**GENERAL BY-LAWS**

**OF**

**Oxford Community Energy Co-operative Inc.**

Version Nov 30, 2019

**Table of Articles:**

1. General 2

2. Business of the Corporation 2

3. Membership 3

4. Share Issuance, Redemption and Certificates 5

5. Meetings of Members 6

6. Board of Directors 8

7. Election of Officers 12

8. Distribution of Surplus 14

9. Member Loans 14

10. Borrowing Powers 15

11. Auditors 15

12. Limitation of Liability and Indemnification of Directors and Officers 16

13. Notices 17

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of Oxford Community Energy Co-operative Inc. (hereinafter, the “Co-operative”), a renewable energy co-operative under the *Co-operative Corporations Act* (Ontario), as follows:

# General

* 1. Head Office

The head office of the Co-operative shall be located in the County of Oxford, Ontario, and at such place therein as the Board of Directors (the “Board”) may determine from time to time.

* 1. Seal

The corporate seal of the Co-operative shall have inscribed thereon the words “ Oxford Community Energy Co-operative Inc.,” and the seal impressed in the margin of these by-laws is hereby adopted as the corporate seal of the Co-operative.

* 1. Interpretation

In all by-laws of the Co-operative, words importing the singular shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter genders; the word “person” shall include all legal persons; and the word “Act” shall mean the *Co-operative Corporations Act* (Ontario) as amended from time to time.

* 1. Banking Arrangements

The banking business of the Co-Operative, or any part thereof, shall be transacted with such chartered bank, credit union, trust company or other firm or body corporate as the Board may designate, appoint or authorize from time to time and all such banking business, or any part thereof, shall be transacted on the Co-Operative's behalf by such one or more officers or other persons as the Board may designate, direct or authorize from time to time, and to the extent thereby provided.

# Business of the Corporation

* 1. Fiscal Year

The fiscal year of the Co-operative shall terminate on the **30th day of September** of each year.

* 1. Execution of Instruments

Deeds, transfers, assignments, contracts, obligations, certificates, and other documents and instruments may be signed on behalf of the Co-operative by two persons, at least one of one of whom shall hold the office of Chair or President, Vice President, Secretary or Treasurer. The Board shall have the power to appoint from time to time, by resolution, any officer or other person to co-sign the aforementioned instruments, either generally or with respect to specific instruments.

* 1. Cheques, Drafts and Notes

Notwithstanding Section 2.2 above, all cheques, drafts, or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers, or person or persons, whether or not officers of the Co-operative, and in such manner as the Board may from time to time designate by resolution.

* 1. Corporate Seal

Any person authorized to sign any instrument may affix the corporate seal thereto.

* 1. Banking Arrangements

The banking business of the Co-operative shall be transacted in such banks, trust companies, credit unions or caisses populaires as may from time to time be designated by resolution of the Board. Such banking business or any part thereof shall be transacted under such agreements, instructions, and delegations of power as the Board may from time to time prescribe or authorize by resolution.

# Membership

* 1. Membership

Membership in the Co-operative shall consist of all persons who comply fully with the By-laws of the Co-operative, have been approved for membership by the Board, have subscribed for one (1) Membership Share and such minimum number of Class A Preference Shares, Class B Preference Shares, and/or Class C Preference Shares as may be prescribed by the Board from time to time, and to whom such shares have been allotted by resolution of the Board. Regardless of the number of Membership Shares or Preference Shares held by a member, each member shall be entitled to only one vote at all meetings of members of the Co-operative.

* 1. Member Eligibility

All members must be persons Resident in Ontario; a Registered Charity with its head office in Ontario; a Not-For-Profit Organization with its head office in Ontario; or a “co-operative corporation”, as defined in the Co- operative Corporations Act (Ontario), all of whose members are Resident in Ontario. Any such person, whose primary business or employment is the development of non-community-based electricity generation projects, as determined by the Independent Electricity System Operator (IESO)  , shall not be eligible for membership in the Co-operative, except where, in the opinion of the board, acting reasonably, such a person’s membership would not be likely to have any materially adverse impact on the Co-operative. Any member of the Co-operative who acquires an entity whose primary business is the development of non-community-based electricity generation projects, as determined by the OPA, at the sole discretion of the Board, may be expelled from membership in accordance with the procedures set out in these By-laws.

