may order the removal from Membership of a Member. The grounds for expulsion are a determination, at the Board's discretion, that the Member is working in a manner detrimental to the Federation or engaging in activities beyond the Federation's tolerance for risk. The expulsion is subject to the following provisions:

- a. Not more than ten days after the date on which the special resolution is made, the Board must give written notice to the Member of the expulsion and the reasons for it. Subject to subsections (b) and (c), the effective date of the expulsion is the later of the date specified in the written notice and thirty days after the Member receives the notice.
- b. A Member whose Membership has been terminated may appeal from the decision of the Board to the next Members' Meeting by giving written notice to the executive director of the Member's intention to appeal no later than thirty days after receiving notice of the special resolution.
- c. If a Member gives a notice of appeal, the effect of the special resolution is suspended until the vote of the Members under subsection (d).
- d. If a Member appeals the termination of Membership, a vote of Members must be taken at the next Members' Meeting as to whether the Member's Membership should be terminated as of the effective date referred to in subsection (a). The vote is by majority of the Members present at the Meeting.
- e. Unless the Board determines otherwise, the termination of the Membership of a Member does not release the Member from any debt or obligation to the Federation or contract with the Federation.

10. Failure to Incorporate as Co-operative. A company defined in Article 2, Section 3, Paragraph b or Article 2, Section 3, Paragraph c herein may be removed from Membership in the Federation if, after three (3) years it has not incorporated under the Act or under similar co-operative legislation in any of the provinces or territories of Canada.

11. Accounting to Former Member. Upon the withdrawal or expulsion of a Member, the Board shall, within a reasonable period of time, account to the Member for all amounts held to the credit of the Member together with any interest accrued thereon and any amount outstanding on loans made to the Federation by the Member. Such sums shall be repaid to the Member, subject to the provisions in the Act, within twelve (12) months from the day the order for expulsion of the Member is made or the date in the Member's notice of withdrawal.

### ARTICLE 3. - MEMBERS' MEETINGS

1. Annual General Meetings. An annual general meeting must be held at least once every calendar year. At the annual general meeting, the most recent financial statements, approved and signed by the Directors, shall be reviewed, auditors shall be appointed, Directors shall be elected in accordance with the provisions hereof, the auditor's report and the Directors' report shall be

received and any other business transacted. All of the transactions as may properly be brought before the annual general meeting in accordance with the Act, the articles of association and the by-laws of the Federation shall be done so. The Members may resolve that a particular annual general meeting be held outside Canada.

2. Special General Meetings. Special general meetings of the Members of the Federation may be called:
  - a. at such time and place in Canada as may be determined by resolution of the Board respecting any business of which the general nature is specified in the notice of the meeting; or
  - b. by the Directors where at least one-fifth (1/5) of the Members who have the right to vote request, in writing, that the Board call a special general meeting of the Members, for the transaction of any business specified in the requisition calling the meeting. If within twenty-one (21) days from the date the request is received the Directors do not call such a special general meeting, then such Members (or any fifty per cent (50%) of them) may themselves call such special general meeting.
  - c. No business other than that specified in the notice calling the special general meeting shall be transacted at such meeting.
3. Credentials Committee. A credentials committee shall be appointed at each Members' Meeting by the Board which shall examine the registration forms and credentials of representatives and provide qualified representatives, delegates, participating observers, guests and invitees with appropriate identification.
4. Representatives and Participating Observers. Members will be represented at Members' Meetings by representatives. Any member of a Member may attend a Members' Meeting as a participating observer. Although such participating observers do not have the right to vote, they may participate freely in the debate.
5. Qualifications of Representatives and Delegates. To qualify as a representative, an individual must be a member of a Regular Member, an Honorary Member, an individual Worker Co-op Developer Member, or a representative of a Regional Federation Member or Associate Member. In order to have a representative, a Member must be in good standing. In the case of Regular Members, a representative must also be engaged by the Member as an employee or contractor. A delegate is a representative who may vote on resolutions presented at a Members' Meeting and who has been chosen pursuant to the provisions of Article 3, Sections 6 and 7 herein.

