

BYLAWS
OF

_____, 2011

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BYLAWS OF:

SECTION 1 INTERPRETATION

1.1 Definitions

In these Bylaws:

- (1) “**Act**” means the *Cooperatives Act*, S.A. 2001, c. C-25.5 as amended, and any successor legislation;
- (2) “**Administrator**” means an administrator appointed by the Cooperative who has been approved by the Provincial Supervisor pursuant to the Feeder Regulations;
- (3) “**Articles**” means the Articles of Incorporation of the Cooperative;
- (4) “**Associate**” means, with respect to a Director:
 - (a) A spouse or dependent child of a Director;
 - (b) If the Director is a joint member, or a partner, joint venturer, or shareholder in a partnership, joint venture or Corporation which is a Member, the other joint member, partners, joint venturers, or shareholders, as the case may be;
 - (c) If the Director owns or has an interest in a feedlot, the other Members whose livestock are being fed and cared for at this feedlot or are proposed to be fed and cared for at this feedlot;
- (5) “**Board**” means the Board of Directors of the Cooperative;
- (6) “**Bylaws**” means these Bylaws as amended from time to time;
- (7) “**Cooperative**” means the _____ and its successors;
- (8) “**Deposit**” means a Deposit as defined in a Member Agreement;
- (9) “**Director**” means a Member of the Cooperative’s Board;
- (10) “**Equity Loan**” means an Equity Loan as defined in a Member Agreement;
- (11) “**FAA**” means Feeder Associations of Alberta Limited, and its successors;
- (12) “**Feeder Act**” means the *Feeder Associations Guarantee Act*, S.A. 2009, c. F-11.1, as amended, and any successor legislation;
- (13) “**Feeder Regulations**” means the *Feeder Associations Guarantee Regulation* under the Feeder Act, as amended and any successor regulations;

- (14) **“Member Agreement”** shall mean any Feeder Association Member Agreement between the Cooperative and the Member in a form approved from time to time under the Feeder Regulations;
- (15) **“Member”** means a member of the Cooperative;
- (16) **“Membership”** means the status, rights and obligations of a Member of the Cooperative;
- (17) **“Member Interests”** shall mean any right of any Member in any obligation of the Cooperative to the Member, including the right of a Member to a Deposit or a Member’s rights under any Member Agreement.
- (18) **“Meeting of Members”** means an annual meeting of members or a special meeting of members;
- (19) **“Not in Good Standing”** means in default of any obligation to the Cooperative under a Member Agreement, a Promissory Note, these Bylaws, or any other agreement between the Member and the Cooperative; or in contravention of the Feeder Act, the Feeder Regulations, or any order made under the Feeder Act or the Feeder Regulations;
- (20) **“Patronage Dividends”** means “allocations in proportion to patronage” as defined in the Act;
- (21) **“Promissory Note”** means any promissory note granted by a Member to the Cooperative, including a Promissory Note granted pursuant to a Member Agreement, or the Feeder Regulations;
- (22) **“Provincial Supervisor”** means the provincial supervisor designated pursuant to the Feeder Regulations;
- (23) **“Recorded Address”** means the last address of a Member or Director as recorded in the records of the Cooperative;
- (24) **“Regulations”** means the regulations passed under the Act;
- (25) **“Supervisor”** means a local supervisor appointed by the Cooperative who has been approved by the Provincial Supervisor pursuant to the Feeder Regulations;
- (26) **“Surplus Earnings”** means the surplus income of the Cooperative as determined by the Cooperative’s external accounting advisors or auditors using Generally Accepted Accounting Principles.

1.2 Additional Meanings

For the purposes of these Bylaws, words and phrases which are not defined herein but are defined in the Act shall have the meaning ascribed to those words and phrases in the Act, the Regulations, the Feeder Act and the Feeder Regulations.

1.3 Expanded Meanings

In these Bylaws, unless there is something in the subject matter or context inconsistent therewith, the singular shall include the plural and the plural shall include the singular and the masculine gender shall include the feminine and neuter genders.

