

NOSTALGIA BROADCASTING COOPERATIVE INC.

BY-LAWS

I William Perlmutter of Winnipeg in the Province of Manitoba, Secretary of Nostalgia Broadcasting Cooperative Inc. certify that these are the by-laws of the Cooperative as approved by the members on April 24, 2018.

April 25, 2018
Date

William Perlmutter
Secretary

**BY-LAWS
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Section One DEFINITIONS

Definitions

1.01 The following definitions apply in these by-laws:

"**Act**" means *The Cooperatives Act*, C.C.S.M. c. C223.

"**articles**" are the articles of the Cooperative and has the same meaning as in the Act;

"**board**" means the board of directors of the Cooperative;

"**by-laws**" means the by-laws of the Cooperative and all amendments in force and effect;

"**Cooperative**" means **Nostalgia Broadcasting Cooperative Inc.;**

"**entity**" means a body corporate, a trust, a partnership, a fund or an unincorporated organization;

"**meeting of members**" means an annual meeting of members or a special meeting of members;

"**member**" means a person with a membership interest in the Cooperative who has complied with by-law 6.01 and the articles;

"**ordinary resolution**" has the same meaning as in the Act, but for clarity means a majority vote of persons present at a meeting who are entitled to vote;

"**person**" means an individual or an entity, and includes a legal representative;

"**recorded address**" means, in the case of a member, the address (postal or electronic) of the member as recorded in the members' register; and in the case of a director, officer, auditor or member of a committee of the board, the latest address (postal or electronic) of such persons as recorded in the records of the Cooperative;

"**special resolution**" has the same meaning as in the Act, but for clarity means at least a 2/3rds vote of persons present at a meeting who are entitled to vote;

"**surplus**" means, for any financial year of the Cooperative, the amount that remains after deducting from revenue all operating expenses (see section 1 of the Act for the technical definition).

Section Two GENERAL

Financial Year

2.01 The Cooperative's financial year end is December 31.

Signing Authority & Policies of the Board

2.02 The president, vice-president, secretary and treasurer of the Cooperative have signing authority. The board may by ordinary resolution designate another person(s) as having signing authority or the right to vote on behalf of the Cooperative. The board must record any resolution under this section in the board's minutes. The board may adopt policies related to purchasing, borrowing, confidentiality, and execution of instruments that must be complied with at all times.

Information Available to Members

2.03 Subject to section 29 of the Act:

- (a) Members are entitled to view or copy information or documents respecting the Cooperative's business unless, in the opinion of the board, such information should be kept confidential.
- (b) The board may decide whether it will disclose or make available to inspection an account, record or document of the Cooperative. The board may decide the extent of the disclosure and the time, place, conditions or rules of disclosure.

Amendments to By-laws

2.04 The by-laws may be amended by the directors. The amendment must then be ratified by ordinary resolution at the next meeting of members.

Section Three DIRECTORS

Number of Directors

3.01 After the first annual meeting of members, the board may, by ordinary resolution, establish the number of directors within the minimum and maximum stated in the articles. The resolution must be recorded in the board's minutes. Once the number of directors is set, the number must not be reduced to meet quorum.

Quorum

3.02 The quorum for the transaction of business at any meeting of the board is a majority of the number of directors.

Director Qualifications

3.03 A person cannot be a director if that person:

- (a) is less than 18 years of age;
- (b) is of unsound mind and has been so found by a court of law;
- (c) is not an individual; or
- (d) is bankrupt.

Directors Must be Members

3.04 A director must be a member of the Cooperative or a representative of an entity that is a member of the Cooperative.

Election and Term

3.05

(a) Directors are elected by secret ballot at the first meeting of members and at each subsequent annual meeting of members. The candidates for director who receive the highest number of votes cast are declared elected until all vacancies are filled.

(b) The members shall elect fifteen (15) directors, each for a two (2) year term, with half the number of directors elected in one year and the other half the following year. A director can be elected for a maximum of four (4) consecutive two (2) year terms.

Nominating Candidates for Director

3.06 Candidates for director shall be nominated by a nominating committee appointed by the board before the meeting of members. Members may declare their own candidacy, in writing, to the secretary at least 30 days in advance of the meeting.