6. Delegates - Regular Members. No Regular Member is entitled to be represented by more than one (1) delegate. Delegates for Regular Members shall be selected in the following manner.
  - a. The Members whose head office is situated in a Region shall be entitled to a maximum of ten (10) delegates, from among the representatives of that Region. If there are ten (10) or fewer Regular Members from a Region who are represented at a Members' Meeting, each Regular Member from that Region is entitled to one (1) delegate.
  - b. In the event that there are more than ten (10) Regular Members from a Region represented at a Members' Meeting, the representatives from the Region present at the meeting, one (1) from each Regular Member, shall by a majority vote determine the process for selecting the delegates. The representatives from that Region, one (1) from each Regular Member present, will then select ten (10) delegates using their chosen process.
  - c. If any dispute arises regarding the procedure for selecting the delegates in a Region, any one (1) representative from each Regular Member in the Region is entitled to appeal the procedure to the credentials committee for a binding decision on what the process in that Region shall be. Appeals may be made to the credentials committee up until the time set by the Board of Directors at the Members' Meeting, but if the Board does not set a deadline, then the deadline for appeals shall be one (1) hour before resolutions are presented for a vote to the general Membership.
7. Delegates - Associate Members. No Associate Member is entitled to be represented by more than one (1) delegate. Delegates for Associate Members shall be selected in the following manner.
  - a. The class of Associate Members is entitled to a maximum of five (5) delegates, from among its representatives. If there are five (5) or fewer Associate Members represented at a Members' Meeting, each Associate Member is entitled to one (1) delegate.
  - b. In the event that there are more than five (5) Associate Members represented at a Members' Meeting, the Associate Members' representatives, one (1) from each Associate Member present at the meeting, shall by a majority vote determine the process for selecting the delegates. The representatives, one (1) from each Associate Member present, will then select five (5) delegates using their chosen process.
  - d. If any dispute arises regarding the procedure for selecting the delegates from the class of Associate Members, any representative from the class of Associate Members, one (1) representative from each Associate Member, is entitled to appeal the procedure to the credentials committee for a binding decision on what the process shall be. Appeals may be made to the credentials committee up until the time set by the Board of Directors at the Members' Meeting, but if the Board does not set a deadline, then the



deadline for appeals shall be one (1) hour before resolutions are presented for a vote to the general Membership.

7.1 Delegates – Worker Co-op Developer Members

No Worker Co-op Developer Member is entitled to be represented by more than 1 delegate. Delegates for Worker Co-op Developer Members shall be selected in the following manner:

- a. The class of Worker Co-op Developer Members is entitled to a maximum of five (5) delegates, from among its representatives. If there are five (5) or fewer Worker Co-op Developer Members represented at a Members' Meeting, each Worker Co-op Developer Member is entitled to one (1) delegate.

The delegate procedure for the Worker Co-op Developer class of membership will follow the same rules and procedures as the class of Associate Members.

7.2 Delegates – Regional Federation members

No Regional Federation member is entitled to be represented by more than 1 delegate. Delegates for Regional Federation members shall be selected in the following manner:

- b. The class of Regional Federation members is entitled to a maximum of five (5) delegates, from among its representatives. If there are five (5) or fewer Regional Federation members represented at a Members' Meeting, each Regional Federation member is entitled to one (1) delegate.

The delegate procedure for the Regional Federation member class of membership will follow the same rules and procedures as the class of Associate Members.

8. Registration Fee. The Board may, at the time of calling a Members' Meeting, require representatives and guests attending the meeting to pay a registration fee to be set by the Board.
9. Directors' Role at Members' Meetings. Directors of the Federation, who are not delegates, shall not have the right to vote at Members' Meetings, but may freely participate in the debate.
10. Notice. Notice of Members' Meetings shall be mailed to each Member at the last given address in the register of Members, not less than fourteen (14) days and not more than thirty (30) days prior to the date of the meeting. Notice of a special general meeting shall specify the business to be transacted thereat.
11. Waiver of Notice. Notice of any Members' Meeting or any irregularity in any Members' Meeting or in the notice thereof may be waived by the Members, and subject to the failure to obtain a quorum it shall not be necessary to give notice of any adjourned Members' Meeting.