* 1. Purchase of Class A Preference Shares and/or Class B Preference Shares and/or Class C Preference Shares Required.

As a condition for membership in the Co-operative, each member shall be required to subscribe for such number of Class A Preference Shares and/or Class B Preference Shares and/or Class C Preference Shares as the Board may from time to time determine by resolution. The minimum purchase of Class A Preference Shares, Class B Preference Shares or Class C Preference Shares required for membership may be increased or decreased from time to time by the Board. No one who is a member of the Co-operative at the time of such an increase in the minimum share purchase requirements shall be required to purchase additional Class A Preference Shares, Class B Preference Shares, and/or Class C Preference Shares to maintain their membership in the Co-operative in good standing.

The same applies to subsequently approved share classes.

* 1. 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 not otherwise in the public domain, including trade secrets, 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 and projects.

* 1. 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.

* 1. Joint Membership

Provided that all such persons are otherwise eligible for membership in the Co-operative, two or more persons may apply for joint membership in the Co-operative. Where two or more persons hold a joint membership in the Co-operative, each person is entitled to attend all meetings of members, but notice of such meeting to any such person is deemed sufficient notice to all persons. Any one of such persons present at a meeting of members has the right in the absence of the others to vote, but, if more than one person is present, they shall be together entitled to only one vote. Each person, but not more than one of such persons at the same time, may be elected or approved as an officer or director of the Co-operative, provided that each one meets the qualifications for such office. The expulsion or withdrawal of any one of such persons shall terminate the joint membership; however, any one of such persons may reapply for membership in the Co-operative as an individual person and, if accepted for membership, such person’s membership shall be deemed to have been continuously in effect from the time that he first was admitted to membership in the Co-operative as a joint member.

* 1. Transfer of Membership

Membership in the Co-operative shall not be transferrable unless authorized by the Board.

* 1. Withdrawal of Membership

A member of the Co-operative may withdraw from membership in the Co-operative by giving to the Secretary six months notice of his intention to withdraw. Upon the death of a member, that member is deemed to have given notice of his intention to withdraw from membership.

* 1. Expulsion from Membership

A member of the Co-operative may be expelled from membership by the Board for reasonable cause, providing the procedure for expulsion is in accordance with the *Co-operative Corporations Act*.

* 1. 3.10. Share Redemption upon Termination of Membership

A person whose membership has been terminated under Sections 3.8 or 3.9 of this article shall have his shares redeemed by the Co-operative in the manner provided by the Articles of Incorporation of the Co-operative and in accordance with the *Act*.

# Share Issuance, Redemption and Certificates

* 1. Share Issuance and Redemption
		1. Issuing Shares

The OCEC may from time to time issue classes of Preference Shares for the purpose of offering ownership in specific assets to investors

* + 1. Individual Share Redemption

If an individual shareholder desires to sell all or part of their shares, the OCEC is under no obligation to buy these shares but has the right to purchase the shares at their face value for the benefit of all shareholders of the same share class. No sale of shares shall occur without OCEC prior approval, which approval shall not be unreasonably withheld.

* + 1. Pro Rata Share Redemption

OCEC has the right but not the obligation to redeem outstanding shares from all shareholders of the same share class at their face value in proportion to their individual share holdings at any time prior to the end of the power purchase agreement. The purpose of such share redemptions is to return investment capital prior to maturity of the investment for the benefit of the investors. Pro Rata share redemption must be done in a way that does not dilute the proportionate ownership of the outstanding shares of the individual shareholders prior to the final disposition of the assets and the appropriate distribution of the terminal value of the asset to the shareholders.

Details about the process of share redemptions are outlined in OCEC By-law No 2.

* 1. Certificates

Every shareholder or lender is entitled to a share or loan certificate in respect of the shares held or loans made by him.

