

FarmWorks Investment Co-operative Limited

Articles and By-laws and Governance

Revised October 11th, 2011

NAME:

The name of the association is FARMWORKS INVESTMENT CO-OPERATIVE LIMITED

OBJECTIVES:

The objectives for which the co-operative is established are:

To promote strategic and responsible community investment in food production and distribution in order to increase access to a sustainable local food supply for all Nova Scotians.

including the act and things set forth under Section 16 of the Co-operative Associations Act.

LIABILITY:

The liability of the members is limited.

REGISTERED OFFICE:

70 Eden Row, Wolfville RR2, Nova Scotia, B4P 2R2

Phone: (902) 542-3442 Email: lbest@ns.sympatico.ca

The board may from time to time determine the place or places at which the business of the co-operative shall be carried on.

THE SEAL:

The seal of the Co-operative shall be such as to make a circular impression having two circles between which are the words: "FARMWORKS INVESTMENT CO-OPERATIVE LIMITED" and inside the inner circle the words, "Incorporated 2011"

FINANCIAL YEAR:

The financial year of the Co-operative shall be the first day of JANUARY to the last day of DECEMBER

MEMBERSHIP:

The Board shall determine the conditions of membership including the requirements to pay equity in the form of fees or shares. Members shall withdraw or be excluded from membership according to Section 29 or Regulations 4 and 6 of the Co-operative Associations Act , and also if a member acts contrary to the best interests of the Co-operative.

POLICY WITH RESPECT TO WITHDRAWAL OF MEMBERSHIP AND SHARES:

(as directed by Co-operative Associations Act)

1. A member may, in the manner prescribed by the by-laws and with the approval of the board of directors, withdraw from membership in the association, whereupon he shall, subject to the regulations and the by-laws, be entitled to a refund of any amount held to his credit in share capital or otherwise in the association and upon which the association has no charge or other lawful claim but
2. The board of directors may require notice not exceeding six months of any proposed withdrawal of a member's capital or other equity;
3. If the value of the shares as determined by the directors and approved by the Inspector is less than par, the board of directors shall have the right to refund to a withdrawing member only such proportion of the par value of his shares as may appear to it to be just and reasonable;

4. The association shall not be required to permit the withdrawal of a member's capital or other interest at any time when in the opinion of the board of directors such withdrawal would impair the financial stability of the association.

POLICY WITH RESPECT TO EXCLUSION FROM MEMBERSHIP AND SHARES:

(as directed by Co-operative Associations Act)

1. A member who fails in the observance of any of the regulations or the by-laws of the association may, by resolution of the board of directors, be excluded from membership in the association whereupon he shall be entitled to a refund of any amount held to his credit in share capital or loan capital and deposits and upon which the association has no lien or other lawful claim but
2. Notice shall be sent by the board of directors by registered mail to such member to his last known address setting forth a date not sooner than one month after the date of mailing the notice upon which he is to be excluded from membership in the association and stating the reasons therefore;
3. The member so notified, if he is not satisfied with the decision of the board, may at any time before the date upon which it is proposed that he is to be excluded from membership in the association request the board to place the matter on the agenda for consideration by the membership during the next special or general meeting of the members; and
4. The member who has been notified that he is to be excluded from the association shall have the right to appear personally before the meeting to give reasons why he should not be excluded after which the question shall be submitted to a vote of the meeting and the decision of the meeting thereon shall be final. *R.S., c. 98, s. 29.*

POLICY WITH RESPECT TO CONFLICT OF INTEREST

1. Each Director must disclose in writing any family, personal or financial connection with any investment being considered by the Board of Directors at the beginning of the deliberations.
2. Upon making a declaration of conflict of interest the director shall excuse himself from the deliberations and from the meeting until such deliberations are concluded and a decision has been made.
3. The Board of Directors has discretion to decide whether the connection of the Director amounts to a conflict of interest and a resolution encompassing the decision of the Board of Directors shall be put to a vote requiring a two thirds majority to pass.
4. The Board of Directors may request information and elaboration from any director who has declared a conflict of interest.
5. Any Director who fails to disclose a conflict of interest which he/she recognized or reasonably ought to have recognized may be asked to resign from the Board.
6. The decision of the Board of Directors on matters of conflict of interest is final

MEETINGS:

1. The annual meeting of the members shall be held within four months of the year-end. Special meetings shall be held when called by the secretary as directed by the directors, or by a written request of the members as per Section 5(2) or Regulation 17 of the Co-operative Associations Act. All meetings shall be at such place as the directors or the Inspector may from time to time determine.
2. At all meetings FOUR of the members shall constitute a quorum.

