

GENERAL BYLAWS

Of



ELEVATIONS CO-OPERATIVE INC.

“Together, we can lift any weight”

www.elsci.ca

Approved: March 9 2014 (Board Meeting)

Approved: (April 19, 2014 GM) amended

November 22 2014 by special resolution

Preliminary and Definitions

1. In these By-Laws:
 - a) The singular includes the plural, and vice versa,
 - b) Persons include corporations, incorporated societies, Co-operatives, and other incorporated bodies.
 - c) "Call", "director", "special resolution", "memorandum", "officer", and "By-Laws" have the meanings assigned to them by the Act.
 - d)"Act" means the Co-operative Corporation Act
 - e)"Co-operative" means Elevations Co-operative Inc.
 - f)"The directors:" means the board of directors of the Co-operative
 - g)"Dividend" means the allocation or payment of surplus to members in proportion to their paid-up shares in the Co-operative.
 - h)"Patronage return means the allocation or payment of a surplus to members in proportion to the amount spent by them in purchasing goods or services from the Co-operative.
 - i)"Special resolution" means a resolution that is passed by a 75 percent majority of the total votes cast on the resolution by members eligible to vote.
 - j)"Creditors" means Preference Shareholders, as well as any other investor or lender to the Co-operative.
 - k)"Suppliers" means members or non-members that ELCESI engages in business or direct trade with to supply products or services for member consumption.
 - l)"ELCSI" where used means "Elevations Co-operative Inc."
 - m) "Delegate" means group project leader (sponsor).
 - n) "Self-improvement Seminars" short term training sessions to equip with skills for personal, social or economic empowerments.
 - o) "Moderator" the chairperson of a minimum of five members tasked with an assignment to support Elevations Co-op project.
2. The By-Laws are subject to the Act, and the Act contains provisions not repeated in the Rules.
3. The By-Laws may be changed only by special resolution.

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1. Mission and Objectives

1.1. Mission:

The Elevations Co-operative Inc. (hereby referred to as „the Co-operative mission is to support self-improvement initiatives for individual members and their communities that lead to positive life outcomes.

1.2. Objectives

The objects of the Co-operative are to:

- To develop and support entrepreneurs business start-ups.
- To provide financial independence literacy
- To support members local sustainable community development projects
- To foster the spirit of togetherness among all people groups globally.
- To eradicate abject poverty
- To provide access to economic improvements opportunities
- To facilitate meeting space for entrepreneurs and community groups programs or projects
- To give back 10% of our surplus earnings to support members community projects or as approved by Board of Directors or members at GM.

2. Requirements of the Co-operative Corporations Act

The affairs of the Co-operative will be governed by and conducted in accordance with the Co-operative Corporations Act of Ontario (hereby referred to as the Act). Certain provisions of that Act relates to various matters not dealt with in the bylaws of the Co-operative and should be consulted where appropriate. If any conflict arises between the mandatory provisions of the Act and the bylaws of the Co-operative, such provisions of the Act shall govern.

3. Membership

3.1. Conditions

Membership is open to all applicants aged 16 and over. Non-profit and business corporations may also be members of co-ops. Unincorporated associations may not be members directly. However, any of the association's members may join a co-op and represent that association's interests.

Members agree to support ELSCI

and services of its entrepreneur member s hereinafter called suppliers. Each member of our co-op has one vote at members' meetings. Through these meetings, the membership makes key decisions, such as electing co-op's directors, approving the issue of new types of shares, and changing membership fees.

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3.2. Membership agreement.

Membership in the Co-operative shall consist of all Persons accepted in the manner prescribed below and whose membership has not been terminated pursuant to the provisions of the Act. Agreement to Comply with By-Laws – Upon becoming a member of the Co-operative, a person is deemed to have entered into an agreement with the Co-operative to comply with and be bound by the by-laws of the Co-operative, as amended from time to time.

Confidentiality – Upon being admitted to membership in the Co-operative, members are deemed to have entered into a confidentiality agreement with the Co-operative and shall not disclose to third parties any information pertaining to the Co-operative which, directly or indirectly,

- Could be prejudicial to the interests of the Co-operative,
- Could place the Co-operative at a competitive disadvantage with respect to existing or potential competitors, or
- Could cause material damage to the reputation or image of the Co-operative or the Co-operative's products

Except for information which is generally known, other than as a result of a disclosure in breach of this paragraph, is rightfully in the possession of a member prior to the date when the information was disclosed to the member by the Co-operative, or becomes available to the member on a non-confidential basis from a source which is not prohibited from disclosing such information by a legal, contractual or fiduciary obligation

3.3. Membership Requirements.

Elevations Co-op member registration share fee is 1 lifetime membership share at par value of two hundred dollars (\$200.00). One annual investment share Class A or Class B preference share is recommended. Regular participation of members in Co-operative events such as self-improvement seminars and workshops course or other activities to support its growth as required. Fees for events will be posted where necessary.