Tie Votes

3.07 In the case of a tie among candidates on the first ballot, those candidates' names must be submitted to a second ballot organized by the chairperson of the meeting. The same rule applies to subsequent ballots that must be held in the event of a tie.

Ceasing to Hold Office

3.08 A director ceases to hold office when the director:

- (a) dies or resigns;
- (b) ceases to be a member by withdrawal or termination of membership;
- (c) is removed from office by the members at a special meeting under by-law 3.09;
- (d) per by-law 3.03, is disqualified from being a director; or
- (e) is absent from three (3) regular meetings of the board in any financial year of the Cooperative, unless in the opinion of the other directors one or more of the absences were justified.

Removal of Directors by Members

3.09 Subject to the Act, the members may, by ordinary resolution at a special meeting, remove any director from office. The vacancy created by such removal may be filled by ordinary resolution of the members present at the same special meeting or, if not so filled, may be filled by the directors in accordance with the Act.

Vacancies

3.10 Subject to section 194 of the Act,

- (a) If the board can meet quorum and a vacancy on the board arises, the directors may either fill the vacancy by ordinary resolution or continue to run the board without filling the vacancy. This subsection does not apply if the vacancy resulted from either the board's decision to increase the number of directors under by-law 3.01 or from a failure of the members to elect the required number of directors.
- (b) If the board cannot meet quorum, or if the vacancy resulted from a failure of the members to elect the required number of directors, the board must call a special meeting of members to fill the vacancy. If the board fails to call the special meeting or if there are no directors, any member may call the special meeting.
- (c) A person who fills a vacancy may only serve the balance of the term of the director whose departure created the vacancy.

Exercise of Authority

3.11

- (a) The board or a committee of the board may exercise the powers of the Cooperative, including the borrowing of money, and the provision of security for such borrowing, by passing ordinary resolutions (majority vote) at their meetings. In the event of a tie, the ordinary resolution fails. This is subject to subsection 202(3) of the Act.
- (b) In the case of a vacancy, the remaining directors of the board or committee of the board may exercise the powers of the Cooperative so long as there is a quorum at their meetings.

Resolutions in Writing

3.12 An ordinary or special resolution of the board must be in writing and the decision must be recorded in the minutes of the Cooperative.

Meetings by Telephone or Other Electronic Means

3.13 Directors may participate in committee or board meetings by telephone, electronic or other means. All participants, however, must be able to communicate adequately with each other. Directors participating in such meetings are deemed to be present at the meetings.

Time and Place of Meetings

3.14 Board meetings must be held in Manitoba at a time and place of the board's choosing.

Notice of Meeting

3.15 Notice of the time, place and purpose of each board meeting must be given to each director not less than three (3) days before the meeting. A director may waive the three-day notice period. This by-law is subject to section 200 of the Act.

Regular Meetings

3.16 The board may set a day, time and place for regular meetings of the board. A notice to that effect must be given to each director. Subject to the Act, no other notice is required.

Chairperson

3.17 The chairperson of any meeting of the board is the president or vice-president. Another director may be appointed chairperson by the directors at the meeting.

Conflict of Interest & Remuneration

3.18 A director or officer who has a conflict of interest as described in section 207 of the Act must declare their conflict of interest in accordance with that section. The following rules apply:

- (a) All officers, directors or committee members must carry out their duties honestly, in good faith and in the best interests of the Cooperative rather than in their own best interest.
- (b) Directors and officers serve without payment of any kind. However, they may be paid for travel or other expenses while doing business for the Cooperative. The board must authorize these expenses. Directors and officers cannot receive compensation for lost income while doing business for the Cooperative.
- (c) A conflict of interest is when someone benefits personally in any way from a decision of the Cooperative or has an interest in a contract that the Cooperative may enter into.
- (d) When a director has or may have a conflict of interest:
 - The director should declare the conflict of interest at the board meeting considering the matter.
 - If a director does not declare a conflict of interest, but another director is aware of one, the other director can bring it up at a meeting.
 - The board then decides whether there is a conflict of interest.
 - If there is a conflict of interest, the director cannot vote on the matter and must not be present while the matter is discussed.

