

Windfield Co-operative Homes Inc.

**A BY-LAW ABOUT THE GOVERNANCE
OF THE CO-OP**

By-law No. 15

ORGANIZATIONAL BY-LAW

FOR ONTARIO CO-OPS

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ORGANIZATIONAL BY-LAW

The purpose of Winfield Co-operative Homes Inc. (the co-op) is to provide housing to its members. This By-law is the framework for the governance of the co-op. It states the basic rules for how the co-op is organized.

Article 1: About This By-law

1.1 Older By-laws

(a) Repeals

The following by-laws, or parts of by-laws, are repealed when this By-law becomes effective:

- The Organizational (Constitutional) By-law (By-law No. 11).
- The Borrowing By-law (By-law No. 4).

1.2 Priority of this By-law

(a) Conflict with other by-laws

This is the order of priority in case of conflict:

- The Occupancy By-law governs over this By-law and other co-op by-laws.
- This By-law governs over all other co-op by-laws.
- Other by-laws can only change or govern over the Occupancy By-law or this By-law if they specifically state that they are doing so.

1.3 Laws that Apply to the Co-op

(a) *Co-operative Corporations Act and Human Rights Code*

The Ontario *Co-operative Corporations Act* (the *Co-op Act*) and the Ontario *Human Rights Code* are laws that affect things in this By-law. The co-op and the members have to follow them.

(b) Funding program laws

If the co-op received funding under an Ontario government program, it may have to follow governance and organizational rules under the *Housing Services Act*. The co-op's service manager may also have governance and organizational rules. The co-op may also have to follow rules under other funding programs.

(c) **Changing by-laws**

If any part of the co-op by-laws breaks any laws, the board of directors will pass by-law amendments to correct the situation and submit them to the membership for approval. This could happen if there are changes in the laws or new interpretations.

1.4 Special Meanings

(a) **Confidentiality and Conflict of Interest Agreement**

The co-op's Confidentiality and Conflict of Interest Agreement is in Schedule A of this By-law. It must be signed by committee members. Staff must also sign the Agreement or it can be part of an employment or management contract that says the same basic things.

(b) **Directors' Conduct Agreement**

The Directors' Conduct Agreement is in Schedule B of this By-law. It must be signed by all directors.

(c) **Government requirements**

"Government requirements" means the laws, regulations or agreements with government bodies that apply to the co-op.

(e) **Officers**

"Officers" means only the officers stated in Article 13 (Officers). It does not include any staff.

(f) **Relatives**

In this By-law someone is considered a relative of someone else if that person is related by blood, marriage or adoption or has ever lived in the same household at the co-op or somewhere else. In addition,

- **Groups of relatives:** A relative of one person is also a relative of all relatives of that person.
- **Related businesses:** Related businesses are included in the word "relative" in this By-law. A business is related to anyone who owns any part of the business or works for the business or gets any benefit that depends on how well the business does. It does not include owning stock or securities listed on a public exchange.

(g) **Staff**

The word "staff" in co-op by-laws means people who are hired or contracted to perform staff duties at the co-op. It does not matter if they are co-op employees, people who work under a contract with the co-op, or property management or service companies and their staff.

When this By-law talks about the “manager”, it means the senior staff person (even if a different job title is used). It can also mean other staff members who have been authorized to perform some of the manager’s duties stated in this By-law.

Article 2: Membership

2.1 Membership

To become members of the co-op, applicants have to be approved by the board of directors and become residents of the co-op. Any procedures in the other co-op by-laws must be followed. The aims of the application and membership approval process are to make sure that:

- applications are evaluated fairly against the Co-op's membership criteria
- applicants have enough information to decide whether they are interested in living in the Co-op
- the Co-op has enough information to evaluate the application
- the process minimizes loss of revenue caused by vacancies.

2.2 Qualifications for Membership

To become members of the co-op, applicants have to be at least sixteen years old. Applicants for membership in the Co-op must also meet the following standards:

- the household's rental history does not give the Co-op reasonable grounds to believe the household may fail to pay the housing charge
- the household size meets the Applicable Occupancy Standards
- applicants have:
 - a positive attitude towards living in a community with people from different social, economic, and cultural backgrounds, and a commitment to treating other members with respect
 - an interest in contributing to the operation and life of the Co-op
 - a willingness to maintain the unit in good repair.

The Co-op will apply these standards equally to all applicants.

2.3 Applying for Membership

(a) Who applies

All members of an applicant's household have to become members or long-term guests if they intend to move into the co-op. The only exceptions are children of applicants. They are covered by the Occupancy By-law Article on Members' Household and Guests.

(b) **Signing application**

Everyone in a household who intends to become a member has to sign a membership application. Anyone else in the household (except children of the applicant) has to sign a long-term guest application. The applications have to be completed and signed using the co-op's standard forms or the co-op will not consider the applications.