3.4. Joint membership

Joint membership applies where one or more persons hold share/s jointly. Joint membership shall be represented by its entrepreneur member as its delegate or member in good standing. Joint membership shall not exceed fifty members. Entrepreneur member means (supplier) a member who provides services or goods to the Co-operative. In determining the number of members for the purposes of this Act, those persons shall count as one member.

3.5. Acceptance.

No Person shall become a Member until the application for membership has been approved by the Board and if the application is not approved by the Board, any payment forwarded with the application shall be refunded without interest. No share certificate shall be issued until full membership payment has been received in co-operative accounts.

3.6. Transfer of Membership

No transfer of membership shares in a co-operative with share capital is allowed;

(a) Unless made by sale under execution or under the decree, order or judgment of a court of competent jurisdiction or by transmission to the personal representative of a member, is valid for any purpose unless,

(b) the transfer has been authorized by resolution of the directors of the co-operative or by a person authorized by such a resolution to approve such transfers;

(c) the transferee is admitted to membership in the co-operative as required by its articles and by-laws; and

(d) the entry thereof has been duly made in the register of transfers of the co-operative or in a branch register of transfers, except only as evidence of the rights of the parties thereto towards each other.

3.7. Basic rights of members

A member in good standing is entitled to all the rights, benefits and privileges of membership and to stand for any elected office in the Co-operative. To remain in good standing, a member is expected to: Abide by these By-Laws and any other policies the Co-operative may establish from time to time.

Members have the following rights:

- a) To elect and remove directors;
- b) To make motions;
- c) To present and vote on resolutions;
- d) To hear reports on the Co-operatives operations and financial status;
- e) To discuss any issue they have asked the directors to put on the agenda
- f) Non-members will be charged a surcharge on all purchases made at the co-operative, the exact amount of which shall be determined from time to time by the Board of directors. This fee is waived for all members. Members are also entitled to any additional discounts on services or products provided by the Co-operative, as established by the Board of directors.

Members must present their member card at the time of purchase in order to qualify for any discounts on services or products provided by the Co-operative

g) Limited Liability of Members:

- i. Members are generally not responsible for the co-operatives debts and liabilities.
- ii. Members may be liable to the Co-operatives creditors if:
- iii. Members have been paid by the Co-operative as a result of an amendment to the articles reducing its issued loan or share capital. These members may be liable to the Co-operatives creditors for the amount they were paid.
- iv. Members have received any of the Co-operatives property before the Co-operatives creditors have been repaid on dissolution. Members may be liable to credits for the amount received.

- v. Members cease to enjoy the protection of limited liability.

if their total number falls below five (three in the case of worker co-op). If a co-op does not meet these membership levels for more than six months, each member is responsible for the debts and liabilities incurred during this time. Members may avoid liability by sending a letter to the Financial Services Commission of Ontario protesting the Co-ops exercise of its corporate powers without enough members. After notifying the co-op, the Financial Services Commission of Ontario may cancel its certificate of incorporation if the co-op refuses or neglects to bring the number of members up to the required

3.8. Leaving the Co-operative:

- i) A member may choose to leave the Co-operative at any time by giving the Secretary six months' notice.
- ii) If the Co-operative agrees, members planning to leave may maintain some or all of their member's project or preference shares and at any time ask the Co-operative to redeem their project membership shares or preference shares by giving six months' notice.
- iii) The directors of ELSCI may delay repaying a withdrawing member's project shares or preference shares if they believe that doing so all at once would not be in the Co-operatives best interests. This delay may not be longer than five years and at least 20% of the member's project membership or preference shares must be repaid each year.

3.9. Terminating Membership

1. The Co-operative may terminate the membership of those who have not used its services for at least 2 years. Such a member who has not violated section 3.10 shall be consolidated under a member in good standing. Affected members membership number shall be retired from ELSCI's membership records.
2. The Co-operative may terminate a corporate membership if the member is about to be dissolved.
3. Upon terminating membership, the Co-operative will buy back the member's project membership or preference shares.
4. When redeeming shares for reasons of termination, ELSCI will pay the member the book value or the par value of the shares, plus any premiums and unpaid dividends, whichever is lower.
5. ELSCI will not terminate an individual or corporate membership if the Co-operative is insolvent or if the board of directors believes that buying back members' preference shares would be harmful to the Co-operative's stability.

3.10. Expelling a Member:

If a member has broken an important by-law, ELSCI may expel the member by having a majority of the board of directors pass a resolution in accordance with Sections sixty-six and sixty-seven of the Act.