12. Invalidation of Proceedings. Where notice is received by the persons generally entitled to attend a Members' Meeting, an accidental omission to give notice of the meeting to, or the non-receipt of notice by, a Member shall not invalidate the meeting or any resolution or any proceedings taken at the meeting nor shall it prevent the holding of the meeting.
12. Quorum. A quorum at any Members' Meeting shall be twenty per cent (20%) of the Members entitled to vote thereat.
13. Absence of Quorum. Where a quorum is not present at a Members' Meeting, the meeting shall be adjourned, and the Directors shall cause a notice to be sent to all Members setting a time and place for the adjourned meeting, which time and place shall not be more than one hundred and twenty (120) days from the date originally scheduled for the meeting, and upon the meeting being reconvened, the meeting shall proceed, and those present shall constitute a quorum, but no business shall be transacted at that meeting other than the business described in the original notice.
14. Voting. Unless otherwise specified by the by-laws of the Federation or the Act, any question coming before a Members' Meeting shall be determined by a majority of votes, and in case of an equality of votes, the chair presiding at any Members' Meeting has a casting vote.
15. No Proxies. No Member shall vote except through delegates and no delegate shall vote by proxy. Each delegate shall have only one (1) vote.
16. Resolution. Any resolution approved in writing by all of the Members who would have been entitled to vote on the resolution at a Members' Meeting shall be as valid and effectual as if it had been passed at a Members' Meeting duly called and constituted and shall be deemed to relate back to the date stated therein as being the effective date thereof.
17. Conduct of Meetings. Unless otherwise specified by the by-laws of the Federation, all Members' Meetings shall be conducted according to Robert's Rules of Order.
18. Electronic Meetings. Members' Meetings may be conducted through electronic media, for some or all of the representatives, as long as all members can communicate freely and fully.

#### ARTICLE 4. - DIRECTORS

1. Composition. The affairs of the Federation shall be managed by a Board of Directors consisting of one (1) director per Region, and two (2) or more at-large directors, to a maximum of fifteen (15) directors, who are elected or appointed in accordance with Article 4, Sections 3 through 9 herein, but at no time can there be fewer than three (3) directors.

2. Qualifications. A director shall be:
  - a. A member or shareholder as well as an employee or contractor of a Regular Member of the Federation which is in good standing; or a delegate of a Regional Federation member which is in good standing;
  - b. age eighteen (18) or over;
  - c. mentally competent; and
  - d. not in a state of undischarged bankruptcy.
3. Nominations Committee. In advance of the annual general meeting the Board shall establish a Nominations Committee which will be charged with the task of seeking nominations from the members and presenting a list of candidates to the meeting. The Nominations Committee will seek a list of candidates based upon a CWCF policy which will provide guidelines to ensure well balanced and diverse representation of the membership.
4. Other Nominations. All delegates will have the opportunity to make additional nominations for the Board, either in advance or from the floor of the annual general meeting.
5. Nominations Committee. Upon opening the period for nominations at the annual general meeting, the Nominations Committee will present the names of those whose nominations have been secured in advance. The chairperson of the Nominations Committee shall not permit the nomination of anyone who is not present, unless the person has agreed in writing beforehand to accept nomination.
6. Election Procedure. Election shall be by ballot. Each delegate may vote for as many candidates as there are positions available, neither more nor less. Within each Region up for election, the candidate with the highest number of votes shall be declared the regional director. The next two (2) candidates with the highest number of votes shall become the at-large directors. If more than two (2) at-large positions are open for election, then the number of candidates consistent with the available at-large positions is eligible to be elected.
7. Limit on Number of Regional Federation Directors. In order to ensure that the Federation is governed by worker co-operatives, there is a limit of two (2) directors who are representatives of Regional Federation Members. This criterion, in conjunction with the procedure noted in Article 4, Section 6 will determine the results of any election to the Board of Directors.
8. Tie. If a tie between two or more candidates results, one of whom would be the winner of the election, a run-off vote will be held with only the candidates who were tied being eligible to receive votes.

9. Re-election, Term and Rotation of Office. Directors shall be eligible for re-election upon retiring or upon completion of their term, and directors shall hold office for a period of three (3) years, although a shorter initial term of one (1) or two (2) years may be set for some of the director positions by the Members by ordinary resolution at a Members' Meeting in order that each position fits the rotation of Directors.
10. Vacation of Office: The office of a Director shall be vacated, if:
- a. she/he ceases to have the necessary qualifications of office, or
  - b. she/he is absent without leave of the Board from two (2) consecutive regular meetings of the Board, or
  - c. by notice in writing to the Board she/he resigns her/his office, or
  - d. by resolution passed by at least two-thirds (2/3) of the votes cast at a Members' Meeting, she/he is removed from office, or
  - e. at a duly called meeting of the Board, a resolution is passed by at least seventy-five percent (75%) of votes cast, to remove the said director.
11. Appointment in Case of Vacancy. So long as a quorum of Directors remains in office, if any vacancy shall occur for any reason, the Board by majority vote may fill the vacancy by appointment from among the persons qualified to be Directors. Any persons so appointed shall hold office only until the next Members' Meeting at which time such appointed director shall retire and a director, which may be the previous, appointed director, shall be elected to fill such vacancy in accordance with Article 4, Sections 3 through 8 herein.
12. Officers. The Board may appoint officers by ordinary by-law from time to time to act on behalf of the Federation, and the officers' functions shall be as defined by the Board.
13. Powers. The Board may exercise all the powers of the Federation, as are not by the Act or by-laws required to be exercised by the Members of the Federation, and in particular have power to authorize expenditures on behalf of the Federation, and may delegate by resolution to an officer or officers of the Federation such powers as they see fit.