(c) **Other applicant requirements**

Everyone in an applicant's household has to follow

- each applicant must sign a form that gives permission for the Co-op to conduct a credit check and landlord check, for purposes of determining rental history only. The co-op will use the information obtained only in connection with the application
- go through the Co-op's membership or long-term guest approval process
- must provide proof of income in a form determined by the Co-op

This applies to everyone except children under sixteen.

2.4 Financial Responsibility

(a) ***Human Rights Code* requirements about income information**

To comply with the Ontario *Human Rights Code* the co-op can ask applicants for income information only if it also asks for credit references, rental history information and authorization for credit checks. The co-op can consider income information only if it also considers all the other information that was obtained.

(b) **Applicants with credit problems**

In case of problems, the board can approve an application if the applicant has a satisfactory guarantor or co-signer or makes other special financial arrangements.

2.5 Moving in to the Co-op

(a) **Move-in requirements**

Prior to move-in, new members must

- sign the occupancy agreement
- pay the lifetime membership fee, if the co-op has one
- pay the member deposit or follow the member deposit requirements in the Occupancy By-law and
- pay the first month's housing charge.

Applicants will still become members even if they do not do the above, as long as they have been approved by the board and become residents of the co-op.

(b) **Approved long-term guests**

Prior to move-in, a long-term guest agreement has to be signed by the co-op, the member and any approved long-term guests as stated in the Occupancy By-law. This does not apply to children of the applicants.

Article 3: Calling Members' Meetings

3.1 Members' Meeting

The board has to call an annual general members' meeting each year. The board may call other general members' meeting if necessary. A members' meeting can also be called by a motion passed at an earlier members' meeting or as stated in section 6.5 (Requisition to Call a General Members' Meeting).

3.2 Notice of Members' Meetings

(a) Length of notice

Notice of a members' meeting has to be given at least ten days before the date of the meeting. It can't be given more than forty-nine days before the meeting.

(b) Who gets notice

Notice of a members' meeting has to be given to everyone who is a member at the time the notice is sent out.

(c) Contents of notice

Notice of a members' meeting has to state the date, time and place of the meeting. It has to include an agenda for the meeting or state the general nature of the business at the meeting.

(d) Financial statements

A copy of the financial statement and auditor's report has to be given to each member at least ten days before the annual meeting.

(e) Proposed by-law or budget

A proposed by-law or budget has to be mentioned in a notice of meeting or an agenda sent out with the notice. A copy of the proposed by-law or budget has to be given to each member at least five days before the meeting.

Article 4: Holding Members' Meetings

4.1 Agenda of Members' Meetings

(a) All meetings

The agenda for all meetings has to be approved at the meeting. The agenda can only include things referred to in the notice of the meeting or a proposed agenda sent out with the notice. Members cannot vote on anything else, although they can discuss other business without voting.

(b) Proposed agenda

The board has to present a proposed agenda for each members' meeting. The proposed agenda should be sent out with notice of the meeting. It can also be sent out later or presented at the beginning of the meeting, but it can only include things referred to in the notice of the meeting.

(c) Adding items

Any member can have something put on the proposed agenda by sending a written request to the board. The board has to put the item on the proposed agenda for the next members' meeting. If the next meeting is less than fifteen days after the request is received, the board will put it on the proposed agenda for the following meeting. Anything added to the proposed agenda has to be within the powers of the members as stated in section 6.1 of this By-law (*Co-op Act* Requirements).

4.2 Authority of Members' Meetings

A members' meeting can amend any by-law or budget presented to it. They can do this even if the version they pass is different from, or contrary to, what was originally sent out under section 3.3(e) (Proposed by-law or budget). Any decision at a members' meeting must be within the powers of the members as stated in section 6.1 of this By-law (*Co-op Act* Requirements).

4.3 Quorum at Members' Meetings

(a) Minimum number

Fifteen percent of the members is the minimum number that must be present for the co-op to hold a legal members' meeting. This is called a quorum. A quorum must be present at the beginning of the meeting and at the time of any vote. If there is not a quorum, anything done has no official status.

- If there is a secret ballot, a quorum has to be present at the time the ballots are collected, but not when the result is announced.

- When counting quorum, the chair is included if the chair is a member of the co-op.

(b) **If no quorum**

A meeting should start at the time stated in the notice of the meeting or as soon after that as a quorum arrives. A meeting has to be called off if the following apply:

- if a quorum has not arrived by thirty minutes after the time stated in the notice, or
- if a quorum is not present when it is time for a vote.

(c) **Continuing the meeting at a later time**

If a meeting is called off because there is not a quorum, the members who are present can vote to continue the meeting between five and fifteen days later. The agenda for the continued meeting will be the same as for the original meeting. There must be at least two days' notice of the continued meeting as stated in section 3.3 (Notice of Members' Meetings).

(d) **Quorum at continued meeting**

Sections 4.3(a) and (b) apply to the continued meeting, but if a full quorum has not arrived thirty minutes after the time stated in the notice of the meeting, the quorum for that meeting will be ten percent of the members.