1.4 Heading and Margin Notes

The headings and margin notes used in these Bylaws are inserted for reference purposes only and are not to be considered in construing the terms and provisions of these Bylaws or be deemed in any way to qualify, modify or explain the effect of such terms or provisions.

SECTION 2 BUSINESS OF THE COOPERATIVE

2.1 Corporate Seal

- (1) The Cooperative may have a corporate seal in a form approved by the Board.
- (2) If the use of the corporate seal is approved by the Board, the seal shall be authenticated by the signatures of such person or persons as may be designated by the Board.
- (3) A document executed on behalf of the Cooperative is not invalid merely because the corporate seal is not affixed to it.

2.2 Fiscal Year

The fiscal year of the Cooperative shall begin and end on such date as may be fixed by the Board.

2.3 Execution of Instruments and Bonding Requirements

- (1) The Member Agreement and all other documents referred to therein shall be signed on behalf of the Cooperative by either the Administrator, or the Supervisor, if they are authorized to do so by Board resolution, and such other person or persons who maybe authorized or required by the Board to do so.
- (2) All cheques shall be signed on behalf of the Cooperative by:
 - (a) the Administrator, and
 - (b) the Chairman or such other Director or Directors as the Board may, from time to time, authorize by resolution.
- (3) All other documents and instruments may be signed on behalf of the Cooperative by such person or persons who may be authorized by the Board by ordinary resolution, from time to time.

- (4) The Administrator, the Supervisor and every other person who has signing authority for the Cooperative shall, before exercising their authority with respect to the use of any proceeds of a loan guaranteed pursuant to the Feeder Act and the Feeder Regulations, be bonded for at least \$100,000.00 or such greater amount as may be required by the Board, or shall provide such other security as may be approved or requested by the Board or the Provincial Supervisor.

2.4 Business to be Conducted by the Board

- (1) Subject to the Act, the Regulations and the Articles, the business of the Cooperative shall be directed and supervised by the Board, and the Board may exercise all the powers of the Cooperative that are not required to be exercised by the Cooperative in general meeting.
- (2) The Board may, from time to time, at its discretion, raise or borrow money for the purpose of the Cooperative's business and may secure the repayment of the same by mortgage, charge or other security upon the undertaking and assets of the Cooperative, both present and future.

2.5 Information Available to Members

Subject to the Act, the Regulations, and other legislation, no Member shall be entitled to any information respecting the Cooperative's business which, in the opinion of the Board, would be prejudicial to the interest of the Members or the Cooperative. The Board may from time to time determine the conditions on which the accounts, records and documents of the Cooperative shall be open to inspection by Members, and no Member shall have the right to inspect any record or document except as permitted by the Act or authorized by the Board.

2.6 FAA Membership

The Cooperative shall, at all times, be a member in good standing of the FAA.

2.7 Compliance with the Feeder Act and the Feeder Regulations

The Cooperative, and each Member shall, at all times, comply with the Feeder Act, the Feeder Regulations, and any order made pursuant to the Feeder Act and the Feeder Regulations.

SECTION 3 DIRECTORS

3.1 First Board

Subject to clause 3.2, when the Cooperative comes into existence, the individuals identified in the Notice of Directors provided with the Application for Incorporation shall have all of the powers and duties of Directors until the end of the first meeting of members.

3.2 Election of Directors - One-Third of Board Each Year

The following rules shall apply with respect to the election of Directors:

- (1) Elections shall be held at the first Meeting of Members following incorporation and at each annual Meeting of Members thereafter.
- (2) At the first Meeting of the Members:
 - (a) There shall be elected to hold office until the first annual Meeting of Members thereafter:
 - (i) One-third of the total number of Directors to be elected, or
 - (ii) If one-third of that number is not a whole number, the next highest whole number.
 - (b) There shall be elected to hold office until the second annual Meeting of Members thereafter:
 - (i) One-half of the remaining number of Directors to be elected after applying clause subsection (a), or
 - (ii) If half of that remaining number is not a whole number, the next highest whole number of Directors, and
 - (c) There shall be elected to hold office until the third annual Meeting of Members thereafter the remaining number of Directors to be elected after applying clauses (a) and (b).
 - (d) The chairman of the meeting may either call for three sets of nominations for each of the above groups of Directors, or call for all nominations at the same time on the basis that the Directors receiving the highest number of votes will be elected for the longest terms.
- (3) All Directors elected after the first Meeting of Members (other than Directors elected to fill vacancies) shall be elected to a term of three years.
- (4) The election of Directors shall be by secret ballot. Three scrutineers who are not nominees for Directors shall be appointed by the chairman for the purpose of ascertaining and declaring the results of the election of the Directors. In the event of a tie the chairman is authorized to prescribe a procedure to break the tie.

