

MOUNTAIN EQUIPMENT CO-OPERATIVE

MEMORANDUM OF ASSOCIATION

1. The name of the Co-operative is Mountain Equipment Co-operative.
2. Purposes of the Co-operative:
 - a) designing, manufacturing, purchasing, selling and renting products for self-propelled wilderness oriented recreational activities, and
 - b) marketing goods and services produced or supplied by members, and
 - c) any business which may conveniently be carried on in connection with those businesses.
3. Authorized Share Capital
Membership Shares
The Co-operative is permitted to issue an unlimited number of membership shares with a par value of five dollars each.
Investment Shares
The Co-operative is not permitted to issue investment shares.
4. The liability of a member is limited in accordance with the Act.

RULES

Mountain Equipment Co-operative's complete, consolidated Memorandum & Rules, incorporating amendments made on April 25th, 2002 and filed on June 24th, 2002; made on April 24th, 2003 and filed on May 26th, 2003 and June 17th, 2003; made on April 22nd, 2004 and filed on July 7th, 2004; made on April 30th, 2005 and filed on July 26th, 2005; made on April 28th, 2007 and filed April 16, 2008; made on April 26, 2008 and filed on May 7, 2008; made on April 29, 2009 and filed June 19, 2009; made on April 29, 2010 and filed on June 2, 2010; made on April 27, 2011 and filed on May 31, 2011; and made on April 25, 2012 and filed on May 24, 2012.

1. Preliminary and definitions

- 1.01 In the Memorandum and these Rules:
 - a) the singular includes the plural, and vice versa,
 - b) persons include corporations, incorporated societies, co-operatives, and other incorporated bodies,
 - c) "director", "Memorandum", "member", "officer", "membership share", and "Rules" have the meanings assigned to them by the Act,
 - d) "Act" means the Cooperative Association Act of British Columbia,
 - e) "close of nominations" means the date and time by which candidates for election as directors must deliver to the Co-operative the materials set out in Rule 13.05,
 - f) "Co-operative" means Mountain Equipment Co-operative,
 - g) "the directors" means the board of directors of the Co-operative,
 - h) "dividend" means the allocation or payment of a surplus to members in proportion to their paid-up shares in the Co-operative,
 - i) "employee" means a person who is, or within the last year was, an employee of the Co-operative or of a corporation of which the Co-operative is the controlling shareholder,
 - j) "may," where it refers to the authority of the directors or the Co-operative to make a decision, without qualification, means that the directors or the Co-operative have the sole discretion to make the decision,

- k) "patronage return" means the allocation or payment of a surplus to members in proportion to the amount spent by them in purchasing goods or services from the Co-operative,
- l) "share" means membership share,
- m) "spouse" means a person who is living with another person in a marriage-like relationship, whether or not they are married, and includes relationships between persons of the same sex, and
- n) "special resolution" means a resolution that is passed by a 75 percent majority of the total votes cast on the resolution by members eligible to vote.

1.02 The Memorandum and Rules are subject to the Act, and the Act contains provisions not repeated in the Rules.

1.03 The Memorandum and Rules may be changed only by special resolution.

2. Becoming a member

2.01 To become a member, a person must:

- a) in the case of an individual, be at least 16 years of age, and
- b) subscribe for and own at least one share.

2.02 Application for membership must be made in a manner decided by the directors.

2.03 The directors may approve or refuse an application for membership.

2.04 Membership is open in a non-discriminatory manner to individuals and corporations that can use the services of the Co-operative and are willing and able to accept the responsibilities of membership.

3. Shares

3.01 A member may own an unlimited number of shares

3.02 Shares must be paid for in full before being issued.

3.03 The Co-operative may issue fractional shares in connection with a purchase of shares pursuant to Rule 5.03, but must not call upon a member to pay the unpaid balance of such shares.

4. Withdrawal from membership

4.01 A member may withdraw from membership by

- a) applying in writing to the directors, and
- b) surrendering any share certificates held by the member.