(e) **Appeal meeting or requisitioned meeting**

If a meeting is to consider a member requisition or an appeal of a board decision that is permitted under another by-law, sections 4.3(a) and (b) apply, but the meeting cannot be continued at a later time to consider the requisition or appeal. Sections 4.3(c) and (d) do not apply. The board does not have to call another meeting in response to the requisition or appeal. If a meeting is continued to deal with other items, the requisitioned item or appeal will not be on the agenda for the continued meeting.

4.4 Attendance by Non-Members

(a) **Non-members**

Non-members, including staff, can attend and speak at members' meetings only if the chair gives them permission. The members can reverse the chair's permission. Non-members cannot vote or make motions.

(b) **Manager**

The board should usually arrange for the manager to be present at members' meetings to answer questions and explain things.

4.5 Minutes and Record of Attendance

The board will arrange for the secretary or someone else to keep minutes and a record of all persons who attend members' meetings. The minutes should comply with section 20.1 (Confidentiality of Minutes).

Article 5: Procedure

5.1 Chair

(a) Chosen by board

The chair for each members' meeting will be chosen by the board. The board can choose a director or member or an outside person.

(b) Outside chair

If the board chooses an outside person who is not a member, the members must approve that person at the meeting. If they do not approve the outside person, the chair will be another member chosen by the board.

(c) If board does not choose

If the board does not choose someone else, the chair will be the president.

5.2 Voting

(a) Right to vote

Every member of the co-op has the right to one vote at any members' meeting. Anyone can vote who is a member at the time of the vote.

(b) Must be present

Members can vote only if they are present at the meeting. Members cannot appoint someone else to vote for them.

(c) Secret ballot

Voting is by show of hands unless there is a secret ballot. There will be a secret ballot in the following cases:

- electing directors
- where the board decides there should be a secret ballot and states this on the agenda for the meeting, and
- where the members at the meeting decide by simple majority vote to have a secret ballot on a motion.

(d) Voting by chair

The chair can vote only if the chair is a member of the co-op and only in the following situations.

- **Secret ballot:** The chair can vote on a secret ballot. If it is a tie, the chair does not get a second vote.
- **Other votes:** The chair can vote only to break a tie.

5.3 Majority Required

(a) Simple majority

A simple majority vote is needed to make any decision at a members' meeting unless a by-law or the *Co-op Act* has other requirements. A simple majority is more than half the votes cast, without counting abstentions. A tie vote defeats the motion.

(b) Two-thirds majority

A two-thirds majority vote is needed to confirm by-laws and by-law amendments. This means at least two-thirds of the votes cast, without counting abstentions and without rounding. A two-thirds majority vote is also needed to confirm special resolutions. Special resolutions are required in certain situations stated in the *Co-op Act* and the co-op by-laws. Examples are when amending the Articles of Incorporation and when approving Major Commitments under section 24.2(a) (Approval Process – How member approval is given).

Article 6: Member Control

6.1 *Co-op Act* Requirements

The *Co-op Act* states the basic requirements for member control and board of directors responsibility. These are:

(a) **Board responsibility**

The board supervises the management of the affairs and business of the co-op.

(b) **Member control**

The members do not manage the affairs of the co-op. They have final say only in the ways stated in the *Co-op Act*. In addition, the by-laws require member approval for certain actions. Examples where member approval is required are:

- electing directors
- removing directors
- approving the housing charges
- approving operating and capital budgets
- appointing the auditor
- approving commitments as stated in section 23.1(a) (Major Commitments – When member approval is needed)
- confirming by-laws and by-law changes

6.2 Requisitions

If any members feel that there is a problem that requires a membership decision, they can submit a requisition. This is sometimes called a petition. Requisitions are not business as usual, but are used as a last resort in unusual circumstances where members feel they are not being served by the board. The *Co-op Act* has detailed rules for requisitions. Members should consult the Act. The next part of this Article has explanations and additions. The last section of this Article has rules that apply to all requisitions.

6.3 Requisition to Put Something on the Agenda for a Members' Meeting

Members can submit a requisition to put something on the agenda for the next general members' meeting. This may not be necessary because a single member can do the same thing under section 4.1(d) (Agenda of Members' Meeting – Adding items) of this By-law. The requisition can also ask the board to circulate a statement about something already on the agenda. The requisition must include the exact wording of the statement. Details of this kind of requisition include:

- **Section 71:** See Section 71 of the *Co-op Act*.
- **Five percent:** The requisition must be signed by five percent of the members.

- **21 days:** A requisition to add an item must be received at least 21 days before the meeting.
- **14 days:** A requisition to circulate a statement about something must be received at least 14 days before the meeting.
- **Limits:** The agenda item must be within the authority of the members.