3.3 Quorum

Subject to the Act and the Regulations, the quorum for the transaction of business at any meeting of the Board shall consist of a majority of the Directors. The quorum for the transaction of business at any committee of the Board shall consist of a majority of the number of committee members.

3.4 Qualifications of Directors

- (1) No person shall be qualified to be a Director if that person is:
 - (a) not an individual;
 - (b) under 18 years of age;
 - (c) an individual who is a dependant adult as defined in the Dependent Adults Act (Alberta), is subject to a Certificate of Incapacity under the Dependent Adults Act (Alberta), is subject to an Order under the Mentally Incapacitated Persons Act (Alberta), or as been found to be a person of unsound mind by a court elsewhere than in Alberta;
 - (d) has the status of undischarged bankrupt;
 - (e) an Administrator, a Supervisor, or a full-time employee of the Cooperative;
 - (f) not a Member or joint Member of the Cooperative, or a shareholder, partner or joint venturer of a corporation, partnership or joint venture which is a Member of the Cooperative (which Members are all included in the term “person” for the purposes of clause 3.4(1)(g) and (h) below);
 - (g) at the date of that person’s nomination for a Director, in default under any Member Agreement with the Cooperative or any Promissory Notes granted to the Cooperative, or is otherwise Not in Good Standing;
 - (h) a person who, being a Director, remains in default under a Member Agreement or a Promissory Note granted to the Cooperative or is otherwise Not in Good Standing, after 14 days’ notice has been given to that person to remedy the default by a person so authorized by the majority of the Board.
- (2) Notwithstanding section (1)(e), a Director may be an officer of the Cooperative and may accept remuneration authorized pursuant to these Bylaws.

3.5 Removal of Directors

- (1) The Board may remove any Director and declare that Director’s office vacant if the Director:
 - (a) Remains in default under a Member Agreement or is otherwise Not in Good Standing, after 14 days’ notice has been given to that Director to remedy the default, or the act or omission which resulted in the Director being Not in Good Standing, by a person so authorized by the majority of the Board;
 - (b) Fails to attend three (3) consecutive regular meetings of the Board of which the Director has been duly notified, unless the Director’s absence has been explained to the satisfaction of the Board;

- (c) Is convicted of an indictable offence for which the Director is liable to imprisonment for a term of not less than two (2) years;
 - (d) Has been established to the satisfaction of the Board to be guilty of disloyalty to the Cooperative;
 - (e) Has been established to the satisfaction of the Board to be no longer qualified.
- (2) The Members of the Cooperative may, by a majority vote at a special or annual Meeting of Members, remove any Director from office.
 - (3) A Director may resign from the Board by giving the Board notice of his resignation in writing.

3.6 Ceasing to Hold Office/Filling Vacancies

A Director ceases to hold office when that Director dies, resigns, is removed from office, or becomes disqualified from continuing as a Director under the Act. If a Director's office is vacant, vacancy may be filled in accordance with the Act.

3.7 Electronic Meetings and Resolutions in Writing

- (1) A Director may attend a meeting of Directors by means of a telephonic, electronic or other communication facility that permits all persons participating in the meeting to communicate adequately with each other during the meeting.
- (2) A resolution in writing signed by all the Directors entitled to vote on that resolution at a meeting of Directors or a committee of Directors is as valid as if it had been passed at a meeting of Directors or of a committee of Directors.
- (3) A resolution may be signed in counterpart, and by fax, in which event a faxed copy of signature shall be deemed as good as an original, and all counterparts taken together shall be deemed to be one and the same instrument.