4.02 An application to withdraw from membership

- a) must be made in a form approved by the directors,
- b) must be delivered to the head office of the Co-operative, and
- c) is effective on the date the member has complied with Rule 4.01.

- 4.03 When an application to withdraw from membership is due to having incurred a continuing mental or physical disability, and the application is accompanied by proof of the disability, then the Co-operative must redeem the shares of the former member within three months, subject to section 66(2) of the Act and these Rules.
- 4.04 Notice to the Co-operative of the
- a) death or bankruptcy of an individual member, or
 - b) bankruptcy, liquidation, or dissolution of a member which is incorporated, has the same effect as an application to withdraw, subject to Part 6.
- 4.05
- 1) When a member withdraws from membership or a membership is terminated or ceases for any reason, all rights and privileges attached to membership cease except the right to require the Co-operative to redeem the member's shares.
 - 2) The cessation of membership does not release the former member from any debt or obligation owed to the Co-operative unless the instrument of debt or obligation states otherwise.
 - 3) Subject to these Rules and section 66(2) of the Act, if a member withdraws from membership, the Co-operative must redeem all the shares of the former member within one year after the date on which the application to withdraw was received.

5. Allocation of surplus

- 5.01 The Co-operative must set aside out of surpluses from its business any reserve required by the Act.
- 5.02 Subject to Rule 5.01, the Co-operative may apportion surpluses from its business to any or all of the following:
- a) declaring patronage returns, and distributing them to the members as set out in Rule 5.03,
 - b) declaring dividends and paying them to the members at a rate not to exceed 8% yearly,
 - c) retaining all or part of the residue for the purposes of the Co-operative,
 - d) donating all or part of the residue for charitable or educational purposes.
- 5.03
- 1) In each financial year, each member must apply the whole of any patronage return to which the member is entitled, net of any withholding taxes, to the purchase of shares in the Co-operative.
 - 2) Each member directs the Co-operative to purchase such shares or fractional shares in the Co-operative in the name of the member, and to apply the whole of any patronage return to which the member is entitled for that purpose.

6. Transfer and redemption of shares

- 6.01 A member may apply to the directors for transfer or redemption of shares.
- 6.02 If a member becomes mentally disordered, the person entitled to the member's shares may apply to have them transferred or redeemed.
- 6.03 An application to transfer or redeem shares must be:

- a) in a form approved by the directors,
 - b) accompanied by the share certificates, if any,
 - c) supported by any proof the directors require, and
 - d) signed by the transferor, or the person entitled to the shares under Rule 6.02.
- 6.04 The directors may approve, refuse or postpone an application for transfer or redemption of shares.
- 6.05 The Co-operative may, on 30 days notice to the member, redeem all or part of a member's shares purchased with patronage returns, and apply the proceeds to a debt owed by the member to the Co-operative.
- 6.06 The Co-operative may at any time redeem all or part of a member's shares purchased with patronage returns, and pay their par value to the member.
- 6.07 The Co-operative must not issue share certificates.
- 6.08 The person entitled to the shares of a deceased or bankrupt member may
- a) if the person is not a member, apply for membership,
 - b) if the person is a member, request that the directors register the shares in the member's name, or
 - c) apply to the directors to redeem the shares.
- 6.09 The Co-operative must not register a share in the name of the person entitled to a deceased or bankrupt member's shares unless
- a) that person is a member, and
 - b) the transfer has been authorized by the directors.
- 6.10 The directors must postpone further redemptions of shares when in any year the Co-operative has redeemed shares to a value of 1% of the Co-operative's share value as a result of member withdrawals.

7. General meetings

- 7.01 1) An annual general meeting must be held each year at a date, time and place set by the directors.
2) The Co-operative shall give notice to the members by publishing the date, time, and place of the annual general meeting, no less than 60 full days in advance of the meeting on the home page of the Co-operative's Internet website.
- 7.02 The Co-operative may hold two or more members' meetings at different locations instead of a single general meeting, as permitted by the Act.
- 7.03 The directors may call a special general meeting.
- 7.04 The directors must call a special general meeting within seven days of receiving a written requisition signed by at least 500 members, subject to section 151(2) of the Act.