* 1. Signature on Certificates

Each share or loan certificate shall bear two signatures, one of which shall be the manual signature of an officer of the Co-operative or a transfer agent of the Co-operative, and the other of which may be the printed or otherwise mechanically reproduced signature of any other officer of the Co-operative.

* 1. Lost, Defaced, or Destroyed Certificates

In the case of the loss, defacement, or destruction of a certificate held by a shareholder or lender, the fact of such loss, defacement, or destruction shall be promptly reported by such shareholder or lender to the Co-operative with his statement verified by oath or statutory declaration as to the loss, defacement or destruction and circumstances surrounding the same, along with a request for the issuance of a certificate to replace the one lost, defaced or destroyed. Upon giving to the Co-operative a bond of a surety company or other security approved by the Co-operative indemnifying the Co-operative against all loss, damage or expense to which the Co-operative may be put by reason of issuing a new certificate to the said shareholder or lender, a new certificate may be issued to take the place of the lost, defaced, or destroyed certificate if such issuance is authorized by the President of the Co-operative or by the Board.

* 1. Non-transferability of Certificates

Share certificates and loan certificates shall not be transferable without the prior written consent of the Board.

* 1. Lien on Certificates

The Co-operative has a lien, to the extent of the debt, on the shares or loans registered in the name of a member who is indebted to the Co-operative.

# Meetings of Members

* 1. Annual Meetings

The annual meeting of members for the purpose of considering the financial statements and reports required by the *Act* to be submitted to an annual meeting, electing directors, appointing an auditor, and for such other business as may properly be brought before a general meeting of members, shall be held at such time and at such place in the County of Oxford, or such other place in the Province of Ontario, as the Board may from time to time determine, provided that each such annual meeting shall be held not later than fifteen months after the date of the last preceding annual meeting.

* 1. General or Special Meetings

The Board may at any time call a general or special meeting of members, to be held at such time and at such place in the County of Oxford, or such other place in the Province of Ontario, as the Board may from time to time determine, to consider any business that may properly come before such a meeting.

* 1. Notice of Meetings

Notice of the time and place of meetings of members shall be given in the manner provided in Section 13.2 not less than ten (10) nor more than fifty (50) days before the date of the meeting to the Co-operative’s auditor and to each member who at the close of business on the record date, if any, for notice is entered in the securities register of the Co-operative as the holder of one or more membership shares.

Notice of a meeting of members called for any purpose shall state the general nature of the business to be conducted at that meeting. A member, shareholder and any other person entitled to attend a meeting of members or shareholders may, in any manner and at any time, waive notice of the meeting.

* 1. Meetings Without Notice

A meeting of members may be held without notice at any time and place permitted by the *Act* if there is a quorum of the members present in person, or waive notice of or otherwise consent to such meeting being held. A member, shareholder and any other person entitled to attend a meeting of members or shareholders may, in any manner and at any time, waive notice of the meeting. Attendance of a member, shareholder and any other person entitled to attend a meeting of members or shareholders constitutes a waiver of notice of the meeting unless the person attends the meeting for the express purpose of objecting to the transaction of business on the grounds that the meeting is not lawfully called.

At such a meeting any business may be transacted which the Corporation at a meeting of members may transact.

* 1. Record Date for Notice

The board may fix in advance a record date preceding the date of any meeting of members for the determination of the members who shall receive notice of the meeting, which date shall not be more than three (3) business days prior to the date on which the notice of the meeting is given and not more than fifty (50) days before the date of the meeting.

* 1. Voting

Unless otherwise required by the Act, or by the Articles of Incorporation or the by-laws of the Co-operative, all questions arising at any meeting of the members shall be decided by a majority of votes.

* 1. Show of Hands

Subject to the provisions of the *Act*, any question at a meeting of members shall be decided by a show of hands unless a ballot thereon is required or demanded as provided below.

* 1. Ballots

On any question proposed for consideration at a meeting of members, and whether or not a show of hands has been taken thereon, any member at the meeting may require or demand a ballot either before or after any vote by show of hands. A ballot so required shall be taken in such manner as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot.