3.11. Appealing an Expulsion

- 1.) A member who has been expelled has the right to appeal his or her expulsion at the next annual general meeting in which a majority of the members may confirm or overrule the boards

decision.

- 2.) A member must notify the board of his or her appeal within twenty-one days of receiving his or her expulsion notice.
- 3.) ELSCI must distribute the member's written statement to the Co-operative's membership at least seven days before the notice of the member meeting is mailed.

4. General Meetings

4.1. Annual Meetings

The annual meeting of the members shall be held within 6 months of the financial year-end, December 31st, and within 15 months of any previous annual meetings. The board of directors shall fix the date, time and location of the annual meeting. The annual meeting shall be held for the purpose of electing the directors, receiving the financial statements and any auditor's report thereon, and the transaction of any other business that may properly be brought before an annual meeting of the members

4.2. Special Meetings

Other meetings of the members may be called by order of the President, Vice-President, directors or by written requisition of 5% of the members in accordance with the Act, at any time and at any place within the province of Ontario, and the Secretary shall send the requisite notice of such meeting to members of the Co-operative at any place within the province of Ontario fixed by the person or persons calling the meeting.

4.3. Business Transacted

At meetings of the members, only the business stated in the notice calling such a meeting may be transacted this agenda shall be approved at the beginning of each meeting.

4.4. Record Date

The board of directors may fix in advance a record date preceding the date of any meeting of members for the determination of the members shall receive notice of the meeting. The date shall not be more than three business days prior to the date on which the notice of the meeting is given, and not more than 50 days before the date of the meeting.

4.5. Notice of Meetings

The board of directors may fix in advance a record date preceding the date of any meeting of members for the determination of the members shall receive notice of the meeting. The date shall not be more than three business days prior to the date on which the notice of the meeting is given, and not more than 50 days before the date of the meeting.

4.6. Where Notice Not Required

No notice of any annual or other meetings of the members shall be necessary:

1. Where all members entitled to vote at such a meeting, are present in person, and in the case of an annual meeting, consent to the transaction of the business, or in the case of any other meeting, consent to the transaction of the business for which such meeting is being held; or

2 Where all members entitled to vote at such meeting who are not present in writing waive notice of the meeting, on in the case of a meeting other than the annual meeting, notice of the meeting and the purpose for which it is being held.

4.7. One Member One Vote

One Vote – Each member at a meeting is entitled to one and only one vote on any matter requiring a vote of the members.

4.8. Corporate Proxy

A corporate member may appoint one of its directors or officers to attend and vote on its behalf at meetings of members. No other members of a Co-operative may vote by proxy.

4.9. Quorum

A quorum for any meeting of the members shall be 3 directors and 10% of general membership. No business shall be transacted at any meeting unless the requisite quorum is present.

4.10. Voting

All meetings of the Co-operative shall attempt to reach decisions by consensus, except as required by these by-laws or the Act, questions arising at any meeting of members shall be decided by a majority of votes. Any questions shall be decided by a show of hands or by telephone and/or online votes unless, prior to any vote, a member requests a ballot. A ballot shall be taken in such manner as the Chair of the meeting shall direct. The chair shall, in the case of tied vote, have a casting or second vote at any general meeting.

4.11. Presiding Officer

The President or other designee, as determined by the board of directors, shall preside at membership meetings. However, if at a meeting the board's designee is not present within 15 minutes after the time appointed for the holding of the meeting, the members present shall choose a person from their number to be the chair, provided a quorum is present.

4.12. Adjournment

If a meeting of members is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting other than by an announcement at the meeting that is adjourned. If a meeting of members is adjourned by one or more adjournments for a total of 30 days or more, notice of the adjourned meetings shall be given as for the original meeting.

4.13. Electronic Participation

A member may participate in a meeting of the members by means of such telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other, simultaneously and instantaneously, and a member participating in such a meeting by such means is deemed to be present at the meeting.

Every member present at a general meeting who became a member ninety (90) days or more before that meeting is eligible to vote and has one vote on each matter voted upon in the meeting. A person who is not entitled to be present at a general meeting under Sec. 3, a, VIII may be admitted to a meeting only on the invitation of the chair or with the consent of a majority of the members at the meeting.

Joint members have entrepreneur member or a designate from one of their member to represent and vote on their behalf at a general meeting so long as it is

- (1) In writing
- (2) Identify the appointing member's, and the individual appointed,
- (3) identify the meeting, in respect of which the representative is appointed,

A representative appointed here under is entitled to exercise at that meeting the same rights on behalf of the members as the member could exercise if it were an individual member present, and must be counted for the purpose of determining quorum.

A non-member director may not be counted for the purpose of determining quorum.