- 7.05 The quorum at a general meeting is 50 members who are eligible to vote at that meeting present at all times.
- 7.06 Every member present at a general meeting who became a member 16 weeks or more before that meeting is eligible to vote and has one vote on each matter voted upon in the meeting.
- 7.07 Proxy voting is prohibited.
- 7.08 The chair, or the vice-chair, of the directors (see Rule 15.05) must preside over every general meeting. If neither is willing or able to preside, the members present must choose another person to preside.
- 7.09 A general meeting may adopt rules of order. If the meeting does not adopt other rules, or if the rules adopted do not cover the point raised, Robert's Rules of Order (Newly Revised) must be used as the rules of order.
- 7.10 1) A member which is a corporation may appoint an individual to represent it and vote on its behalf at a general meeting, but the appointment must
- a) be in writing,
 - b) identify the appointing member, and the individual appointed,
 - c) identify the meeting in respect of which the representative is appointed,
 - d) be signed by a duly authorized signatory of the member, and
 - e) include the date of the signature referred to in paragraph (d).
- 2) A representative appointed under this rule is entitled to exercise at that meeting the same rights on behalf of the member as the member could exercise if it were an individual member present, and must be counted for the purpose of determining quorum.
- 7.11 1) The only persons entitled to be present at a general meeting are members of the Co-operative, the auditor, and others who are entitled or required under any provision of the Act or Rules to be present.
- 2) A person who is not entitled to be present at a general meeting under Rule 7.11(1) may be admitted to a meeting only on the invitation of the chair or with the consent of a majority of the members at the meeting.
- 7.12 Any member wishing to move an ordinary resolution at a general meeting must deliver written notice of the resolution to the Co-operative no less than 60 days before the date of the general meeting.
- 7.13 An ordinary resolution of a member will not be binding on the Co-operative unless required under the Act for a purpose specified in the Act, and if passed will be recorded as member input to inform the Board in carrying out its duties.
- 7.14 The directors will not accept or allow an ordinary resolution if at least 75 percent of all the directors determine, by board resolution, that accepting the ordinary resolution is not in the best interests of the Co-operative. The directors will provide reasons for rejecting any resolution.

8. Special resolutions

- 8.01 1) Subject to Rule 8.02, the Co-operative must give notice of the intention to propose a special resolution if the resolution is:
- a) being proposed by the directors, or
 - b) submitted, together with a request by at least five members that notice be given, before the close of nominations as defined in Rule 10.02(1)(c).
- 2) The Co-operative must give notice of the intention to propose a special resolution by posting the notice and the text of the special resolution on the Co-operative's Internet website, concurrently with the election information.
- 8.02 If at least 2/3 of the directors resolve that a special resolution is frivolous, vexatious, or an abuse of process, or that the resolution, if passed, would harm the Co-operative, the Co-operative may refuse to give notice of the resolution. The members requesting notice of the resolution must be notified immediately by the directors of their decision and the reasons for it.
- 8.03 The Co-operative must, along with notice of an election, notify each member of the deadline for submitting a proposed special resolution.
- 8.04 The Co-operative must indicate whether a special resolution is being proposed by the directors, or by members, or both.
- 8.05 The Co-operative must not dispose of the whole or substantially the whole of its undertaking unless
- a) the disposition is authorized by a special resolution, and
 - b) all members have the opportunity to vote on the special resolution by mail or electronic ballot.
- 8.06 All members who joined 16 weeks or more before the next AGM are eligible to vote on special resolutions. Members eligible to vote may vote on special resolutions by paper or electronic ballot.
- 8.07 The election auditor must announce the result of the voting on each special resolution, including the number of votes in favour and the number of votes opposed, at the Annual General Meeting.