6.4 Requisition to Pass a By-law or Directors' Resolution

Members can submit a requisition for the board of directors to pass a by-law or resolution. The requisition must include the exact wording of the by-law or resolution. The board does not have to agree with the requisition. In that case the board calls a general members' meeting to consider the question. If the board does not do that, then anyone who signed the requisition can call the general members' meeting. Details of this kind of requisition include:

- **Section 70:** See Section 70 of the *Co-op Act*.
- **Ten percent:** The requisition must be signed by ten percent of the members.
- **21 days:** If the board agrees with the requisition, it has 21 days to pass the by-law or resolution and call a members' meeting to confirm it, if necessary.
- **General members' meeting:** If the board does not agree with the requisition, it can call a general members' meeting to decide. If the board does not call a general members' meeting within 21 days, then anyone who signed the requisition can call the meeting. The meeting has to be held within 60 days.
- **No repetition:** If the requisition failed, no new requisition is permitted for a similar by-law or resolution for two years.

6.5 Requisition to Call a General Members' Meeting

Members can submit a requisition for the board of directors to call a general members' meeting. The requisition must state the purpose of the meeting. This is normally used when the board has not been calling enough meetings or members want information about something from the board. It can also be used if members want to remove directors from the board. It does not authorize the members to pass a by-law unless the board has already passed it. Details of this kind of requisition include:

- **Section 79:** See Section 79 of the *Co-op Act*.
- **Five percent:** The requisition must be signed by five percent of the members.
- **30 days:** The board must call and hold the general members' meeting within 30 days.
- **60 days:** If the board does not call and hold a general members' meeting within 30 days, then anyone who signed the requisition can call the meeting. The meeting has to be held within 60 days.
- **Limits:** The business for the meeting must be within the authority of the members.

6.6 Requirements for All Requisitions

Requisitions have to follow the requirements of the *Co-op Act*. This can be very detailed and complicated. The following rules apply to requisitions at the co-op under the *Co-op Act* and the by-laws.

- **Exact wording:** Requisitions must include the exact wording of the proposed motion, resolution, by-law, etc.
- **Original signatures:** The requisition submitted must have the original of all signatures, not photocopies. It cannot be signed or submitted electronically. Section 25.3(c) (Notices to Co-op – Electronic mail) does not apply.
- **Multiple pages:** The signatures can be on more than one page, but each page has to have the full wording of the proposed motion, resolution, by-law, etc.
- **Time limits:** All time limits start when the original requisition is given to the co-op as stated in section 25.3 (Notices to Co-op).
- **Calling meetings:** Meetings called under requisitions are called in the same way as other members' meetings and with the same notice periods and are governed by the same rules.
- **Planned meetings:** The board does not have to call a separate meeting under Sections 70 or 79 of the *Co-op Act*, but can put the requisition on the agenda for another members' meeting within the same time limits.

Article 7: Board of Directors

7.1 Number of Directors

The board of directors is made up of eight (8) directors.

7.2 Who Can be a Director

(a) *Co-op Act*

Directors have to be members of the co-op who are at least 18 years old and have the other qualifications stated in the *Co-op Act*. These qualifications are that a director may not be bankrupt or incapable of managing property under the *Substitute Decisions Act*. They apply at the time directors are elected and while they are directors. If an existing director no longer has the required qualifications, the position on the board is automatically vacant.

(b) Good financial standing

Members who are in arrears cannot be elected or appointed as directors. Existing director who go into arrears will automatically cease to be a member of the board.

(c) Members of same household

Two or more members who occupy the same unit may not be directors at the same time.

(d) Management or service company employee

A member cannot be a director as stated in section 17.7(a) (Management or Service Company Employee – Can't be director or officer) and the Occupancy By-law section on "Co-op Employees".

(e) Former directors who resigned

A member who resigns as a director may not be on the board until the second annual election after resigning. Until then, the member cannot be elected to the board or appointed to fill a board vacancy. The member cannot run at the first annual election after resigning.

(f) Former directors who were removed from the board for breaking obligations of confidentiality

A member who was removed from the board for disclosing confidential information and/or breaking their obligation to keep secret confidential information may not be on the board for a period of five (5) years. See Article 19 Confidential Information and Article 20 Confidentiality Situations for definition of confidential information and procedures when confidential

information may be disclosed and procedures when obligations regarding confidential information has been broken.

(g) Conduct and Confidentiality and Conflict of Interest Agreements

Every director has to sign a Directors' Conduct Agreement and a Confidentiality and Conflict of Interest Agreement. The Agreements have to be signed before the election meeting or within ten days afterwards. A signed copy of each Agreement must be given to the manager. If a director fails to do this, the position on the board is automatically vacant.

(g) Issues about qualification

A. Before the board elections

Any question about whether the member meets the requirements to be a director should be resolved before board elections, if possible. If there is a disagreement, the member can run for the board. If elected, the member will not become a director until the board decides on the question.

B. After the board elections

If a question about a director's qualifications at the time of election comes up later, the director will continue on the board until the board makes a decision about it.

C. Effect of board decision

If the decision under A. or B. is that the member did not meet the requirements, the position on the board is automatically vacant. The decision is not subject to appeal.