#### ARTICLE 5. - LIABILITY OF DIRECTORS AND OFFICERS

1. Limitation of Liability. No director or officer of the Federation shall be liable for the acts or omissions of any other director or officer or employee of the Federation or for any loss, damage or expense suffered by the Federation through the insufficiency or deficiency of title to any property acquired by order of the Board, or in respect of any deficiency or any security in or upon which any monies of the Federation shall be invested, or for any loss or damage arising from the

bankruptcy, insolvency or tortious act of any person with whom any of the monies, securities or effects of the Federation shall be deposited or for any loss occasioned by any error of judgment or oversight on her/his part, or for any loss or damage which may occur in the execution of the duties of her/his office, in relation thereto or in respect of any other act or omission of a director in her/his capacity as such causing loss, damage or expense, unless the same shall happen through her/his own wilful neglect or default.

2. Indemnity. In accordance with Section 73(1) of the Act, every director, officer, their heirs, executors and administrators, and estate and effects, respectively, shall by this by-law from time to time and at all times, be indemnified and saved harmless out of the funds of the Federation, from and against:
  - a. all costs, charges and expenses whatever that a director or officer of the Federation sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against her or him, for or in respect of any act, deed, matter or thing whatever, made, done or permitted by her or him, in or about the execution of the duties of her or his office, and
  - b. all other costs, charges and expenses that she or he sustains, or incurs, in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by her or his own wilful neglect or default.
3. Insurance. The Federation shall purchase insurance to cover the perils described in Article 5, Sections 1 and 2 herein, and the premiums thereof shall be paid from the funds of the Federation. Such insurance shall cover officers in the same manner as directors where such officers are not directors.

#### ARTICLE 6. - CONFLICTS OF INTEREST

1. Interest in Contracts. Subject to compliance with the Act and the applicable provisions of the by-laws of the Federation, no director or officer shall be disqualified from such position by reason of contracting with the Federation, nor shall any contract or arrangement entered into, by or on behalf of the Federation, with any director or officer (or in which such contract or arrangement any such individual is in any way interested) be subject to avoidance. No director or officer so contracting or being so interested shall be liable to account to the Federation or any of its Members for any profit realised by any such contract or arrangement, by reason of such director or officer holding such office or the fiduciary relationship resulting therefrom, subject to compliance with the Act and the applicable provisions of the by-laws of the Federation.
2. Declaration of Interest. Every director or officer who is in any way, either directly or indirectly interested in a contract or arrangement or a proposed contract or a proposed arrangement with the Federation, shall declare such interest to the extent and in the manner required by the Act and any by-law of the Federation and shall refrain, to the extent required by the Act or the by-laws of the

Federation, from voting in respect of the contract or arrangement or proposed contract or proposed arrangement.

#### ARTICLE 7. - MEETINGS OF DIRECTORS

1. Time of Meetings. Meetings of the Directors may be held at such times as the business of the Federation may require. A meeting of the Directors may be called by fifty percent (50%) of the Directors holding office at any given time.
2. Place of Meetings. Meetings of the Directors may be held in any province or territory of Canada. Alternatively, the Directors may resolve that a particular meeting of the Directors be held outside Canada. Upon the consent of all directors, any Board meeting may be conducted by conference telephone or any other communication facility that would permit all participant directors to hear each other simultaneously and a director participating in such a meeting by such means is deemed to be present at the meeting.
3. Notice. Notice of any meeting of the Directors shall, except as otherwise herein provided, be given in writing not less than fourteen (14) days before such meeting, and shall state the purpose thereof, provided that no notice shall be necessary in the case of a meeting of Directors held immediately upon the adjournment of the annual general meeting of the Members, and provided further that meetings of the Directors may be held without formal notice if all of the Directors are present, or if those absent have signified their consent to such meeting or their consent to the business transacted thereat.
4. Votes. Every director in attendance at or participating in each Board meeting shall have one (1) vote.
5. Quorum. The quorum necessary for the transaction of the business of the Directors shall be a majority of the Directors.
6. Order of Business. The Directors may elect from their number a chairperson of their meetings and determine the period for which she/he is to serve as the chairperson. If no such chairperson is elected, or if at any meeting the chairperson is not present within five (5) minutes after the time appointed for the meeting, the Directors may choose one (1) of their number to be the chairperson of the meeting. The order of business at meetings of the Directors shall be determined by the chairperson and shall be included where practicable with the notice of meeting.
7. No proxies. No director may at any time appoint a proxy to represent her/him at a Board meeting.