* 1. Quorum

Three members present in person or participating electronically shall constitute a quorum for any meeting of the members for the choice of a chairman and the adjournment of the meeting; for all other purposes, except as otherwise provided herein, a quorum for any meeting shall be constituted by the presence of the lesser of fifty (50) members or five per cent (5%) of the members, but in no event shall fewer than 5 members constitute a quorum. A quorum for any meeting held to consider the amendment of any of the Special Provisions of the Co-operative’s Articles of Incorporation shall be constituted by the presence of at least twenty-five per cent (25%) of the members. For the purposes of this Section, “Special Provisions” mean the dissolution and sale of asset provisions contained in the Articles of Incorporation.

* 1. Adjournments

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

* 1. Meetings By Electronic Means

A meeting of the members of the Co-operative may be held by telephonic or electronic means and a member who, through those means, votes at the meeting or establishes a communications link to the meeting is deemed for the purposes of the Act to be present at the meeting. A meeting held by electronic means is deemed to be held at the place where the head office of the Co-operative is located. Members may also vote at a meeting by mail or by telephonic or electronic means. For the purposes of this Section, “telephonic or electronic means” means telephone calls or messages, facsimile messages, electronic mail, transmission of data or information through automated touch-tone telephone systems, transmission of data or information through computer networks, any other similar means or any other prescribed means.

# Board of Directors

* 1. Power of Directors

The business of the Co-operative shall be under the direction and control of a Board of 5 Directors, or such greater number of Directors as shall be approved from time to time by special resolution of the members, who shall manage and supervise the management of the affairs and business of the Co-operative.

* 1. Qualifications of Directors

No person shall be qualified for election as a Director if he is not a member of the Co-operative in good standing, is less than eighteen years of age, is an undischarged bankrupt or has the status of a bankrupt, or is or becomes a mentally incompetent person. A majority of the Directors shall be resident Canadians. Notwithstanding the foregoing, the Co-operative may provide for the appointment or election of Directors who are non-members or who are not directors, officers, shareholders or members of a corporate member so long as the number of Directors appointed or elected who are non-members or who are not directors, officers, shareholders or members of a corporate member does not exceed one-fifth of the total number of Directors.

* 1. Election of Directors

At the first Annual General Meeting of members, no less than five (5) and no more than nine (9) Directors shall be elected, three to serve for three years, three to serve for two years, and three to serve for one year, or until their successors are elected. Subject to Section 6.4 of these By-laws, the Directors elected at the first meeting of members may choose the length of the terms to be served by each Director from among themselves at the first meeting of the Board immediately following the election. 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 subsequent term upon completion of their term.

* 1. Election of Candidates

The election of Directors shall be by ballot, and every member entitled to vote at such election of Directors, if 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 manner as he sees fit, but no candidate shall receive more than one vote from each member.

* 1. Vacation of Office

The office of a Director shall be vacated:

a) If he becomes bankrupt or suspends payment or makes an authorized assignment or is declared insolvent;

b) If he dies or becomes mentally incompetent;

c) If he ceases to have the necessary qualifications for office;

d) If he is absent without leave of the Board from three consecutive regular meetings of the Board;

e) If by notice in writing to the Co-operative he resigns his office; or

f) If by resolution passed by a majority of votes cast at a meeting of the members duly called for that purpose, he is removed from office.

* 1. Filling Vacancies

Whenever any vacancy occurs on the Board, the remaining members thereof, so long as there is a quorum in office, may temporarily fill a vacancy from among the persons having the necessary qualifications and the person so appointed shall hold office until the next general meeting of members.

* 1. Directors’ Meetings.

Regular meetings of the Board shall be held at least quarterly on such dates as the Board from time to time by resolution determine.

* 1. Place of Meetings

Meetings of the Board may be held either at the head office of the Co-operative or elsewhere within or outside Ontario as the Board may from time to time determine, but in any financial year of the Co-operative a majority of the meetings shall be held at a place within Canada.

* 1. Telephone and Electronic Meetings.

Subject to the *Act*, if a majority of the Directors of the Board consent thereto generally or in respect of a particular meeting, a director may participate in a meeting of the Board or of a committee of the Board 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 director participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the Board and of committees of the Board. If a majority of the Directors participating in a meeting so held are then in Canada, the meeting shall be deemed to have been held in Canada.