(h) Board procedure for deciding about qualification

The member must be given written notice of the board meeting to discuss whether the member met the requirements to be a director. The notice has to be given at least ten days before the meeting and must state the date, time and place of the meeting and the reason why the member may not have met the requirements. The member can appear and speak at the meeting. The member can have a representative at the meeting. The board decides and votes without the member present.

7.3 Term of Office

(a) Length of term

Directors serve for terms of two years. A term of two years means a term starting at the end of an annual members' election meeting and ending at the

end of the second annual members' election meeting after that. This means that a term will not be exactly two years.

(b) **First meeting of new board**

The board must meet no more than fifteen (15) days after an annual general members' election meeting or any meeting where more than forty percent of the director positions are elected. The time for the meeting can be postponed only if all directors sign a consent to postpone it. Until the board meeting, the co-op signing officers prior to the election will keep their responsibilities under this By-law.

(c) **Staggered terms**

Directors' terms will be staggered so that in one year about half the directors will be elected for two-year terms and in the next year the other directors will be elected for two-year terms. If there is a vacancy, the replacement will serve for the remainder of the former director's term.

(d) **Election for partial terms**

Sometimes a single election is for directors with full terms and partial terms. An example would be where a director resigned and the board did not appoint someone. At those elections the candidates with the largest number of votes will be elected to the full terms. If there is a tie for the last full-term position, the board will decide. The decision will be recorded in the board minutes.

(e) **Term Limits**

There are no term limits. At the end of a two-year term a member may choose to run for election again.

Article 8: Board Elections

8.1 Election Officer or Committee

(a) Before election meeting

Before a members' meeting to elect directors, the board can appoint an election committee. The committee could have only one member, who would be called the election officer. The committee members do not have to be members of the co-op. The committee is responsible for

- giving information about the election to the members, including educating members on the duties and responsibilities of the board
- finding candidates
- discussing qualification issues with candidates
- making sure the election follows the rules stated in the *Co-op Act* and the by-laws, and
- supplying ballots at the members' meeting.

(b) Number of candidates

The election committee should try to have more candidates than the number of directors to be elected.

(c) Nominations

The election committee can present a list of candidates to the members' meeting. Nominations are not required for those candidates. Members can nominate other candidates. Members can nominate themselves. Nominations do not have to be seconded.

(d) Counting votes

The election committee supervises counting the votes and announces the results. The members' meeting should choose two or more members unrelated to the candidates to count the votes. If there is no election committee, or if the members do not choose people to count the votes, the chair will decide how the votes will be counted.

8.2 Election Procedures

(a) Annual members' election meeting

Members elect the directors at the annual meeting, but they can be scheduled for another meeting. If there are vacancies, they are filled as stated in section 12.3 (Vacancies).

(b) **Voting**

Sections 90 and 91 of the *Co-op Act* state election and voting procedures that the co-op must follow. These include:

- The election is by secret ballot.
- Members must cast a number of votes equal to the number of positions to be filled. Any ballot which votes has more or less will not be counted.
- Members cannot vote more than once for a candidate.
- Members cannot appoint someone else to vote for them.

(c) **Quorum requirements**

Members can vote only during a proper meeting. There must be a quorum present from the time the ballot boxes open until the final vote is cast. There does not have to be a quorum while the votes are being counted and when the results of the vote are announced.

(d) **Most votes**

The candidates with the most votes are elected to the board. The number of votes for each candidate or the order in which they finished should not be announced. If applicable, there will be an announcement of:

- the names of candidates tied for the last position
- the names of candidates elected for a full term and for a partial term.

(e) **Tie vote**

If there is a tie for the last position, there will be a second ballot between the tied candidates. If a quorum is no longer present, the board has to call another meeting to complete the election. Candidates can withdraw so this will not be necessary. The term of the other directors starts immediately.

(f) **Acclamation**

If the number of nominees is equal to the number to be elected or less, those candidates are elected by acclamation.

(g) **Lower number elected**

If the number of directors elected is lower than the positions available, the vacancies can be filled by the board under section 12.3 (Vacancies).

8.3 Recount

(a) **Immediate recount**

A member can move to have a recount immediately after the results are announced. If a quorum is still present and at least nine members support the motion, there will be an immediate recount. One of the members who supported the motion can be present during the counting.

(b) **Special recount meeting**

If there has not been an immediate recount, five percent of the members can requisition a special members' meeting to recount the votes. See section 6.5 (Requisition to Call a General Members' Meeting). This requisition must be received during the seven days following the election meeting. There will be a recount at the meeting. One of the members who signed the requisition can be present during the counting. Until the recount, the results announced at the election meeting will stand.

(c) **Used ballots**

The election committee or the chair will destroy the ballots right after a recount. If there is no recount at the election meeting, the ballots will be kept in a safe place during the seven days following the election meeting. They will be destroyed on the eighth day unless a recount meeting has been requisitioned under this section.