3.8 Meetings/Notice of Meetings

- (1) The Board shall conduct regular meetings not less than once every 3 months, and shall meet at least 4 times in each year. The Board may 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.
- (2) Notice of the time and place of other meetings of the Board shall be given to each Director not less than 5 days before the time when the meeting is to be held if the notice was delivered personally to each Director or by means of facsimile transmission or email to the last recorded facsimile number or email address of each Director, and not less than 10 days notice if it is given by mail at the last recorded address of the Director or by any other means.

3.9 Time and Place of Meetings

Meetings of the Board shall be held at such time and place in Alberta as the Board, or failing determination by the Board, as the president or chairman, as the case may be, or any two Directors may determine.

3.10 Meeting of New Board

Each Board may without notice hold a meeting immediately following an annual meeting or a meeting of shareholders at which Directors to such Board are elected.

3.11 Adjourned Meeting

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

3.12 Chairman

The chairman of any meeting of the Board shall be the chairman if there is one, or in the absence the chairman, then the vice-chairman. If both are absent, the Directors present shall choose one of their number to be chairman.

3.13 Votes to Govern

At all meetings of the Board, every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the chairman of the meeting shall not be entitled to a casting vote.

3.14 Conflict of Interest

- (1) A Director or officer of the Cooperative must, in accordance with the Act, disclose to the Cooperative the nature and extent of any interest that the Director or officer has in a material contract or transaction, or a proposed material contractor transaction, with the Cooperative and any material change to any such interest.
- (2) This provision does not require disclosure of:
 - (a) a Member Agreement entered into between the Cooperative and a Director or officer,
 - (b) an agreement by a Director or officer to sell livestock to the Cooperative which are subsequently fed and cared for pursuant to a Member Agreement, or
 - (c) any other contract or transaction that is available to and customarily entered into between the Cooperative and its members,

if the said Member Agreement, sale or contract or transaction is on the same terms as are generally available to members.

- (3) Notwithstanding paragraph (2), an Officer or a Director may not vote on contracts or transactions involving a Member Agreement or the sale of livestock involving the Cooperative and an Associate of the Director, provided that a vote in these circumstances will not, of itself, obligate the Director or Officer to account for any profit realized from the contract or transaction, and that the vote may disqualify the Director or Officer from the Board, if the Board, by a majority vote, is satisfied that the vote warrants disqualification.

3.15 Remuneration and Expenses

- (1) The Directors shall be paid such remuneration for their services as the members may from time to time by ordinary resolution determine.
- (2) The Directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the Board or any committee thereof on such basis as may be determined by the Board.

3.16 Financial Statements/Reports

The Board shall submit or cause to be submitted to every annual meeting of the members financial statements as are prescribed by the Act and the Regulations, shall be subject to such standards as may be directed by the Provincial Supervisor, and a report as to the affairs of the Cooperative and the business carried on by the Cooperative.

3.17 Annual Fees

The Directors may set, and vary, fees and levies for the membership, including annual membership fees, supervision fees, administration fees and insurance levies.

SECTION 4 COMMITTEES, OFFICERS AND STAFF

4.1 Committees of Directors

The Board may from time to time appoint committees of Directors from its number and shall prescribe the committee's duties and authority.

4.2 Transaction of Business

The powers of a committee of Directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in Alberta, and shall be held at the call of the chair, or in the absence of the chair, or by any other two committee members.

4.3 Advisory Committees

In addition to functioning committees, the Board may, from time to time, appoint such advisory committees as it deems appropriate provided that the functions of such committees shall be limited to advisory only.

4.4 Procedure

Unless otherwise determined by the Board, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.

4.5 Officers. Powers and Duties

After the first general Meeting of Members, and subsequently, immediately after each annual Meeting of Members, the Board shall meet and appoint:

- (a) from their own number, a Chairman, who shall be chairman of the Board, an exofficio member of all committees, and who shall preside at all Meetings of Members;
- (b) from their own number, a Vice-Chairman, who shall assume the chairman's duties if the chairman is not present;
- (c) such other officers as the Board deems necessary.