4.14. Members' Requisitions

- a) As per Sections 70, 71, and 79 members' requisition is a petition asking the directors to:
 - i) Call a Member's Meeting.
 - ii) Circulate Members' Resolutions
 - iii) Call a Directors' Meeting to Pass a By-Law or Resolution.

4.15. Resolutions

- a) Any member wishing to move an ordinary resolution at a general meeting must deliver notice of the resolution to the Co-operative no less than 45 days before the date of the general meeting.
- b) Emergency resolutions may be permitted at the discretion of the board of directors, in the interest of ELSCI.
- c) An ordinary resolution of a member will be binding on the Co-operative when accepted by a majority of the members at the general meeting.
- d) The directors will not accept or allow an ordinary resolution if at least 75 percent of all the directors determine, by board resolution, that accepting the ordinary resolution is not in the best interest of the Co-operative. The directors will provide reasons for rejecting any resolution.

4.16. Special Resolutions:

- a) The Co-operative must give notice of the intention to propose a special resolution if the resolution is:
 - i) Being submitted by the directors, or
 - ii) Submitted, together with a request by at least five members that notice be given, before the close of nominations.
- b) The Co-operative must give notice of the intention to propose a special resolution by posting the notice and the text of the special resolution on the Co-operative's Internet website, concurrently with the election information.
- c) If at least 2/3 of the directors resolve that a special resolution is frivolous, vexatious, or an abuse of process, or that the resolution, if passed, would harm the Co-operative, the Co-operative may refuse to give notice of the resolution. The members requesting notice of the resolution must be notified immediately by the directors of their decision and the reasons for it
- d) The Co-operative must, along with notice of an election, notify each member of the deadline for submitting a proposed special resolution.
- e) The Co-operative must indicate whether a special resolution is being proposed by the directors, or by members, or by both.
- f) The Co-operative must not dispense of the whole or substantially the whole of its undertaking unless:
 - i) The disposition is authorized by a special resolution, and
 - ii) All members have the opportunity to vote on the special resolution by mail or electronic ballot.
- g) All members who joined 90 days or more before the next AGM are eligible to vote on special resolutions. Members eligible to vote may vote on special resolutions by mail or electronic ballot.
- h) The election auditor must announce the result of the voting on each special resolution, including the number of votes in favor and the number of votes opposed, at the Annual General Meeting.

5. Directors

5.1. Qualifications-

Subject to the Act, no individual shall be elected or appointed as a Director if that Individual is not a Member or a Director, officer, shareholder or a member of a corporate Member, is less than eighteen (18) years of age, is an undischarged bankrupt, a mentally incompetent person, has a criminal record or person who is incapable of managing property within the meaning of the Substitute Decisions Act, 1992, as may be amended or re-enacted from time to time. A Director must complete a project department program proposal or assume one. A Director must consent to their election in accordance with the Act. A Director shall be a person that has demonstrated leadership ability by introducing five new members to the co-operative within a year of becoming a

Director.

5.2. Powers

The board of directors shall manage or supervise the management of the affairs and business of the Co-operative; they may pay from its funds the expenses of the corporation and may exercise all its powers, subject to the Act and these By-Laws

5.2.1. Directors, in exercising their power and performing their functions, shall act honestly and in good faith and in the best interest of the Co-operative, and shall exercise the care, diligence and skill of reasonably prudent persons.

5.2.2. The directors shall elect a President, Secretary, and Treasurer from their number, and may employ staff and may prescribe their duties and fix their remuneration and dismiss them.

5.2.3. The directors may delegate any of their powers to committees (teams) consisting of members of the Co-operative as they see fit; any committee shall, in the exercise of the powers delegated, conform to any regulations that may be imposed on them by the directors the team shall constitute of five members minimum and elect a chair person (moderator), and a secretary.

5.2.4. The directors shall cause minutes to be made in books provided for the purpose:

- a) of all appointments of officers made by them;
- b) of the names of the directors present at each meeting of directors or committee;
- c) of all resolutions and proceedings at all meetings of the Co-operative, the directors, or any committee.

5.2.5. The directors shall cause proper registers of the members and directors to be kept at the registered office, and shall in all other respects comply with the Act.

5.2.6. The Co-operative in general meeting shall certify that director's remuneration, or expenses allowed if any do not exceed comparable sector/industry remuneration packages or exceed 20% of Co-op lifetime membership share revenues.

5.2.7. All meetings of the directors shall be held in person or via phone or Internet, and the quorum necessary for the transaction of business may be fixed by the directors and unless so fixed shall be 2/3 of the Board

5.2.8. The directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chair shall have a second or casting vote. Any director may request secretary to summon a meeting of directors.

5.2.9. A resolution signed by all directors shall have the same force and effect as if passed at a duly constituted meeting of general members.