3. Notice of annual or special meetings shall be posted prominently in the place of business of the co-operative and shall also be mailed by post or email to the registered address or email address of the members at least ten days prior to the meeting.

BOARD OF DIRECTORS:

1. The board of directors shall consist of A MINIMUM OF FOUR AND A MAXIMUM OF NINE directors who shall be elected for a term of THREE years arranged so that a MINIMUM OF TWO AND MAXIMUM OF FOUR director(s) are elected each year. The maximum number of consecutive terms a director may serve is TWO.
2. The directors shall meet as often as the business of the Co-operative may require but not less than quarterly. A quorum shall consist of FOUR directors.
3. If a vacancy occurs in the board of directors, the directors may appoint a member to fill that vacancy until the next annual meeting when the members shall hold an election to complete the term of vacancy.
4. Eligibility for election to the board of directors:
 - agrees with objectives of the cooperative;
 - accepts leadership position when requested;
 - supports the Co-operative wherever possible.

DUTIES OF OFFICERS:

The board may appoint a president, secretary and other officers who are responsible to the board. Their duties shall be specified by the board.

SHARES AND MEMBER LOANS:

- (a) The Board shall determine the conditions of membership including the requirements to pay equity in the form of fees or shares.
For co-operatives limited by shares:
 - The par value of shares is ONE HUNDRED DOLLARS (\$100.00) each.
 - There shall be ZERO TO A MAXIMUM OF 5% dividends paid on shares.
 - A minimum number of shares to be held by each member is one.Each member may be required to lend to the Co-operative all or part of the patronage dividends payable to him/her by the Co-operative, and the Co-operative is authorized to apply to the member's account the said dividends during such time as she/he remains a member of the co-operative.
- (b) Member loans may be issued. Interest rates shall be determined by the board of directors, but shall not exceed 5% per annum.

GENERAL RESERVE:

A general reserve shall be created by allocating from retained earnings each year not less than 2% of the surplus until the general reserve is equal to 2% of the shares and member loans of the Co-operative.

BORROWING POWERS:

- (a) The Co-operative is hereby authorized to borrow money from its members for specific periods of time at specific rates of interest.
- (b) The Co-operative is authorized to exercise all and every power to borrow money and to secure payment thereof which is conferred upon it by the Nova Scotia Co-operative Association Act, Chapter 98, Acts of 1989.

- (c) The directors of the Co-operative may exercise all such powers and to all such acts and things as may be exercised or done by the co-operative in respect of the borrowing of money, and the provision of security for such borrowing, as has been delegated to the directors by the co-operative.
- (d) The directors of the Co-operative shall not, on behalf of the co-operative, authorize or approve capital borrowings or the guarantee of capital borrowings in excess of a total of FIVE THOUSAND DOLLARS (\$5,000.00) in a single fiscal year without having first obtained formal approval from a meeting of the members of the Co-operative by way of a special resolution.

DISSOLUTION:

If for any reason the affairs of the Co-operative are dissolved or wound up and there remains after satisfaction of all liabilities, including shares and/or member loans, any property whatsoever, it shall be divided among the members in proportion to their shares in the Co-operative.

CORPORATE INDEMNIFICATION:

Subject to the provisions of the (N.S.) Co-operative Associations Act, every director and senior officer or his/her heirs, executors and administrators, and estate and effects, respectively, shall at all times be indemnified and saved harmless out of the funds of the Co-operative, from and against:

- (a) all costs, charges and expenses whatever that such director or officer sustains or incurs in or out of any action, suit or proceeding that is brought, commenced or prosecuted against the director or officer, for or in respect of any act, deed, matter or thing whatever, made, done or permitted by the director or officer in or about the execution of the duties of his/her office, and
- (b) all other costs, charges and expenses that the director or officer sustains or incurs in or about or in relation to the affairs thereof.

October 11th, 2011