4.6 Administrator and Supervisor

The Board shall appoint, and ensure that the Cooperative has at all times, at least one Supervisor and at least one Administrator in accordance with the Feeder Regulations. The Supervisor and the Administrator shall perform the duties required under the Feeder Act and the Feeder Regulations as well as such additional duties as may be designated from time to time by the Board.

4.7 Variations of Powers and Duties

The Board may, subject to the Act, the Feeder Association Regulations, and the Bylaws, vary, add to, or limit the powers and duties of any committee, officer, or employee of the Cooperative.

4.8 Term of Office

The Board, in its discretion, may remove any officer of the Cooperative. Otherwise, each officer appointed by the Board shall hold office until the officer's successor is appointed.

**SECTION 5
DUTY OF CARE AND PROTECTION OF
DIRECTORS, OFFICERS AND OTHERS**

5.1 Duty of Care of Directors and Officers

Directors and officers of the Cooperative, in exercising their powers and discharging their duties, shall

- (a) act honestly and in good faith with a view to the best interests of the Cooperative; and
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

5.2 Insurance

The Cooperative may purchase and maintain such insurance for the benefit of its Directors and officers, as the Board may from time to time determine.

5.3 Indemnity

Subject to the limitations contained in the Act, the Cooperative shall indemnify Directors and officers, former Directors and officers and their heirs and legal representatives and successors, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by them in respect of any civil, criminal or administrative action or proceeding to which they are made a part by reason of being or having been Directors or officers of the Cooperative or such body corporate, if:

- (a) they acted honestly and in good faith with a view to the best interests of the Cooperative; or
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, they had reasonable grounds for believing that their conduct was lawful.

**SECTION 6
SHARES, MEMBERSHIPS AND TRANSFERS**

6.1 Qualifications for Membership

Subject to these Articles and these Bylaws:

- (a) An individual or individuals may only be a Member or a joint Member of the Cooperative if the individual(s) qualifies for membership under the Feeder Regulations;
- (b) A corporation, partnership or joint venture may only be a Member of the Cooperative if they qualify for membership under the Feeder Regulations.

6.2 Application for Membership

A person who qualifies for membership in the Cooperative may apply for Membership by submitting to the Board, or to the person authorized by the Board to approve Membership applications:

- (a) a signed Member Agreement, in such form as the Board may stipulate from time to time;
- (b) a signed Membership Information Form;
- (c) a membership fee in such amount as may be set by the Board, from time to time;
- (d) such other documents or information as may be required by the Board.

6.3 Refusal of Membership Applications

All Applications for Membership in the Cooperative shall be subject to the approval of the Board. The Board, in its discretion, may refuse any Application for Membership. If the Board refuses Application for Membership, the amount tendered for the membership fees shall be promptly returned to the applicant.

6.4 Right to Vote

Each member shall have only one vote at members' meetings.

6.5 Joint Membership, Partnerships and Corporations

- (1) Two or more persons may jointly hold a Membership. Where a Membership is held jointly, the Membership shall be held in joint tenancy unless the joint holders all sign a statement which indicates to the Cooperative that the Membership is to be held as tenants in common. Joint Members are jointly and severally liable for all assessments, levies, fees, payments, and other charges and debts imposed or payable to the Cooperative. A joint Membership exists whenever two or more persons indicate that they wish to hold a single Membership in the Cooperative other than as partners or joint venturers.
- (2) Memberships may be held by corporations, partnerships and joint ventures. The shareholders of corporate Members may be required to sign personal Guarantees in favour of the Cooperative as a condition of Membership. The partners and joint venturers of partnerships and joint ventures which are Members shall be jointly and severally liable for all assessments, levies, fees, payments, and other charges and debts imposed or payable to the Cooperative.

6.6 Transfer and Transmission of Shares

- (1) Memberships and Member Interests may not be transferred without the approval of the Board, and may not be transmitted except as permitted in Bylaw 6.6(2).
- (2) The personal representative of a deceased holder of Memberships and Member Interests is entitled to become a Member of the Member Interests with the approval of the Board if

the personal representative deposits with the Cooperative, together with any reasonable assurances that the Cooperative may require:

- (a) Any certificates or documents reasonably required by the Cooperative to prove that the deceased Member held the Member Interests,
 - (b) A document proving the death of the holder of the Member Interests, and
 - (c) A document proving that the personal representative has the right under the law of the place in which the deceased Member was domiciled immediately before death to deal with the Member Interests.
- (3) Deposit of the documents required by Bylaw 6.6(2) empowers the Board to approve the transfer, assignment or transmission of the Membership and Member Interests from the deceased Member to the personal representative or to any person that the personal representative may designate and to treat the transferee as the owner of the Member Interests.