5.2.10. Execution of Documents -- Aside from cheques documents requiring the signature of the Co-operative may be signed by any 2 of the directors, officers and/or staff members who have been given signing authority by the directors. All documents so signed shall be binding upon the Co-operative without any further authorization or formality. The

directors shall have power from time to time by resolution to appoint any officer or officers, person or persons to sign documents generally or to sign specific contracts, documents and instruments in writing on behalf of the Co-operative.

5.2.11. Election and Size

The board of directors shall consist of a number to be determined from time to time by the directors who shall be elected for a term of five years, arranged so that one-third of the directors are elected each year. At the first meeting of members, a minimum of six Directors shall be elected, three to serve for five years, two to serve for four years, and the rest to serve for three years or until their successors are elected. Subject to these By-laws, the Directors shall elect amongst themselves the President, Secretary and Treasurer who will serve for five years, the terms for the remaining Directors shall be allocated per article on Election and size. At each annual meeting thereafter Directors shall be elected to fill the position of those whose term of office is about to expire and each Director so elected shall serve for three years, or until his successor is elected. Directors shall be eligible for re-election for a further term upon completion of their term. Directors shall be eligible for re-election upon completion of their term.

5.3. Tenure

Except as otherwise provide by law, by the articles, or by these by-laws, directors shall hold office until their successors are elected

5.4. Nominations

Prior to the date for elections, the board of Directors shall appoint a chief returning officer for the election. The chief returning officer shall be responsible for the supervising and organizing the election in accordance with ELCSI by-laws. Candidates offering themselves for nomination must have necessary qualifications stipulated above.

5.5. Election

Every member entitled to vote at an election of directors, if she/he votes, shall cast a number of votes equal to the number of directors to be elected, and the member shall distribute the votes among the candidates in such a manner as she/he sees fit, but no candidate shall receive more than one vote from each member.

5.6. Vacation of Office

The office of a director shall be vacated: if she/he ceases to have the necessary qualifications for office; if she/he is absent without leave of the directors for three consecutive regular meetings of the directors; if by notice in writing to the Co-operative she/he resigns her/his office, or if by resolution passed by a majority of the votes cast at a meeting of the members called for that purpose, is concerned or participates in the profits of a contract with the Co-operative without prior declaration to the Board of their interest in that contract

5.7. Vacancy

Whenever any vacancy occurs on the board of directors, provided a quorum of directors' remains in

office, the directors may appoint a director to fill such vacancy, to serve for a term ending on the date of the next annual general meeting.

5.8. Meetings of Directors

Regular meetings of the directors shall be held as often as the business of the Co-operative may require but in any event not less than quarterly.

- (a) The co-operative will indemnify all directors and officers, and their heirs and legal personal representatives, to the maximum extent permitted by section 110 of the Act.
- b) Not all directors must be members of the co-op
- c) The number of directors appointed or elected who are non-members or who are not directors, officers, shareholders or members of a corporate member, must not exceed one-fifth of the total number of directors who are members of the co-operative.
- d) Directors who are non-members or who are not directors, officers, shareholders, or members of a corporate member, are not to be counted for the purpose of constituting quorum.
- e) The first directors shall be the persons so named in the Articles of Incorporation, and shall hold office until the first general meeting.
- f) If the number of candidates for election as directors of the Co-operative at a general meeting is the same or fewer than the number to be elected at that meeting, the chair may declare the candidates to have been elected by acclamation. Prior to the date for elections, the board of Directors shall appoint a chief returning officer for the election. The chief returning officer shall be responsible for the supervising and organizing the election in accordance with ELCSI by-laws.

5.9. Indemnification

- 5.9.1. The co-operative will indemnify all directors and officers, and their heirs and legal personal representatives, to the maximum extent permitted by section 110 of the Act., their heirs and personal representatives against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment incurred by them, and to which they were made party by reason of being or having been directors.
- 5.9.2. The directors may cause the Co-operative to purchase and maintain insurance for the benefit of any person who is serving or has served as a director, officer, employee or agent of the Co-operative and the person's heirs or personal representatives, against any liability incurred by the person as such director, officer, employee or agent.
- 5.9.3. Conflict of Interest-A director of the Co-operative who is a party to, or has a material interest in any person who is a party to, a material contract or transaction or proposed material contract or transaction with the Co-operative, unless the subject of the contract or transaction is of a type available to all members of the Co-operative, shall:
- 5.9.4. disclose to the Co-operative the nature and extent of his or her interest, at the first

meeting of directors held after he/she becomes aware of said interest and at which he/she is in attendance; and shall abstain from discussion of and shall not vote or be counted towards quorum on any resolution to approve such a material contract or transaction; and,

5.9.5. If requested by the other directors, s/he shall not attend or otherwise participate in any portion of a meeting of the Board of directors in which the board is considering such a material contract or transaction.