* 1. Notice of Meetings

A meeting of the Board may be convened by the President or any three (3) Directors at any time, and the Secretary, by direction of the President or any three (3) Directors, shall convene a meeting of the said Directors. Notice of such meeting shall be given in the manner provided in Section 13.2 to each Director not less than three business days, or five business days where notice is given by prepaid first class mail (exclusive of the day on which the notice is sent but inclusive of the business day for which notice is given) before the meeting is to take place. A Director may in any manner and at any time waive notice of or otherwise consent to a meeting of the Board. Attendance of a Director at a meeting of the Board constitutes a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

In the case of the first meeting of the Board to be held immediately following an annual meeting, or in the case of a Director elected to fill a vacancy on the Board, it shall not be necessary to give notice of such meeting to the newly elected Directors in order legally to constitute the meeting, provided that a quorum of Directors is present.

* 1. Adjourned Meeting

Notice of an adjourned meeting of the Board is not required to be given if the time and place of the adjourned meeting is announced at the original meeting.

* 1. Regular Meetings

The Board may by resolution appoint a day or days in any month or months for regular meetings of the Board at a place and hour to be named. A copy of any resolution of the Board fixing the place and time of such regular meetings shall be sent to each Director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the *Act* requires the purpose thereof or the business to be transacted thereat to be specified.

* 1. Quorum

A majority of the Directors shall constitute a quorum at any meeting of the Board, but no business shall be transacted unless a majority of the quorum are resident Canadians.

* 1. Voting

Except as otherwise resolved by the Board, questions arising at any meeting of the Board shall be decided by a majority of votes. The Chairman shall be entitled to vote only in the event of a tied vote.

* 1. Remuneration of Directors.

At the sole discretion of the Board, the Directors shall receive remuneration for each meeting of the Co-operative attended in person or day worked for the Co-operative. Where in the opinion of the Board it would not be in the financial best interests of the Co-operative to remunerate the Directors in cash for their attendance at such meetings, the Board may, by resolution, in lieu of such cash remuneration, issuePreference Shares to such Directors of equivalent value. The Remuneration shall be appropriate to the time spend and is limited to usual professional fees for such work. The Directors shall, in addition, be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the board or any committee thereof or incurred by them as Directors in connection with the business of the Co-operative. Nothing herein contained shall preclude any Director from serving the Co-operative in any other capacity and receiving remuneration therefor.

* 1. Delegation of Directors’ Duties

Where the number of Directors is more than six (6), the Board may elect from among them an executive committee consisting of not fewer than three Directors, of whom a majority shall be resident Canadians, and may delegate to the executive committee any powers of the Board, subject to such restrictions, if any, as may be contained in the by-laws of the Co-operative or imposed from time to time by the Board. Notwithstanding the foregoing, the Board may not delegate, and the executive committee shall not have the authority to:

1. submit to the members any question or matter requiring the approval of the members;
2. fill a vacancy on the Board or in the office of auditor or appoint or remove any of the executive committee;
3. issue any Membership Shares, Class A Preference Shares, Class B Preference Shares, or Class C Preference Shares except in the manner and on the terms authorized by the Board;
4. declare dividends or any premiums;
5. purchase, redeem or otherwise acquire shares issued by the Co-operative;
6. approve any financial statements;
7. approve an amalgamation or any other corporate reorganization; or
8. adopt, amend or repeal the Articles of Incorporation or the by-laws of the Co-operative.
	1. 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 shall disclose to the Co-operative the nature and extent of his interest at the time and in the manner provided by the Act. For the purposes of this section, and without limiting the generality thereof, a Director shall be deemed to have a material interest in a party if, where the party is a corporation, the Director is a director, officer or employee of that corporation or beneficially owns, directly or indirectly, securities holding more than ten per cent of the voting rights of that corporation, or, where the party is a natural person, if the Director is the spouse, parent, son or daughter of such party. In addition, such a Director shall abstain from discussion of and shall not vote on any resolution to approve such a material contract or transaction except as provided by the Act.