6.7 Rights and Duties of Members

- (1) Members shall have the right to request that the Cooperative provide livestock to the member for growing and finishing and Equity Loans pursuant to the provisions of the Member Agreement, the Feeder Act and the Feeder Regulation. The Cooperative shall not, however, be obliged to provide such livestock or Equity Loans, and the Cooperative, and its Board, Supervisor and Administrator may, in their discretion, refuse to do so.
- (2) Members shall faithfully support and promote the business and the objectives of the Cooperative, and shall be bound by and comply with these Bylaws, the Articles, the Feeder Act, the Feeder Regulations, the Member Agreement, every obligation referred to in the Member Agreement, and every other agreement between the member and the Cooperative.
- (3) Members shall pay to the Cooperative such fees and levies as may be approved by the Board for payment of administration costs, livestock supervision expenses, insurance costs, and any other costs or expenses incurred by the Cooperative.

6.8 Withdrawal of Members

- (1) A Member may withdraw from the Cooperative by giving a minimum of 3 months' notice in writing of the intention to withdraw. The Board, in its sole discretion, may accept any application for withdrawal upon shorter notice.
- (2) A withdrawing member must satisfy all that member's obligations to the Cooperative, including any obligations under these Bylaws, the Feeder Regulations, any Promissory Notes granted by the member to the Cooperative, and under any Member Agreements or other agreements entered into between the Cooperative and the member. The Board's acceptance of an application for withdrawal shall not constitute a release or waiver of any of the member's said obligations to the Cooperative.

- (3) The Cooperative's obligation to return the balance of any Deposit shall be subject to the provisions of the Member Agreement, the Feeder Act and the Feeder Regulations notwithstanding a member's withdrawal.
- (4) Notwithstanding s. 37 of the Act, a Cooperative shall not be obliged to repay any the Deposit, outstanding loans, or to satisfy other obligations due by the Cooperative to a withdrawing member until the member's obligations to the Cooperative have been paid in full and, in any event, until all requirements described in the Member Agreement and the Feeder Regulations with respect to Deposits have been complied with.

6.9 Termination of Membership

- (1) The Board shall have the right, by special resolution, to terminate the Membership of any Member if, in the opinion of the Board:
 - (a) the Member remains Not in Good Standing, after 14 days' notice has been given to the member to remedy the default which resulted in the Member not being in Good Standing;
 - (b) the Member is petitioned or makes an assignment into bankruptcy, a Receiver is appointed with respect to the Member or the Member's property, or a seizure or extra-judicial seizure is effected with respect to the Member's property which affects the Member's ability to carry on business;
 - (c) the Member is convicted of an offense involving imprisonment without the option of a fine;
 - (d) the Member is a dependent adult as defined in the *Dependent Adults Act* (Alberta), is subject to a Certificate of Incapacity under the *Dependent Adults Act* (Alberta), is subject to an Order under the *Mentally Incapacitated Persons Act* (Alberta), or has been found to be a person of unsound mind by a court elsewhere than in Alberta;
 - (e) there is any other just cause which in the opinion of the Board warrants termination of Membership.
- (2) Within 7 days after the date on which the resolution to terminate the Membership of a Member is passed by the Board, the Cooperative shall, in the same manner as that provided for the giving of notice of a Meeting of Members, notify the person whose Membership was terminated.
- (3) A person whose Membership is terminated for cause or by resolution of the Board may appeal the decision to the next Meeting of Members.
- (4) At the next Meeting of Member, the Members may, by majority vote, affirm or overturn the termination. The outcome shall be final and binding on the Member.
- (5) Termination of membership shall not release, or constitute a waiver of, any of the member's obligations to the Cooperative, including any of the member's obligations

under these Bylaws, the Feeder Regulations, any promissory notes granted by the member to the Cooperative, or under the Member Agreement or other agreements entered into between the Cooperative and the member.