Article 9: Role of the Board of Directors

9.1 Duties of Board of Directors

The board is responsible for the good governance of the co-op. The board supervises the management of the co-op. It can use all the powers of the co-op, unless the *Co-op Act* or the by-laws say that a members' meeting is needed to decide on something. Some of the board's duties are to:

(a) Members

- approve or refuse membership applications
- call members' meetings and present an agenda to the members
- report to the members on the activities of the board and committees
- pay attention to the community needs of the members
- make sure that education about co-operatives is available to members

(b) Finances

- oversee the financial affairs of the co-op
- present a budget to the members
- make financial decisions for the co-op within the budget and by-laws
- arrange for long-term financial planning based on expected future needs of the co-op
- make sure the co-op has a current building condition assessment, a current reserve fund study and an asset management plan
- report to the members on the co-op's finances

(c) Maintenance

- ensure that the co-op's property is well maintained and repairs are done when needed
- make sure that the system for responding to member work orders operates efficiently

(d) Risk management

- make sure the co-op has appropriate insurance for the co-op property and for co-op liability
- make sure that other kinds of insurance are maintained if prudent and cost-effective, such as directors' and officers' liability insurance and employee and contractor dishonesty insurance or bonding
- evaluate long-term maintenance contracts for co-op equipment
- make sure the co-op has a disaster relief plan
- arrange for all required fire plans
- make sure the co-op's electronic records and data are backed up and protected

(e) Organization

- make sure that co-op by-laws are reviewed regularly

- have a clear outline of the responsibilities of committees and staff
- direct and co-ordinate the activities of committees
- involve the co-op in the broader co-operative movement and in the local community

(f) **Staffing**

- deal with staffing as stated in Article 16 (Staffing)

9.2 Committees and Staff

The board can arrange for things to be done by committees or staff. The board has to supervise them. Committees report to the board.

The board has final responsibility and can overrule committees or staff. If the board decides to establish a committee:

- The board appoints members to a committee. The board can add or remove committee members at will.
- The board decides when the work of the committee is finished or when a committee is ended.
- All committee members must sign a Confidentiality and Conflict of Interest prior to serving on the committee.

9.3 Powers of Individual Directors

The board of directors can act only by a decision of the board as a whole. Individual directors have no authority to act except as stated in a by-law or as authorized by a decision at a board meeting.

Article 10: Standards for Directors

10.1 Standard of Care

Standards of care required for a director are stated in the *Co-op Act* and other laws. A director must

- act honestly, in good faith and in the best interests of the co-op rather than in the director's personal interest, and
- use the care, diligence and skill of a reasonably prudent person.

10.2 Performance of Directors' Duties

Each director must

- attend all board and members' meetings unless excused by the board based on advance notice of absence or later information if advance notice was not possible
- prepare for all meetings
- comply with the co-op by-laws and with board decisions, and
- comply with the Directors' Conduct Agreement and the Confidentiality and Conflict of Interest Agreement.

Article 11: Board Procedures

11.1 Board Meetings

(a) Regular meetings

The board will hold six (6) regular meetings a year, at a regular time and place set by the board.

- There is no need to give notice of regular meetings.
- The board can consider or adopt a motion even if no advance notice of the item was given.

(b) Special meetings

The board can hold special meetings. A special meeting can be called by a decision of the board, by the president or vice-president or by a quorum of directors. It can be held at any place the board approves. A director with a conflict of interest cannot call a special meeting about the item where there is a conflict or be part of the quorum that calls the special meeting.

- Each director must be given at least three days written notice. In case of emergency, less notice can be given and/or notice can be given in person or by phone or voicemail.
- The notice must state the general nature of the meeting's business. An agenda should be included with the notice if possible.
- The board can only adopt motions about things that were within the notice or on the agenda.

(c) E-mail notices

Any director can agree in writing to accept notices by e-mail. This can be done using section 2 of the Directors' Conduct Agreement. E-mail can be used to give those directors notices of board meetings, agendas of board meetings and reports and other documents related to board functions. Highly sensitive materials should not be sent by e-mail but should be distributed at the meeting and all copies should be collected afterwards.

(d) Giving up the right to a notice

Directors can give up their right to notice of a specific meeting. This can be done in writing or by attending the meeting.

11.2 Quorum at Board Meetings

A quorum must be present in order to hold a board meeting and make decisions or transact any business. A quorum equals a majority of the number of directors stated in section 7.1 (Number of Directors). The number required for a quorum can only be reduced by an amendment to this By-law and only if the new quorum complies with the *Co-op Act*. It is not reduced by vacancies, conflicts of interest or for any other

reason. If the chair is a member of the co-op, the chair is included when counting quorum.

11.3 Phone Meetings

Any or all directors can participate in a board meeting by conference phone or other equipment where all the directors can hear each other. A director participating in those ways is considered to be present at the meeting.