9. Voting for directors

- 9.01 Every member who became a member 16 weeks or more before the next annual general meeting is eligible to vote in the current election of directors.
- 9.02 The Co-operative must, along with notice of an election, notify each member of the right to vote and the manner in which the member may request election materials. Notice under this rule may be given by:
- a) facsimile, electronic mail or similar transmission, or
 - b) posting the notice on the Co-operative's Internet web site.

- 9.03 The Co-operative must deliver election materials, including candidates' statements (see Rule 13.06) and voting instructions, to each member eligible under Rule 9.01 on request.
- 9.04 The Co-operative must deliver, without request, election materials to each eligible member who:
- a) voted in one of the two most recent elections, or
 - b) joined less than 16 weeks before the last annual general meeting.
- 9.05 A member may waive receipt of election materials by giving the Co-operative notice. A member may not waive receipt of notice of an election.
- 9.06 Election materials may be delivered:
- a) personally, or
 - b) by mail to the address given by the member,
- or, subject to the approval of the election auditor and the directors, by
- c) facsimile, electronic mail, or similar transmission, or
 - d) posting the materials on the Co-operative's internet web site.
- 9.07 A member may vote by:
- a) mail, or
 - b) depositing a ballot in a designated container at one of the Co-operative's places of business,
- or, subject to the approval of the election auditor and the directors, by
- c) telephone, or
 - d) facsimile, electronic mail, or similar transmission, or
 - e) using an interactive internet website.

10. Election of directors - General provisions

- 10.01 The Co-operative must conduct an election of directors each year.
- 10.02 1) The Co-operative must, at least six weeks before the close of nominations:
- a) give notice of the election to each member,
 - b) solicit nominations, and
 - c) specify the date for the close of nominations.
- 2) Notice under this rule may be given
- a) personally, or
 - b) by mail to the address given by the member,
- or, subject to the approval of the election auditor and the directors, by
- c) facsimile, electronic mail, or similar transmission, or
 - d) posting the notice on the Co-operative's internet web site.
- 10.03 If, at the close of nominations, the number of candidates equals the number of vacancies, the candidates must be declared elected, upon complying with Rule 13.06(b).
- 10.04 Subject to Rule 13.09, there must be nine directors at the end of each annual general meeting.

- 10.05 The full term of office of a director is three years from the close of the annual general meeting at which his or her election is announced until the close of the annual general meeting held three years later.
- 10.06 In each election, subject to Rule 13.09, three directors must be elected for three years, and any other vacant positions must be filled, so that immediately after the annual general meeting (subject to Rule 10.16) there are three directors with three years remaining in their terms, three directors with two years remaining, and three directors with one year remaining.
- 10.07 The directors may decide to conduct an election by preferential voting.
- 10.08 When an election is for terms of differing lengths, those elected with the most votes, or the highest preference, must hold the longest terms. If the election is by acclamation, the terms of those elected must be decided by lot.
- 10.09 If two candidates receive an equal number of votes, or equal preference, the successful candidate, or the term of office, must be decided by lot.
- 10.10 Each candidate may appoint a scrutineer, who may at the candidate's own expense attend the drawing of lots, counting of votes, and at any recount, or in the case of electronic voting, may observe and verify the tabulation process and the controls imposed upon the process.
- 10.11 The election auditor must verify the name and membership number of each member who votes. The methods by which members may vote must ensure that a member's vote is confidential and verifiable, and that a member can only vote once.
- 10.12 The method by which a member votes must present the candidates' names
- a) in the same random order, decided by lot, for each member, or
 - b) so that if there are X candidates, each candidate's name is presented first 1/X times, and in every other position 1/X times.
- 10.13 A member's vote is not valid if in the opinion of the election auditor
- a) it is illegible, unintelligible, or ambiguous, or
 - b) the member did not vote, or voted for more than a specified number of candidates, or
 - c) it appears that the member voted more than once, in which case none of the votes cast by the member will be counted.
- 10.14 The directors may establish policies governing elections and campaigning by candidates, including dates by which
- a) candidate's statements and certificates must be received,
 - b) lots must be drawn,
 - c) election materials must be delivered,
 - d) votes must be received, and
 - e) votes must be counted.