6. Board of Advisors

6.1. At the discretion of the Directors, ELSCI may appoint any number of advisors to the Board of Advisors to provide advice or expertise as needed to Board of Directors. Decision making remains the purview of Board of Directors. Their tenure is open-ended.

6.2. Advisors may be any individuals, members or non-members, that may provide advice or guidance on any matter related to the operation and management of the Co-operative.

6.3. Directors and Officers should make an effort to seek and appoint advisors on matters or areas they lack knowledge, expertise or experience in.

7. Officers

7.1. Election and Appointment - The directors shall as often as may be required, elect a President, and elect or appoint a Vice-President, a Secretary, and a Treasurer. None of the said officers, except the President, need be a member of the board of directors. Any two of these offices may be held by the same person, except that of the President. The directors may from time to time elect or appoint such other officers and agents as they shall deem necessary that shall have such authority and shall perform such duties as the directors from time to time shall prescribe.

7.2. Remuneration and Removal - The remuneration of all officers elected or appointed by the directors shall be determined from time to time by resolution of the directors. The fact that any officer or employee is a director or member of the Co-operative shall not disqualify her/him from receiving remuneration as may be determined. All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the directors at any time, with or without cause.

7.3. Delegation

In the case of the absence or inability to act of the President, Vice-president or any other officer of the Co-operative or for any other reason that the directors may deem sufficient, the directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being, provided that a majority of directors concur therein

7.4. Duties of President

The President shall, if present, preside at all meetings of members and directors. She/he shall sign all instruments which require her/his signature and shall perform all duties incident to her/his office and shall have such other powers and duties as may from time to time be assigned to her/him, by the directors

7.5. Duties of Vice-president - In the absence or disability or refusal to act of the President, the Vice-president shall be vested with all the powers and she/he shall perform all the duties of the President.

7.6. Duties of Secretary-The Secretary shall issue or cause to be issued notices for all meetings of the members and directors when directed to do so, and shall keep or cause to be kept all records required by of these by-laws. She/he signs with the president or other signing officer or officers of the Co-operative such instruments as require her/his signature and shall perform such other duties

8. General Manager

The directors may from time to time appoint a general manager who shall not be one of the directors of the Co-operative and may delegate to her/him full authority to manage and direct the affairs of the Co-operative (except such matters and duties as by law must be transacted or performed by the directors or by the members in general meeting), and to employ, discharge, and fix wages or salaries of employees of the Co-operative. The general manager shall at all reasonable times give to the directors or any of them all information they require regarding the affairs of the Co-operative.

9. Vacancy

An officer's position shall become vacant by reason of death, resignation, disqualification or removal, the directors by resolution may elect or appoint an officer to fill such vacancy.

10. Record

ELSCI must keep minutes of all meetings of members, directors, and any executive committees. Minutes should indicate the date, time, place, and agenda of the meeting, text of resolutions, results of votes, records of carried and failed motions, and the names of movers, seconders, chairpersons, recorders of minutes, and any other participants. Minutes of members' meetings are available for inspection by all members; minutes of directors' meetings and executive committee meetings are not.

The Co-operative is required to keep the following records: Copies of the articles of incorporation, by-laws, resolutions, and special resolutions; an alphabetical register of members and security holders over the last ten years, including addresses. A register of all transfers of shares. A register

of past and present directors, including terms served and addresses; accounting records of financial and other transactions.

11. Shares

Unless otherwise specified in an offering statement issued by Elevations Co-op one of the following limitations on investment must be abided by:

The authorized total capital: is limited to the sum of Eight Million Dollars (\$8,000,000.00), divided into: Twenty five Thousand (25,000) Membership Shares with a par value of Two Hundred Dollars (\$200.00) and, Twenty five thousand (25,000) Preference Shares Class A with a par value of one hundred Dollars (\$100.00). Two thousand five hundred (2,500) Preference Shares Class B with a par value of two hundred Dollars (200) each. The minimum number of project Membership Shares of (\$200 par value) Member is One thousand dollars or five project membership shares per year

Members may purchase up to \$1000 of preference shares annually up to a life time maximum of Ten Thousand Dollars \$10,000. ELSCI may not sell Preference Shares to more than 35 non- members per year. OR ELSCI may not sell more than Two Hundred Thousand Dollars (\$200,000) in shares per year. Government grants and investments from accredited investors are excluded from these limitations.

Payments can be made by installments and total combined share holdings (all classes) per member cannot exceed lifetime maximum of \$10,000.

The holders of Preference Share are entitled to: A variable Cumulative Dividend paid in priority to any dividend being paid on other classes of shares; and When the Co-operative dissolves, first priority for repayment of the amount paid for the shares, together with all unpaid dividends, but they have no other right to receive remaining property.