No Director shall attend or otherwise participate in any portion of a meeting of the Co-operative at which the Board is considering engaging such Director in any capacity and receiving remuneration therefor, other than in his or her capacity as a Director of the Co-operative.

# Election of Officers

* 1. Election of Officers.

The Board shall annually, or as often as may be required, elect a President (who shall also be the Chair of the Board) and a Vice President, and elect or appoint a Secretary and a Treasurer (and, if deemed advisable, an Assistant Secretary and an Assistant Treasurer). All of the said officers, except for the Assistant Secretary and Assistant Treasurer, if any, shall be members of the Board. Any two of the aforesaid offices may be held by the same person, except those of the President and Vice President. A vote of the majority of the Board shall be necessary for the election of the said officers. The Board may from time to time elect or appoint such officers and agents as they shall deem necessary who shall have such authority and perform such duties as the Board from time to time shall prescribe.

* 1. Remuneration of Delegated Officers

The remuneration of all officers elected or appointed by the Board shall be determined from time to time by resolution of the Board. The fact that any officer or employee is a member of the Co-operative shall not disqualify him from receiving such remuneration as may be determined. All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the Board at any time, with or without cause, provided that a majority of the Board shall vote in favor thereof.

* 1. Absence of Delegated Officer

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 Board may deem sufficient, the Board may delegate all or any of the powers of such officers to any other officer or to any Director qualified to assume such powers for the time being, provided that a majority of the Board concur therein.

* 1. The President

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

* 1. The Vice President

The Vice President shall be vested with all the powers and shall perform the duties of the President in the absence or disability or refusal to act of the President. The Vice President shall also have such other powers and duties as may from time to time be assigned to him by the Board.

* 1. The Secretary

The Secretary shall issue or cause to be issued notices for all meetings of the members and the Board when directed to do so. He shall sign with the President or other signing officer or officers of the Co-operative such instruments as require his signature and shall perform such other duties as the term of his engagement call for or the Board may from time to time properly require of him.

The Secretary, or some other officer specially charged with the duty, shall keep or cause to be kept suitable records wherein shall be kept recorded:

1. A copy of the constating documents of the Co-operative, including all Articles of Incorporation, Articles of Amendment, and other constating documents;
2. All by-laws and resolutions of the Co-operative;
3. A register of members and security holders in which is set out the information required by the Act;
4. A register of Directors in which is set out the names and residence addresses while directors, including the street and number, if any, of all persons who are or who have been Directors of the Co-operative, with the several dates on which they have become or ceased to be Directors;
5. e) Minutes of all proceedings at meetings of members, the Board, and any executive committees;
6. f) A copy of all License Agreements and/or Lease Agreements executed by members
7. Such other records or documents as may be required by law.
	1. The Treasurer

The Treasurer or some other officer specifically charged with the duty shall have the care and custody of all the funds and securities of the Co-operative and shall deposit the same in the name of the Co-operative in such bank or banks or with such depository or depositories as the Board may direct. He shall keep or cause to be kept proper accounting records in accordance with the *Co-operative Corporations Act* and any other acts to which the Co-operative is subject. He shall at all reasonable times exhibit his books and accounts to any Director upon application at the head office of the Co-operative during business hours. He shall sign and countersign such instruments as require his signature and shall perform all duties incident to his office that are properly required of him by the Board. He shall be required to give such bond as the Board in their discretion may require and no Director shall be liable for the failure to require any bond or for the insufficiency of any bond or for any loss by reason of the failure of the Co-operative to receive any indemnity therein provided.

* 1. The General Manager

The Board shall from time to time appoint a General Manager who may or may not be a Director of the Co-operative and may delegate to him full authority to manage and direct the day-to-day affairs of the Co-operative (except such matters and duties as by law must be transacted or performed by the Board or by the members at a general meeting) and to employ, discharge, and fix the wages or salaries of all employees of the Co-operative, with the exception of his own salary. The Manager shall conform to all lawful orders given him by the Board. He shall at all reasonable times give to the Board all information that they may require regarding the affairs of the Co-operative.