- 10.15 The Co-operative must provide a copy of any policies governing elections and campaigning to all candidates, and to any member on request.
- 10.16 In the event of an interruption of normal postal service, the directors may extend the time for doing anything required in an election, and any director whose term was to end at the annual general meeting continues in office until the election is concluded.
- 10.17 The Co-operative, and its employees, agents, contractors, suppliers, directors, officers, election auditor and nominations committee, must not endorse or indicate preference for any candidate.
- 10.18 A candidate must not endorse or indicate a preference for any other candidate.

11. Appointment and duties of the nominations committee

- 11.01 The directors must appoint a nominations committee. The nominations committee will:
- a) under guidance from the Board, determine and communicate to members in advance of each annual election the desired qualifications, experience and other attributes needed for directors of the Co-operative,
 - b) identify, recruit and nominate members having the qualifications, experience and other attributes necessary to stand for election,
 - c) conduct such other matters as are set out in this or other sections of the Rules or as may be assigned by the Board.
- 11.02 The nominations committee will receive and review all candidate nominations to ensure each complies with the Act and the Rules. Any non-compliant nomination will be rejected and returned to the nominee with reasons for rejection.
- 11.03 The nominations committee will manage the process for the election of directors and ensure that each election is conducted in accordance with the Act and the Rules, and as such, will be responsible for determining the nominees for director who will be included in, and named in the ballot for, each election of directors. In doing so, the nominations committee will select those nominees who meet the desired qualifications, experience and other attributes for directors, and decline any nominations for nominees who do not meet the desired qualifications, experience and other attributes for directors, as per its authority set out in the Rules and Board policy.
- 11.04 Upon determination of the nominees to be included in each election, the nominations committee will provide a list of such nominees to the election auditor.
- 11.05 The nominations committee will appoint a person to attend and witness any drawing of lots required in connection with an election of directors.

12. Appointment and duties of the election auditor

- 12.01 The directors must appoint an election auditor each year prior to the commencement of the election of directors.

- 12.02 The election auditor may be the Co-operative's auditor, a firm of accountants, a trust company, or any other firm which is able to carry out the duties of an election auditor.
- 12.03 The election auditor must:
- a) preside over any necessary drawing of lots,
 - b) receive, validate and count all votes cast,
 - c) perform the audit and verification procedures which in the election auditor's opinion are necessary to validate the methods and process of the election, and
 - d) certify the election as valid, or declare the election invalid if in the election auditor's opinion there were material irregularities in any aspect of the election.
- 12.04 The election auditor must not disclose to any person how any member voted.
- 12.05 If the election is certified as valid, the election auditor must, as soon as practicable, notify each candidate of whether or not the candidate was elected, and notify the directors of the result of the election.
- 12.06 The election auditor must announce the result of the election, including the number of votes received by each candidate, at the annual general meeting.

13. Becoming a director

- 13.01 To qualify for election as a director, a member must, at the close of nominations:
- a) be a resident of Canada,
 - b) not be disqualified by the Act from becoming or acting as a director,
 - c) have been a member for at least three years,
 - d) have purchased or rented from the Co-operative within the previous two years, and
 - e) have voted in at least one of the two most recent elections.
- 13.02 A member is not permitted to be a candidate if
- a) that member, or a member of that member's immediate family, is employed or has in the past three years been employed in any capacity by the Co-operative, or
 - b) that member, or a member of that member's immediate family, is employed in any capacity by any business which is in competition with the Co-operative, or
 - c) a member of that member's immediate family is also a candidate or is an incumbent director who would be on the board at the same time as that member if that member was elected.
- 13.03 For the purposes of these Rules:
- a) "immediate family" means spouse, sibling, parent, child, or any relative of the person or the person's spouse who lives with the member.
 - b) a member does not become employed in any capacity by the Co-operative by serving as a director, or by being appointed to serve as an advisory member of a board committee.
- 13.04 A member is not permitted to be candidate if, on election to the longest term to be filled, the member would be a director for more than seven consecutive years without a period of at least 48 weeks in which the member was not a director.