SECTION 7 ALLOCATION OF REVENUES

7.1 Disposition of Surplus Earnings

Disposition of any Surplus Earnings remaining in the hands of the Cooperative at the end of a fiscal year shall be dealt with:

- (a) by setting aside such reserves as the Board considers necessary; or
- (b) by crediting to members in the form of Patronage Dividends, the balance, or the proportion of the balance recommended by the Board and approved by the Members, computed in relationship to the value of the livestock supplied to each of the Members from either the date Patronage Dividends were last paid to Members, or a period approved by a special resolution of the Members..

SECTION 8 DELEGATES

8.1 General

- (1) Any Member may be represented at meetings by delegates, who may vote on behalf of the Member.
- (2) The authority of delegates to represent a Member may be established by an appointment in writing if signed by the Member or by any other means acceptable to the Board.

SECTION 9 MEETINGS OF MEMBERS

9.1 Annual Meetings

- (1) The Board shall call any organizational Meeting of Members within 180 days after the Cooperative comes into existence.
- (2) The Board shall call the first annual Meeting of Members not later than 18 months after the Cooperative comes into existence. Subsequent annual Meetings of Members must be held not later than the earlier of 15 months after the holding of the preceding annual Meeting of Members and six months after the end of the preceding fiscal year.

9.2 Special Meetings

- (1) The Board may at any time call a special Meeting of Members.
- (2) 25% of the members may by written requisition require the Board to call a Meeting of Members for the purposes stated in the requisition.

9.3 Place of Meetings

Meetings of Members shall be held at the business office of the Cooperative or elsewhere in Alberta as the Board may determine.

9.4 Chairman, Secretary and Scrutineers

- (1) The chairman of any Meeting of Members shall be one of the following individuals who is present at the meeting: the Board chairman, or the Board vice-chairman if the chairman is absent, or some other person elected by the Members at the meeting if both the Board chairman and the Board vice-chairman are absent.
- (2) The chairman of the Meeting of Members shall appoint a person to act as secretary of the meeting.
- (3) The chairman of the Meeting of Members may appoint scrutineers under appropriate circumstances, for the purpose of ascertaining and declaring the results of any ballot taken.

9.5 Persons Entitled to be Present

The only persons who are entitled to be present at a Meeting of Members are the Members, their delegates, Directors and officers of the Cooperative and the auditor, if any. Others may only be admitted upon invitation of the Chairman of the meeting or with the consent of the Members or delegates present at the meeting.

9.6 Quorum

A quorum for the transaction of business at any Meeting of Members shall be a minimum of either 10% of the Members who have Deposits which are being held by the Cooperative, or 20 members, (whichever is less) present and entitled to vote at the meeting.

9.7 Order of Business

So far as applicable to a Meeting of Members of the Cooperative, the order of business is as follows:

- (1) Calling of a meeting to order by the Chairman.
- (2) Approval of Minutes of the preceding meeting.
- (3) Business arising out of the minutes.
- (4) Report of the officers and board of Directors and committee reports (if any).
- (5) Consideration of financial statements.
- (6) Report of the auditor.

- (7) Nomination and election of Directors.
- (8) Nomination and appointment of the auditor.
- (9) New business.
- (10) Adjournment.

At any meeting the members may, subject to the Regulations, amend the agenda, add items to it, or delete items from it in accordance with normal rules of practice for the conduct of business and meetings, and in accordance with the direction of the chair.

9.8 Votes to Govern

At any Meeting of Members, every question shall, unless otherwise required by the Act, be determined by the majority of the votes cast on the question. In case of an equality of votes, the motion shall be lost.

9.9 Show of Hands

Subject to the Act and these Bylaws, any question at a Meeting of Members or delegates shall be decided by a show of hands unless a ballot thereon is required. Whenever a vote by show of hands has been taken upon a question, unless a ballot thereon is so required, a declaration by the chairman of the meeting that the vote upon the question has been carried or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the question, and the result of the vote so taken shall be the decision of the Members.