* 1. Vacancy of Office

If one or more of the offices of President, Vice President, Secretary (or Assistant Secretary), or Treasurer (or Assistant Treasurer) shall be or become vacant by reason of death, resignation, disqualification or otherwise, the Board by resolution may elect or appoint an officer to fill such vacancy.

# Distribution of Surplus

* 1. Annual Surplus Apportioned

The Board, after paying expenses and making proper allowance for depreciation, shall apportion the surplus arising from the yearly business of the Co-Operative in any or all of the following ways:

1. by setting aside reserves in such amounts as the Board deems advisable for such purpose or purposes that are deemed to be conducive to developing additional renewable energy projects or other interests of the Co-Operative or its Members, which sum may be invested, dealt with and disposed of for the benefit of the Co-Operative as the Board determines from time to time;
2. before any distribution of the surplus remaining after allocation to the reserve fund outlined in paragraph (a) above, the Board may consider a sum for the payment of dividends on the Shares of the Co-Operative;
3. before any distribution of the surplus remaining after allocation to the reserve fund outlined in paragraph (a) above, and after the payment of dividends on the Shares of the Co-Operative (b) above, the Board may set aside funds for community welfare or to the furtherance of the co-operative principle concern for community;
4. After the distribution of surplus to reserves (a) above; distribution of dividends (b) above and after distribution to the furtherance of co-operative principles and donation to community welfare (c) above, the Board may issue dividends in proportion to the amount the member has invested in the co-operative, payable in whole or on part, by shares or cash.
	1. Terminal Value Surplus Apportioned

**Terminal Value:** is the value of a certain OCEC asset at the time when the asset is either sold or otherwise repurposed. The overriding principle is that the shareholders that funded the asset class benefit proportionately in the economic value that comes as a result of the disposition of that asset. The Terminal Value Surplus of the asset disposition will be distributed in any or all of the following ways:

1. by setting aside reserves in such amounts as the Board deems advisable for such purpose or purposes that are deemed to be conducive to developing additional renewable energy projects or other interests of the Co-Operative, which sum may be invested, dealt with and disposed of for the benefit of the Co-Operative and shareholders as the Board determines from time to time;
2. before any distribution of the Terminal Value Surplus remaining after allocation to the reserve fund outlined in paragraph (a) above, the Board may consider a sum for the payment of dividends on the asset class shares of the assets that created the Terminal Value;
3. before any distribution of the surplus remaining after allocation to the reserve fund outlined in paragraph (a) above, and after the payment of dividends on the Shares of the Co-Operative (b) above, the Board may set aside funds for community welfare or to the furtherance of the co-operative principle concern for community;

Details about the disbursement of Terminal Value Surplus are outlined in OCEC bylaw No 2.

# Member Loans

* 1. Member Loans

The Co-operative may borrow money from its members in such amounts and upon such terms and rates as the Board may by resolution determine, but no member shall be required to lend money to the Co-operative.

* 1. Member Debt

The Board shall be at liberty at any time to apply or set off on account of the indebtedness of any member to the Co-operative any loans made by him and any amount so applied shall be deemed to be payment by the member.

* 1. Payment of Loans

The Co-operative shall have in all cases the right to repay loans from members in whole or in part at any time before the maturity thereof without notice or bonus, provided that the basis for such repayment is made on an equitable, *pro rata* basis to all members who have advanced funds to the Co-operative as a loan.

# Borrowing Powers

* 1. Borrowing

The Board may from time to time:

a) Borrow money on the credit of the Co-operative in such amounts and upon such terms as may be considered advisable;

b) Issue, sell, or pledge debt obligations of the Co-operative, whether secured or unsecured for such sums, upon such terms, covenants and conditions and at such prices as may be deemed expedient;

c) Charge, mortgage, hypothecate or pledge, assign, transfer or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal movable, moveable or immovable, property of the Co-operative, including book debts, rights, powers, franchises, and undertakings, to secure any debt obligations or any money borrowed or other debt or liability of obligation of the Co-operative.

Subject to and in accordance with the Act, nothing in this Section limits or restricts the borrowing of money by the Co-operative on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Co-operative.

# Auditors

* 1. Auditor

The members at each annual meeting shall appoint an auditor 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 Board.