- 13.05 To become a candidate, a qualified member must submit, by the close of nominations
- a) a written nomination signed by five members, or by a representative of the nominations committee,
 - b) the member's written consent to act as a director, and
 - c) the member's written agreement to follow the rules and policies regarding elections.
- 13.06 To continue as a candidate, a member must, by a date set by the directors:
- a) provide a candidate's statement as specified in the election policies, and
 - b) sign a certificate stating that the member:
 - i) is qualified to act as a director,
 - ii) is aware of the duties of directors under the Act,
 - iii) will not campaign for or on behalf of, or against, any other candidate,
 - iv) has disclosed all personal, employment and business relationships with the Co-operative or its employees, suppliers, contractors or directors, or with other candidates,
 - v) has disclosed all conflicts between the candidate's personal interests and those of the Co-operative,
 - vi) will disclose any future conflicts of interest as soon as they arise, and
 - vii) will comply with the Rules, and any policies set by the directors.
- 13.07 If at least 2/3 of the directors resolve that the member's certificate under Rule 13.06(b) is in any material respect false, incomplete or misleading, or that the candidacy is frivolous, vexatious or for the purpose of harming the Co-operative, the Co-operative may reject or remove the member as a candidate at any time during the election, or after the election, may remove the member as a director.
- 13.08 The directors may appoint a member to fill a director's position which becomes vacant between elections. No more than three directors appointed under this Rule may hold office at the same time. Appointed directors must comply with Rules 13.01, 13.02, 13.03, 13.04, 13.05 and 13.06, and hold office only until the close of the next annual general meeting.
- 13.09
- 1) At least one director must be an individual ordinarily resident in British Columbia.
 - 2) Notwithstanding any other Rule, if at any time none of the nine directors is ordinarily resident in British Columbia, the directors must appoint a tenth director who is an individual ordinarily resident in British Columbia, who holds office until the close of the next annual general meeting.
 - 3) In appointing a tenth director pursuant to this rule, the directors must exercise their discretion subject to the following:
 - a) if in the current or most recent election of directors the candidate who received the nearest number of votes to those who were elected is ordinarily resident in British Columbia, the directors must appoint that person, or
 - b) if in the current or most recent election of directors the candidate who received the nearest number of votes to those who were elected is not ordinarily resident in British Columbia, the directors may appoint any qualified member who is ordinarily resident in British Columbia, taking into consideration the skills needed to be a director, and the value of providing balance on the board.

14. Ceasing to hold office as director

- 14.01 A director may be removed from office before the end of her or his term by:
- (a) a special resolution; or,
 - (b) a resolution passed by no fewer than 75 percent of all the directors.

15. Meetings and functions of directors

- 15.01 The quorum for a meeting of directors is five directors present at all times.
- 15.02 There must be at least four meetings of the directors each year.
- 15.03 A person may participate in a meeting of the directors or a committee by electronic means. Each participant in such a meeting must be able to communicate with all the others, and is deemed to be present, and to have agreed to participate.
- 15.04 The directors may:
- a) conduct the business of the Co-operative,
 - b) delegate their powers, and
 - c) regulate their meetings and affairs.
- 15.05 The directors must:
- a) elect a chair and vice-chair from among the directors,
 - b) appoint a chief executive officer,
 - c) set the powers and duties of the chair and vice-chair, and
 - d) set the title, remuneration, powers, and terms of employment of the chief executive officer.
- 15.06 The directors may appoint other officers and set their duties
- 15.07 The directors may remove an officer at any time by a resolution passed by at least 2/3 of the directors.
- 15.08 The term of office of officers who are directors is one year, unless such an officer resigns or is removed by a resolution of the directors.
- 15.09 The term of office of officers who are employees is determined by the directors.
- 15.10 A resolution approved in writing by at least 2/3 of the directors is as valid as if it had been passed at a directors' meeting. Approval may be by facsimile, electronic mail, or similar method, provided that it is recorded and verifiable.