The Variable Cumulative Dividend is payable yearly when declared by the board of directors. The dividend rate on Class A preference shares is the Prime Rate (As announced by the Central 1 Credit Union at the Co-operatives year-end) plus 1%. This rate applies to the amount paid for the shares.

The dividend rate on Class B preference shares is the Prime Rate (As announced by the Central 1 Credit Union at the Co-operatives year-end) plus 2%. This rate applies to the amount paid for the shares.

The holders of preference Shares are not entitled to: Vote at the annual and special meetings of members; but may vote at their own preference class shares meetings.

The holders of membership shares are entitled to: Vote at the annual and special meetings of members; and receive dividend no greater than the amount permitted by the Act and calculated based on patronage formula as determined by the Directors.

12. Redemption of Shares

Shares are to be redeemed as specified in the Articles of Incorporation.

13. Distribution of Surplus

Elevations Co-op may set aside part or their entire surplus to create reserve funds, pay dividends on shares, or contribute to member's community development projects.

The Co-operative shall distribute 10% of surplus to charities or community causes dear to members before distributing the remainder of surpluses to member accounts.

At the discretion of the Directors and in the best interest of the financial well-being of the Co-operative, members may be required to reinvest part or all of their patronage returns in the Co- operative. Members cannot be required to reinvest patronage returns if the co-op is insolvent.

14. Patronage Formula;

A formula to determine a member's fair contribution to ELSCIs bottom line shall be;

Each member who volunteers to staff our stores will earn a patronage point for every \$20 of wages they would have earned in a similar position in the local job market. All members spending at the ELSCI members business (stores) will also count as one point for every \$20 spent.

15. Financial

The directors may, without the authority of a special resolution, cause the Co-operative to borrow money, and to secure the repayment of money borrowed by means of a charge on all or part of its assets and undertaking.

Cheques -- All cheques, drafts or other orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such any two of three officers (directors) or by persons whether or not officers of the Co-operative and in such manner as the directors may from time to time designate.

Banking Arrangements -- The banking business of the Co-operative shall be transacted in such banks, trust companies, credit unions or caisse populaires as may from time to time be designated by resolution of the board of directors. Such banking business or any part thereof shall be

transacted under such agreements, instructions, and delegations of power as the directors may from time to time prescribe or authorize by resolution.

Custody of Securities -- All securities owned by the Co-operative shall be placed for safe keeping (in the name of the Co-operative) with a credit union, chartered bank or trust company, or the Province of Ontario Savings Office, or with such other corporation as may be determined from time to time by the directors.

Dishonesty -- For the Co-operatives protection, either

1. the Co-operative shall maintain fidelity insurance in such amounts as reasonably protects it against dishonesty of its employees, or
2. Every officer or employee of the Co-operative who has charge of or handles money or securities belonging to the Co-operative shall be bonded with a surety company selected by directors for such amounts as may from time to time be prescribed by the directors, but in no case for an amount less than \$1,000.

The directors may prescribe that any other employee or employees of the Co-operative (whether handling money or securities of the Co-operative or not) shall be bonded in such an amount as the directors determine.

Financial Year -- The financial year of the Co-operative shall terminate on the last day of December in each year.

Dissolution -- In the event of dissolution of the Co-operative, after payment of all its debts and liabilities the remaining property of the Co-operative shall distributed as stated in the Articles as amended.

16. Auditor:

16.1. An auditor must be appointed by ordinary resolution at every annual general meeting, except when exemptions exist and members have filed a written consent by filing an Audit Exemption Consent Form with FSCO. The directors may appoint an auditor to fill a vacancy arising between meetings. The remuneration of the auditor must be set by the directors.

16.2. Appointment and Remuneration –

The members at each annual meeting shall appoint an auditor, when it is required by the Act, who is familiar with co-operative accounting and practice. The auditor when appointed shall hold office until the next annual meeting, and if an appointment is not made, the auditor in office shall continue until a successor is appointed. The remuneration of the auditor shall be fixed by the directors.

16.3. Access to Books and Information -- The auditor shall at all reasonable times have access to the books, accounts and vouchers of the Co-operative and may require from the directors and officers such information and explanations as may be necessary for the performance of her/his duties.

16.4. Report -- The auditor, if required by the Act or the Treasurer, shall make a report to the members on the financial statements to be laid before the Co-operative at each annual meeting during her/his term of office and shall state in her/his report whether in her/his opinion the financial statement referred to therein presents fairly the financial position of the Co-operative and the results of its operation for the period under review. At every annual general meeting, the directors must present the financial statements required by the Act. The Co-operative must, on request by a member, but no more than once a year, provide a copy of the Co-operatives latest financial statements and the auditor's report on them to the member. The directors may invest all or part of the funds and assets of the Co-operative in such manner and on such terms as they deem in the best interests of the Co-operative.