Section Four COMMITTEES AND OFFICERS

Committees of Directors

4.01 The board may appoint committees of directors (minimum of three (3) directors per committee) whose members hold office at the will of the board. The board must determine the functions and duties of each committee. However, the committee may set out its own procedure in accordance with the Act.

Officers

4.02 The officers of the Cooperative include the president, vice-president, secretary, treasurer and any other officers as determined by the board. The board may specify the duties, powers, term, and remuneration of the officers to manage the business and affairs of the Cooperative.

Section Five
DUTY OF CARE AND INDEMNITY OF DIRECTORS AND OFFICERS

Duty of Care of Directors and Officers

5.01 Directors and officers of the Cooperative must:

- (a) act honestly and in good faith with a view to the best interests of the Cooperative;
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and
- (c) not disclose confidential information about the affairs of the Cooperative, its members or employees.
- (d) adhere to the code of conduct as established by the board.

Indemnity

5.02 Subject to the Act, the Cooperative must indemnify directors and officers, former directors and officers, and persons who undertake or have undertaken any liability on behalf of the Cooperative, and their heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgement, reasonably incurred by them in any proceeding to which they are made a party by reason of being or having been directors or officers of the Cooperative, if:

- (a) they acted honestly and in good faith with a view to the best interests of the Cooperative; and
- (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.

Dissent

5.03 Directors are deemed to have consented to any resolution passed or action taken at a meeting of the board or a committee of the board unless they record their dissent within the time and in the manner provided by subsection 213(1) of the Act.

Section Six
MEMBERSHIPS AND TRANSFERS

Membership Qualifications

6.01 No person can become a member of the Cooperative unless that person:

- (a) if an individual, is at least 18 years of age;
- (b) has submitted a written application for membership that has been approved by the board or a person authorized by the board to approve membership applications; and
- (c) has paid the annual, non-refundable membership fee of twenty-five dollars (\$25.00) or other such amount as may be set by the board.

Membership Certificate

6.02 The Cooperative is not required to issue formal certificates for memberships. The Cooperative must, if requested by a member, provide a receipt for the payment of a membership fee.

Transfer of Membership

6.03 No transfer of a membership is valid unless it is completed in accordance with the Articles.

Lien for Indebtedness

6.04 If a member owes a debt to the Cooperative, the Cooperative has and may enforce a lien on:

- (a) any interest of the member in the property of the Cooperative; and
- (b) any sum payable by the Cooperative to the member.

Withdrawal of Membership

6.05 A member may withdraw their membership in the Cooperative by giving thirty (30) days written notice of their intention to withdraw.

Automatic Withdrawal – Death or Dissolution

6.06 An individual's membership in the Cooperative is deemed to be withdrawn on their date of death. By ordinary resolution, the board may deem a body corporate's membership in the Cooperative to be withdrawn if that body corporate has commenced dissolution proceedings or is dissolved by its corporate regulator.

Termination of Membership for Cause

6.07 The board may by special resolution at a meeting of the board terminate the membership of a member for cause.

Meaning of “for Cause”

6.08 For the purpose of by-law 6.07, “for cause” means:

- (a) the failure of the member to meet any contractual or debt obligation owing to the Cooperative;
- (b) the conduct of the member that is detrimental to the welfare of the Cooperative; or
- (c) the failure of the member to transact business with the Cooperative for a period of at least two years.

Notice of the Board Meeting to Terminate

6.09 The member must be given at least seven (7) days' written notice of the board meeting under by-law 6.07 and the notice must include a statement of the grounds for termination. Notice must be given in a manner that enables the Cooperative to prove delivery. The member is entitled to appear at the board meeting and must be given an opportunity to be heard, including through an agent or counsel.

Notice of Termination Following Decision of the Board

6.10 The Cooperative must give written notice to the person whose membership is terminated within seven (7) days of the board resolution. Notice must be given in a manner that enables the Cooperative to prove delivery.

Right of Appeal

6.11 Within fourteen (14) days of receiving the notice of termination under by-law 6.10, the person whose membership was terminated may file a written notice of appeal with the Cooperative. The appeal must be heard at the next meeting of members in accordance with section 244 of the Act.