16. Restriction on employment of a former director

- 16.01 A person may not become an employee, supplier, or contractor of the Co-operative within one year after ceasing to hold office as a director.

16.02 A person who is appointed as an advisory member of a committee of directors does not, by virtue of that appointment, become a director, or an employee, supplier or contractor of the Co-operative for the purposes of the Rules.

17. Indemnification of directors and officers

17.01 The Co-operative must indemnify the directors and officers to the maximum extent permitted by the Act.

18. Financial

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

18.02 An auditor must be appointed by ordinary resolution at every annual general meeting, but the directors may appoint an auditor to fill a vacancy arising between meetings. The remuneration of the auditor must be set by the directors.

18.03 At every annual general meeting, the directors must present the financial statements required by the Act.

18.04 The Co-operative must, on request by a member, but no more than once a year, provide a copy of the Co-operative's latest financial statements and the auditor's report on them to the member.

18.05 The directors may invest all or part of the funds and assets of the Co-operative in such manner and on such terms as they deem in the best interests of the Co-operative.

19. Dispute resolution

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

19.02 A person claiming that a dispute has arisen must, not more than one year after the person became aware, or ought to have become aware, of the circumstances which the person alleges gave rise to the dispute:

- a) give notice of the dispute to the Co-operative, and
- b) provide the Co-operative with a written summary of the dispute and the remedy sought.

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

19.04 The parties must establish an arbitration committee of three volunteers.

- 19.05 Each party must choose one appointee to the arbitration committee within 60 days of notice being received by the Co-operative.
- 19.06 The two initial appointees must choose the third person, who must chair the committee, within 30 days after their appointment.
- 19.07 The arbitration committee must not include any person who is, or is claimed to be, a party to the dispute.
- 19.08 The chair of the arbitration committee must declare all personal, employment or business relationships with any party before being chosen.
- 19.09 The Co-operative must provide a written summary of its position on the dispute to the other party within 60 days of receiving notice, and to the arbitration committee as soon as it is convened.
- 19.10 Each party may make oral submissions to the arbitration committee, personally or through a representative.
- 19.11 If the parties do not otherwise agree, the arbitration committee will sit at the Co-operative's place of business closest to the residence of the person claiming the dispute.
- 19.12 The arbitration committee may:
- a) determine its own procedure, and
 - b) reach decisions by majority vote.
- 19.13 The arbitration committee must:
- a) hear the dispute within 60 days after the chair is chosen,
 - b) come to a decision as soon as reasonably possible, and
 - c) immediately inform the parties of the decision.
- 19.14 The decision of the arbitration committee is final.
- 19.15 Unless the arbitration committee decides otherwise, the parties must bear their own costs.
- 19.16 If a party fails to comply with the provisions of this Part, that party must accept as the final decision the position submitted by the other party under Rule 19.02(b) or Rule 19.09.

20. Notices, service, and seal

- 20.01 Any notice that must be given to the Co-operative must be in writing, and may be given by
- a) delivering it to the registered office, or
 - b) mailing it to the registered office by prepaid mail, or
 - c) sending it by facsimile transmission to a telephone number provided for that purpose, or

- d) delivering it as is otherwise required or permitted by the Act or Rules.
- 20.02 1) Notice or other document which must be served by the Co-operative may be served by mailing it by registered mail to the last known address of the intended recipient, as recorded in the register of members or other record of the Co-operative, or
- a) by personal service, or
 - b) as is otherwise required or permitted by the Act or Rules.
- 2) A notice or other document served under subsection (1) is deemed received on the second day, not including Sundays and statutory holidays, after the date of mailing.
- 20.03 The directors must provide for the safe custody of the seal.
- 20.04 The seal must not be impressed on any instrument unless that impression is attested by the signature or signatures of
- a) any two directors,
 - b) an officer and a director, or
 - c) one or more directors, officers or other persons as determined by resolution of the directors.
- 20.05 If the directors have not adopted a seal for the Co-operative, instruments may be executed on behalf of the Co-operative by the persons specified in Rule 20.04.