9.10 Ballots

- (1) On any question proposed for consideration at a Meeting of Members, any three Members or delegates entitled to vote at the meeting may demand a ballot. A ballot so demanded shall be taken in such manner as the chairman shall direct. A demand for a ballot may be withdrawn at anytime prior to the taking of the ballot. If a ballot is taken, the result of the ballot shall be the decision of the Members upon the question.
- (2) The Board may authorize and provide for the voting by mail ballot, or by a combination of mail ballot and ballots at a Meeting of Members, on any matter of special business.

SECTION 10 NOTICES

10.1 Method of Giving Notices

Except as may otherwise be provided herein, any notice required under the Act or the Bylaws shall be sufficiently given if delivered personally to the person to whom it is to be given or to that person's last address as recorded in the records of the Cooperative; if mailed, by pre-paid, ordinary mail; or, if the person has a recorded facsimile or e-mail address on the records of the Cooperative, by means of a pre-paid transmitted

communication to such address. A notice so delivered by hand or electronically shall be deemed to be given when it is delivered or transmitted as the case may be. A notice given by mail shall be deemed to be received on the third business day following mailing.

10.2 Undelivered Notices

If any notice given pursuant to this section is returned, the Cooperative shall not be required to give any further notices until the person to whom it is directed informs the Cooperative in writing of their new address, facsimile number, or e-mail as the case may be.

10.3 Waiver of Notice

Any Member, delegate, Director, officer, auditor or member of a committee, may at any time, waive any notice, or waive or abridge the time any notice is required to be given.

SECTION 11 AMENDMENT TO BYLAWS

11.1 Amendment by Members

These Bylaws may be amended, repealed or replaced in whole or in part by ordinary resolution of the Members at any meeting duly constituted for that purpose.

11.2 Amendment by Board

Notwithstanding Article 11.1, the Directors may by ordinary Resolution make or amend a Bylaw, provided such Bylaw or amendment is not contrary to a Bylaw made and approved by the Members and provided further that the Bylaw or amendment as the case may be will be presented to the members at the next meeting of members for confirmation or amendment, failing which the Bylaw or amendment as the case may be will be deemed to be repealed as of the date of the meeting of members at which it was not confirmed.

11.3 Approval of Provincial Supervisor

Notwithstanding Bylaws 11.1 and 11.2, no amendment may be made to these Bylaws which may conflict with the Feeder Act, the Feeder Regulations, the Member Agreement, or any agreement, form or document approved by the Minister under the Feeder Regulations, or any directive or order of the Provincial Supervisor, unless the Cooperative first provides the Provincial Supervisor with 90 days written notice of the text of the proposed amendment, and the Provincial Supervisor approves the proposed amendment.

Passed as a Resolution of the Members of the Cooperative at a meeting held at _____, Alberta the _____ day of _____, 20__.

Witness Signature

Signature and printed Name of Director.

Witness Signature

Signature and printed Name of Director.

Witness Signature

Signature and printed Name of Director.

Witness Signature

Signature and printed Name of Director.

Witness Signature

Signature and printed Name of Director.

Witness Signature

Signature and printed Name of Director.

Witness Signature

Signature and printed Name of Director.

AFFIDAVIT OF EXECUTION

CANADA) I,
)
PROVINCE OF ALBERTA) of the _____ of _____
)
TO WIT:) in the Province of Alberta
)

MAKE OATH AND SAY THAT:

1. I WAS PERSONALLY present and did see the Bylaws of _____ (insert name of Feeder Association), duly signed by:

(insert names of directors whose signatures were witnessed by the witness) named in the attached instrument, who are personally known to me to be the person(s) named therein, duly sign and execute the same for the purposes named therein.

2. THE SAME was executed at the _____ of _____, in the Province of Alberta, and that I am the subscribing witness thereto.

3. I KNOW the said:

(insert names of directors whose signatures were witnessed by the witness) and each is, in my belief, of the full age of eighteen (18) years.

SWORN BEFORE ME at the _____ of _____, in the Province of Alberta, this _____ day of _____, 20__.

A COMMISSIONER FOR OATHS
in and for the Province of Alberta

WITNESS