8. Resolution. A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of the Board of Directors or committee of Directors, is as valid as if it had been passed at a meeting of the Board of Directors or committee of Directors.

#### ARTICLE 8. - AUDITOR

1. Election. The Members shall at each annual general meeting elect by majority vote an auditor to audit the accounts of the Federation, to hold office until the next annual meeting provided that the Directors may fill any vacancy in the office of auditor.

#### ARTICLE 9. - BORROWING POWERS

1. Powers of Board. The Board may from time to time, within the limits of this by-law:
  - a. borrow money upon the credit of the Federation,
  - b. limit or increase the amount to be borrowed,
  - c. issue debentures or other securities of the Federation,
  - d. pledge or sell such debentures or other securities for such sums and at such prices as may be deemed expedient, and
  - e. secure any such debentures or other securities, or any other present or future borrowing or liability of the Federation by mortgage, charge or pledge of all or any currently owned or subsequently acquired real and personal, moveable and immovable, property of the Federation, and the undertaking and rights of the Federation.
2. Real Property. At no time shall the Board incur any indebtedness on the real property of the Federation without the specific authorization of a special resolution of the Members.
3. Delegation. The Board may delegate the powers referred to in Article 9, Section 1 herein to such officers or directors, to such an extent and in such a manner as the Board in its discretion may determine by proper resolution.

#### ARTICLE 10. - EXECUTION OF DOCUMENTS

1. Execution of Contracts. Contracts, documents and any instruments in writing requiring the signature of the Federation shall be signed by any two (2) of either Directors or officers who have been authorized by resolution of the Board to so sign, and all contracts, documents or instruments in writing so signed shall be binding on the Federation without any further authorization or formality.

2. Execution of Banking Documents. All documents required by any bank, credit union, caisse populaire, co-operative credit society or any other lending body in connection with the borrowing of money shall be signed by any two (2) of either Directors or officers who have been authorized by resolution of the Board to so sign, and all documents so signed shall be binding on the Federation without any further authorization or formality.

#### ARTICLE 11. - GENERAL

1. Amendments to By-laws. Amendments, additions or alterations to, or repeal of charter by-laws may be made at any Members' Meeting by a resolution passed by not fewer than two-thirds (2/3) of such delegates as are present and who vote thereon, provided that written notice of the proposed enactment, amendment, repeal or substitution has been forwarded to each Member who may be entitled to vote at such meeting together with the notice of such meeting.
2. Corporate Seal. The Federation shall have a corporate seal. A director or other person who has been designated by resolution of the Board shall have custody of such seal. When required by law, the seal of the Federation may be affixed to contracts, documents and instruments signed as aforesaid by a director or directors appointed by ordinary resolution of the Board.
3. Scope of Activities. The business of the Federation will be carried on in every province and territory of Canada and elsewhere and may include the provision of services for international organizations.
4. Financial Year. Unless otherwise ordered by the Board, the financial year of the Federation shall be September 1 to August 31.

#### ARTICLE 12 – OBJECTS

The objects for which the Federation is formed will be:

1. To work for the development and expansion of businesses organized according to co-operative principles and the principles of worker ownership and control, and to promote the ideals of democracy in the workplace.
2. To provide leadership and a voice for worker co-operatives by/through:
  - a. creating a vision and a strategy for the development of worker co-operatives in Canada;
  - b. representing the interests of worker co-operatives to the co-operative sector, governments, other organizations and the public;



- c. creating and maintaining adequate resources for development of existing and new worker co-operatives both alone and in co-operation with others;
- d. increasing support for and understanding of worker co-operatives;
- e. providing forums for networking between worker co-operatives and support for regional and industrial actions on appropriate issues;
- f. encouraging the development of worker co-operatives internationally; and
- g. doing all other things that are incidental or conducive to the attainment of the above objects.