* 1. Access

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

* 1. Report

The auditor shall make a report to the members on the financial statement to be laid before the Co-operative at each annual meeting during his term of office and shall state in his report whether in his opinion the financial statement referred to therein presents fairly the financial position of the Co-operative and the results of its operations for the period under review.

# Limitation of Liability and Indemnification of Directors and Officers

* 1. Limitation of Liability

No Director or officer shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Co-operative through the insufficiency or deficiency of title to any property acquired for or on behalf of the Co-operative, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Co-operative shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Co-operative shall be deposited, or for any loss occasioned by any honest error or judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his or her office or in relation thereto, unless the same are occasioned by his or her own wilful neglect or default; provided that nothing herein shall relieve any Director or officer from the duty to act in accordance with the *Co* Act and the regulations thereunder or from liability for any breach thereof.

* 1. Indemnity

Subject to the limitations contained in the Act, the Co-operative shall indemnify a Director or officer, a former director or officer, or a person who acts or has acted at the Co-operative’s request as a Director or officer of a body corporate of which the Co-operative is or was a member, shareholder or creditor, or a person who undertakes or has undertaken any liability on behalf of the Co-operative or any such body corporate, and his heirs and legal representatives, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made party by reason of being or having been a director or officer of the Co-operative or of such body corporate if:

* 1. he acted honestly and in good faith with a view to the best interests of the Co-operative; and
	2. in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.
	3. Insurance

Subject to the limitations contained in the Act, the Co-operative may purchase and maintain such insurance for the benefit of its Directors and officers, as such, as the Board may from time to time determine by resolution.

# Notices

* 1. Form of Signature

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

* 1. Method of Giving Notice

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, shareholder, director, officer, auditor 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 recorded address by prepaid mail, or sent to him at his recorded physical or electronic address by any means of prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as stated above; a notice so mailed shall be deemed to have been given on the fifth day after it is deposited in a post office or public letter box; and a notice sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. A notice sent by means of facsimile transmission or any other electronic means shall, if sent during normal business hours at the place of receipt and without indication of 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.

* 1. Joint Members or Shareholders

All notices with respect to any joint members or shareholders shall be given to whichever of the persons is named first in the books of the Co-operative and the notice so given shall constitute sufficient notice to all such joint members or shareholders.

* 1. Undelivered Notices

If any notice given to a member pursuant to Section 13.2 above is returned on three (3) consecutive occasions because he cannot be found, the Co-operative is not required to send any further notices to such member until he informs the Co-operative in writing of his new address.

* 1. Omissions and Errors

The accidental omission to give any notice to any member, director, officer, auditor or member of a committee of the Board, or the non-receipt of any notice by any such person, or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice.

* 1. Waiver of Notice

Where a notice is required to be given by the Act, the regulations under the Act, the articles, the by-laws, or otherwise, the giving of the notice may be waived or the time for the notice may be waived or abridged with the consent in writing of such person, whether before or after the time prescribed.

ENACTED AND PASSED by the Board of the Co-operative on this 11th day of June 2019.

WITNESS the seal of the Corporation.

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Chair

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Secretary

The foregoing By-Laws were confirmed by and consented to by a special resolution passed by the members of the Co-operative at a general meeting of members of the Co-operative held on the 1st day of December 2019.

WITNESS the seal of the Corporation.

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Chair

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Secretary

**Version History**

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| --- | --- | --- | --- |
| **Date** | **Version** | **Change** | **Authorized** |
| 9/19/2013 | Original | New | Meeting 9/19/13 |
| 10/22/2013 | Version 10 22 13 | Formatted to OCEC Stationary – no material change |  |
| 04/16/2016 | Version 02 16 16 | Section 7.8 added ‘the General Manager **may or may not** be a director of the Co-op” | 042016-04AGM |
| 12/01/2019 | Version 12 01 19 | Section 8.1 added “Annual” Surplus Apportioned Added Section 8.2 Terminal Value Surplus Apportioned |  |
| 12/01/2019 | Version 12 01 19 | Added section 4.1 Share Issuance and Redemption |  |
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