17. Dispute Resolution

This section applies to a dispute arising out of the affairs of the Co-operative which involves a member, a candidate, a director, the Co-operative, or any combination of them including a dispute under the Rules. It does not apply to a dispute between the Co-operative and an employee, supplier, or contractor.

A person claiming that a dispute has arisen must, not more than one year after the person became aware, or ought to have become aware, of the circumstances which the person alleges gave rise to the dispute: Give notice of the dispute to the Co-operative, and Provide the Co-operative with a written summary of the dispute and the remedy sought.

The parties to a dispute may agree to resolve it through informal dispute resolution, mediation, a sole arbitrator, or other appropriate process. If the parties do not agree to a method dispute resolution, the provisions set out below must be followed.

The parties must establish an arbitration committee of three volunteers. Each party must choose one appointee to the arbitration committee within 60 days of notice being received by the Co-operative.

The two initial appointees must choose the third person, who must chair the committee, within thirty (30) days after their appointment.

The arbitration committee must not include any person who is, or is claimed to be, a party to the dispute.

The chair of the arbitration committee must declare all personal, employment, or business

relationships with any party before being chosen.

The Co-operative must provide a written summary of its position on the dispute to the other party within 60 days of receiving notice, and to the arbitration committee as soon as it is convened.

Each party may make oral submissions to the arbitration committee, personally or through a representative. If the parties do not otherwise agree, the arbitration committee will sit at the Co-operative's place of business closest to the residence of the person claiming the dispute.

17.1. The arbitration committee may:

Determine its own procedure, and reach decisions by majority vote.

17.2. The arbitration committee must:

Hear the dispute within 60 days after the chair is chosen, Come to a decision as soon as reasonably possible, and immediately inform the parties of the decision.

17.3. The decision of the arbitration committee is final.

Unless the arbitration committee decides otherwise, the parties must bear their own costs.

If a party fails to comply with the provisions of this section, that party must accept as the final decision the position submitted by other party under.

18. Notices

18.1 Signatures -The signatures on any notice to be given by the Co-operative may be written, stamped, typewritten, printed or affixed electronically.

18.2 Method of Giving - Any notice to be given (which term includes sent, delivered, or served) pursuant to the Act, the regulations under the Act, the articles, the by-laws, or otherwise to a member, Preference Share holder director, officer, auditor, secretary or general manager or member of a committee of the board of the Co-operative shall be sufficiently given if delivered personally to the person to whom it is to be given, mailed to him at his latest address in the records of the Co-operative by prepaid mail, or sent to that person at his/her latest recorded fax or electronic address in the records of the Co-operative by fax or e-mail failure, be deemed to have been given at the time of transmission or, if outside of such business hours, on the next following business day.

18.3 More Than One Name -- All notices with respect to any membership registered in more than one name shall be given to whichever of the persons is named first in the books of the Co-operatives and notice so given shall be sufficient notice to all holders of such Shares.

19 Seal

19.1 The directors must provide for the safe custody of theseal.

19.2 The seal must not be impressed on any instrument unless that impression is attested by the signature or signatures of

- a) Any two directors,
- b) An officer and a director, or
- c) One or more directors, officers or other persons as determined by resolution of the directors

19.3 If the directors have not adopted a seal for the Co-operative, instruments may be executed on behalf of the Co-operative by the persons specified in 17

20 Asset Lock

Any profits or accretions to the value of the property of the Co-operative shall be used to further its activities.

The Co-operative cannot be converted into or continued as any other kind of corporation and no attempt to do so is effective.

The Co-operative may pay a member reasonable amounts for goods or services provided by the member.

No person shall accept compensation for the withdrawal of its membership in the Co-operative. The Co-operative may not amalgamate except with another asset-locked corporation.

21 Articles and by-laws amendment

Any amendment to the Articles or by-laws of the Co-operative that would have the effect of amending this Article shall be authorized by a special resolution passed by 2/3 of the voting members in attendance at a duly called meeting of members.

22 Dissolution

Voluntary dissolution requires 2/3 of the members and 2/3 of the directors to approve a resolution to dissolve at a members' meeting and subsequent directors' meeting.

If the Co-operative is dissolved, or upon its conversion to another business for, its property will be distributed as follows:

- 22.1** First, the Co-operative will make payment of all debts and liabilities and all dividends declared and not paid payable and the purchase for cancellation or redemption of all outstanding shares.
- 22.2** Members will receive repayments of the par value of their project membership shares.

22.3 Members will receive remaining surplus distribution of Co-operatives assets including property on dissolution in proportion to an average of a members patronage point earnings for the past five years.