Repayment of Member Loans

6.12 Within a reasonable time, but no later than one (1) year after a person's withdrawal or termination of membership, the Cooperative must repay to the person any member loans (paid as a condition of membership in the Cooperative) in accordance with section 246 of the Act.

Section Seven
GENERAL RESERVE AND ALLOCATION OF SURPLUS

General Reserve

7.01 The Cooperative must establish and maintain a general reserve to retain the surplus, if any, for a financial year.

Allocation of Surplus – Community Service

7.02 The Cooperative operates entirely for purposes of community service. The Cooperative cannot pay out any patronage returns or dividends on shares to members or patrons. The surplus of the Cooperative in any financial year must be used for the purposes of the Cooperative or donated for community welfare as the board may determine.

Section Eight
MEETINGS OF MEMBERS

Annual Meetings

8.01 The directors of the Cooperative must hold an annual meeting of members in each financial year of the Cooperative. The annual meeting is held for the purpose of considering the directors' annual report, the financial statements, the appointment of auditors, the election of directors, and other business as permitted by the Act.

Special Meetings

8.02 A special meeting may be called by the board at any time, or by 20% of the members who sign and send a written requisition to the board.

Place of Meetings

8.03 Meetings of members are held in Manitoba at a place determined by the Board.

Electronic Meeting

8.04 Where the Cooperative has adequate facilities and at the discretion of the Board, members may participate in meetings of members by telephone or electronic means. All participants, however, must be able to communicate adequately with each other. Members participating in such meetings are deemed to be present, including for the purposes of quorum.

Notice of Meetings

8.05 Notice in writing to their recorded address of the time, place, and purpose of each meeting of members must be given to the members a minimum of twenty-one (21) days in advance of the meeting. This is subject to sections 225 and 226 of the Act.

Chairperson (and Secretary)

8.06 The chairperson of the meeting of members is the president or, in the president's absence, the vice-president. By ordinary resolution, another person may be appointed chairperson. Where the secretary is not present, the chairperson may appoint another person to be secretary for the meeting.

Persons Entitled to be Present

8.07 Only members and the Cooperative's auditors are entitled to be present at a meeting of members. The chairperson may invite other attendees.

Quorum

8.08 Quorum at a meeting of members is the lesser of either the majority of members or the number of directors plus five (5).

Voting at the Meeting

8.09 A person that is on the members' register at the time notice of a meeting is sent is entitled to vote. Voting is governed by these rules:

- (a) votes are counted on a one-member, one-vote basis;
- (b) votes, other than on special resolutions, are passed by a majority of members present who are entitled to vote;
- (c) an ordinary resolution or motion fails in case of a tie vote;

- (d) votes are decided by show of hands, other than votes taken by secret ballot, and the results are reported in minutes of the meeting; and
- (e) a member entitled to vote at the meeting may demand a ballot vote before or after a vote takes place.

Voting by Mail-In or Electronic Ballot

8.10 Where the Cooperative has adequate facilities and at the discretion of the Board, voting (excluding the election of directors) may take place in advance of the members meeting by mail-in or electronic ballot. A person that is on the members' register at the time notice of a meeting is sent is entitled to vote by mail-in or electronic ballot. Voting is governed by these rules:

- (a) votes are counted on a one-member, one-vote basis;
- (b) votes, other than on special resolutions, are passed by a majority of members who are entitled to vote and have actually voted within the time period set by the board;
- (c) an ordinary resolution fails in case of a tie vote; and
- (d) votes are counted on the day of the members' meeting and the results are reported at that meeting.

**Section Nine
NOTICES IN WRITING**

Method of Giving Notices in Writing

9.01 Where written notices are required to be given to members, officers, directors or committee members, those notices must be sent to the person's recorded residence address or e-mail address. Additional notices can be sent or published using any type of media as determined by the board. Notice can be waived by the recipient in accordance with the Act.

Undelivered Notices

9.02 If a notice in writing to a member is returned undelivered on three (3) consecutive occasions, the Cooperative does not need to give further notice until the member provides a new recorded address.