11.4 Board Polls

(a) Effect of board poll

If no director objects, a board poll can be used to get an advance opinion from the directors. A board poll is not a legal decision. The results have to be reported to the next board meeting. The board poll becomes a legal decision if the board passes a motion to confirm it.

(b) Procedure for board poll

A board poll can be arranged by a decision of the board, by the president or vice-president or by the manager. The poll can be conducted by e-mail, telephone or in other way. All directors will be given the same information and the opportunity to state their position on the issue.

(c) Acting on board poll

Before the next regular board meeting, action can be taken as a result of a board poll only if

- the result of the board poll is confirmed by a special board meeting, which could be by telephone, or
- the action is within the authority of the manager or another person who takes the action.

11.5 Chair

The chair for all board meetings will be the president, or the vice-president if the president is absent. The board can choose someone else. That person can be another director, a member or an outside person. The chair can only vote in order to break a tie and only if the chair is a director.

11.6 Voting

Each director has one vote at board meetings. A simple majority vote is needed to make any decision, unless a by-law, or the *Co-op Act*, states something else. An abstention is not counted as a vote. A tie vote defeats the motion unless the chair is a director and votes to break the tie.

11.7 Procedures

Procedures at board meetings will be the same as at members' meetings.

11.8 Members, Staff and Guests at Board Meetings

Members, staff and guests can attend the non-confidential part of board meetings with the permission of the board. Permission can be withdrawn at any time. Persons who are not directors can speak with the board's permission, but they cannot make motions or vote.

11.9 Minutes of Board Meetings

The approved minutes, or brief summaries, should be made available to members as soon as possible after they are approved. A copy of the approved minutes must be available to members at the co-op office during regular office hours. This does not include confidential minutes as stated in section 20.1 (Confidentiality of Minutes).

Article 12: Early Ending of Directors' Terms

12.1 Resignation of a Director

(a) Submitting resignation

A director can resign by giving written notice to the co-op. The notice must be delivered to the president or to the co-op office. The resignation will not take effect until the time stated in this section.

(b) If there would still be quorum

The board will consider the resignation at the first meeting after it is received. If the board would still have a quorum after the resignation takes effect, the board must accept the resignation at that meeting. The resignation will take effect when it is accepted.

(c) If there would not be quorum

If the resignation would leave the board without a quorum, it will take effect thirty days after the board meeting or earlier if enough vacancies are filled so there will be a quorum. The vacancies can be filled by the board or by the members if the item is on the agenda for a members' meeting during the thirty days.

(d) Withdrawing resignation

A director can withdraw a resignation before it takes effect, but only if the board passes a motion to consent to withdrawal.

12.2 Removal of a Director

(a) Members can remove

A members' meeting can remove any director before the end of the director's term. This can be for the reasons stated in the next paragraph of this section or for any other reason that the members wish. Notice that a motion made to remove a director must be given to all members at least ten days before the meeting. The motion must be passed by majority vote.

(b) Board can recommend removal

The board can recommend that the members remove a director if the board decides that the director has broken Article 10 (Standards for Directors) or has not carried out the other responsibilities of a director or member.

(c) Procedure for board recommendation

The director must be given written notice of the board meeting to discuss the recommendation. The notice has to be given at least ten days before the

meeting and must state the time and place of the meeting and the grounds for the recommendation. The director can appear and speak at the meeting. The director can have a representative at the meeting. The board decides and votes on the recommendation without the director present.

(d) Report to members

If the board votes to recommend removal and the director does not resign, the board must report the recommendation to the next members' meeting. The members make the final decision. If no motion is passed at the members' meeting, the board decision is confirmed and removal is effective on the day of the members' meeting.

(e) Until members' meeting

If the board votes to recommend removal, then until the members' meeting the director will not be entitled to attend board meetings as a director or count in the quorum or receive notices or documents that go to directors.

(f) Resignation after board decision

If the board votes to recommend removal, the director may decide to resign before the next members' meeting. If the director submits a written resignation, it will take effect only as stated in section 12.1 (Resignation of a Director).

(g) Removal for prohibited conflict of interest

The board can remove a director with a prohibited conflict of interest as stated in section 18.5(e) (Rules for Directors – If there is a prohibited situation). In that case, removal is effective immediately and does not require approval by the members.

12.3 Vacancies

(a) When the members remove a director

When the members remove a director, they can elect any qualified person for the rest of the term of the former director. Article 8 (Board Elections) applies with all necessary changes. If the members do not fill the vacancy, the board can do so.

(b) When members do not elect enough directors

When the members do not elect the full number of directors at an election meeting, the board can appoint a qualified person to fill the vacancy.

(c) When vacancies occur for any other reason

When there is a vacancy on the board and the previous paragraph doesn't apply, the board can appoint a qualified person for the rest of the term of the former director. The appointment takes effect immediately, but the election of the director must be put on the agenda for the next members' meeting. The

appointment will be considered confirmed unless the members elect someone else.

