

At this year’ AGM, we will invite our East End Food Cooperative members to vote on a special resolution to approve proposed updates to our Adoptive Rules. As a Cooperative, any changes to our Rules require approval from both the Board and our members. We sought a legal review from Elliot Bridgewater, Barrister & Solicitor, Community & Co-operative Counsel of the proposed changes to the Adoptive Rules.

The Adoptive rules were updated and rewritten in parts to:

- have a more logical flow and updated headings to improve readability
- update and add definitions to improve understanding
- more easily understand
 1. the qualifications, rights and obligations of membership
 2. the qualifications, rights and obligations of the Board of Directors
- Provide greater transparency and understanding of the appointment, nomination, election and removal of the Board of Directors
- Strengthen the structure of the Board to ensure greater continuity as the Co-op seeks to grow
- Encourage greater member participation and uphold democratic control of the voting process.
- improve the recruitment of qualified board candidates with diverse backgrounds, perspectives, skills and experience

In addition to the above, new amendments also reflect the following content changes (as highlighted in **RED** below):

Proposed Update to Rules:	Rationale
<p>Amendment to Investment Shares</p> <ul style="list-style-type: none"> • II.7 - Investment Shares shall not entitle an investment shareholder to vote on any matter to be decided by members. Notwithstanding this section, an investment shareholder may vote in an election of a non-voting director, pursuant to section 59 of the Act. 	<p>Update to clarify the limitation of voting rights for Investment Shareholders. Upholds the democratic process to “One Vote” membership voting rights.</p>
<p>Amendment to Joint memberships Section III – Joint Membership and Cessation Thereof</p> <ul style="list-style-type: none"> • III.9c - if two or more individuals jointly own shares only one of those joint shareholders may be nominated to be elected to the board at any one time; • III.10 - Joint membership shareholders shall designate a voter of record to represent the joint membership for any matter to be decided by members. A member may transfer their shares with the approval of the directors. 	<p>To ensure ‘One vote” joint membership transparency and fairness.</p> <ul style="list-style-type: none"> • Multiple individuals who jointly own a share cannot be nominated to the board at the same time • Join members need to designate a voter of record to represent the joint membership.
<p>Amendments to General Meetings of the Association</p> <p style="padding-left: 20px;">Subsection - Annual General Meetings:</p> <ul style="list-style-type: none"> • V.23.1 - Subject to and in accordance with the Act, the members may requisition a special general meeting. Requisitions shall require the original hand-written signatures of not less than 100 Active members, must set forth the objectives of the meeting and must be submitted to the Association not less than 60 days in advance of the proposed special general meeting date. <p style="padding-left: 20px;">Subsection - Voting and Elections:</p>	<p>Provide clarity and understanding of the process by which members can:</p> <ul style="list-style-type: none"> • initiate a request for a special general meeting. • propose a resolution for consideration at a general meeting.

<ul style="list-style-type: none"> • V.36 - For any resolution, proposed by Members, to be eligible for consideration by Members at a general meeting, it will require requisitions with handwritten signatures of not less than 100 Active Members which must be submitted to the Board for review at least 60 days prior to the general meeting. Requisitions must include the member's name, member number, and current address for notice. The Board, at its discretion in accordance with the Act, will determine whether the resolution will be submitted to the Members. 	
<p>Amendments to Additional Procedures</p> <p>Subsection - Dissolution</p> <ul style="list-style-type: none"> • VIII.88 - In the event of the dissolution of the Association: <ul style="list-style-type: none"> a. Firstly, after the payment of all other debts, loans made by members to the Association shall be paid out from the assets of the Association. In the event the assets of the Association are not sufficient to fully pay out these loans, the assets shall be paid out on a pro rata basis in proportion to the amounts outstanding on each loan; b. Secondly, any amounts required to pay to fully redeem any Investment Shares shall be paid from the remaining assets of the Association. In the event that the remaining assets are not sufficient to fully pay out these amounts, the remaining assets shall be paid on a pro rata basis in proportion to the amounts required to redeem each Investment Share; c. Thirdly, members shall be repaid for their initial membership shares in the Association. In the event that a member cannot be located after 30 days, their membership share investment shall be forfeited. In the event the assets of the Association are not sufficient to fully pay out these amounts, the remaining assets shall be paid out to members on a pro rata basis; and d. Finally, the balance, if any, shall be donated or reinvested in a program, fund or grant supporting the development of a cooperative or cooperative of the Board's choosing. 	<p>Provide clarity on how all requisite payments (i.e debts, loans, investment share redemptions, etc.) are to be back to members and investors in the event of dissolution of the East End Storefront Cooperative Association. Includes an additional amendment to disperse any remaining funds after all payments have been made, to support the continual development of the cooperative sector</p>
<p>Subsection - Altering the Rules of the Association:</p> <ul style="list-style-type: none"> • VIII.89 - Subject to and in accordance with the Act, these rules may only be altered or added to by Special Resolution of members at a general meeting. • VIII.90 - Notwithstanding Section 80, the Board may, by Ordinary Resolution of the Board, amend these rules, or establish new rules, provided that such amendment or new rule(s) is not contrary to a rule approved by the Members, and provided 	<p>Provide clarity and understanding on how rules can be amended. Also limit the ability for the Board to make clerical amendments to the rules without a member vote. Any other amendments will require resolutions to be approved.</p>

further that the amended or new rule(s) is presented to the Members at the next annual general meeting for confirmation or amendment **by Special Resolution of the members**, failing which the amended or new rule(s) shall be deemed repealed as of the date of the annual general meeting at which the amended or new rule(s) was not confirmed.

- VIII.91 The Board may, in its sole discretion, amend these Bylaws to make revisions of a typographical, grammatical, clerical or administrative nature; provided that no such revision may be made that would substantially affect or impair the rights of any Member without a Member vote.