(d) If no board quorum

If there is a vacancy and the board no longer has a quorum, the remaining directors must call a members' meeting. If they do not do so, then the manager or anyone who was an officer within the last twelve months can call the meeting. At that meeting the members elect directors to serve the rest of the terms of the former directors.

Article 13: Officers

13.1 Election of Officers

(a) Electing officers

The board elects the following officers annually, or more often as needed:

- president
- vice-president
- secretary
- treasurer

(b) Electing officers

Officers will be elected at the first meeting after the board's election. The board can fill vacancies as necessary. The board can elect any other officers and give them any authority and duties.

(c) Qualifications

All officers must be members of the co-op. Only the president and vice-president have to be directors. An office becomes vacant when the officer is no longer a member. If the president or vice-president ceases to be a director, the office automatically becomes vacant. If other officers cease to be directors, the office does not automatically become vacant.

(d) Only one office

Directors and other members can only hold one office at a time.

13.2 Confidentiality and Conflict of Interest Agreement

All officers who are not directors must sign a Confidentiality and Conflict of Interest Agreement within ten days after they become officers. A signed copy must be given to the manager. People who fail to do this are automatically removed as officers.

13.3 Resignation of Officers

(a) Different from resignation as a director

This section deals with the resignation of an officer. Section 12.1 deals with the resignation of a director. An officer who is a director can resign as an officer without resigning as a director.

(b) How to resign

An officer can resign by giving written notice to the co-op. The notice must be delivered to the president or to the co-op office. The resignation will take effect

at the time the resignation is received or at the time stated in the resignation, if that is later.

13.4 Removal of Officers

(a) Different from removal as a director

This section deals with removing an officer separate from removal as a director. Section 12.2 deals with removing a director. When a director is also an officer, removal as a director does not automatically include removal as an officer except in the case of the president or vice-president.

(b) How to remove an officer

The board can remove any officer at any time and for any reason. At least three days' written notice of a motion to remove an officer must be given to all directors and to the officer, if not a director. The officer can appear and speak at the meeting. The board decides and votes without the officer present. If the officer is removed, the board can immediately fill the vacancy.

Article 14: Officers' Duties

14.1 The President

The president

- gives leadership to the co-op
- represents the co-op to the outside world unless the board has appointed someone else for a specific event or purpose
- chairs meetings of the board unless the board chooses someone else
- follows the decisions approved at board and members' meetings
- acts as the co-op's representative in ongoing dealings with staff unless this duty is given to another officer
- co-ordinates the work of the board, committees, members and staff, and
- reports about board activities at every members' meeting.

14.2 The Vice-President

The vice-president performs the president's duties in the absence of the president and generally works with the president in carrying out the president's duties. The president and vice-president review their roles regularly to make sure that they are carrying out all their responsibilities.

14.3 The Secretary

(a) Role of staff

Staff is responsible for performing regular secretarial duties for the co-op. The manager must see that all the staff duties are done and that legal requirements are met. The secretary will be familiar with staff secretarial duties and report to the board if staff is not adequately performing them. The secretary will perform any secretarial duties that are not part of staff responsibilities.

(b) Duties

The secretarial duties are:

- giving all required notices of board and members' meetings
- providing all necessary documents for board and members' meetings
- ensuring that co-op minutes and minute books are properly kept up and meet appropriate standards, including
 - minutes of board and members' meetings include all motions and the results of the motions
 - all reports, resolutions, by-laws and other things submitted at a meeting are attached to or included with the minutes
 - minutes of board and members' meetings are duly signed by two signing officers and inserted in the minute book

- the minute book is kept up to date, and
- minutes of all board and members' meetings are distributed before the next meeting
- making all necessary corporate filings with the government, and
- arranging for a copy of all new by-laws to be given to the members as soon as possible after they are confirmed.

14.4 The Treasurer

(a) Role of staff

Staff is responsible for the day-to-day financial management of the co-op. The treasurer must understand and review the co-op's finances and report on them to the board and the members and any financial committees. The treasurer will report to the board if staff is not adequately performing its duties in relation to finances. The treasurer will report to the board with respect to any financial problems and issues.

(b) Treasurer's duties

The treasurer will

- act as the co-op's representative in dealing with the auditor beyond what is normally done by staff
- work with staff and the auditor in implementing and monitoring internal financial controls
- when available, sign cheques on behalf of the co-op along with one other signing officer
- each month, review the reconciliation of the co-op's bank accounts performed by staff, sign the reconciliation statement to show the review has been performed and report to the board on any problems
- work with staff in preparing an annual budget and any capital budget and present the budget to the board, and
- receive a copy of any management report from the auditor as soon as possible, report to the board on it and work with staff and the board in implementing its recommendations.

Article 15: Membership in Federations

15.1 Membership in Federations

The co-op should be a member of the Co-operative Housing Federation of Canada, any local co-op housing federation and other co-operative federations and bodies which support and promote co-operative housing.

15.2 Board Appoints

The board will appoint delegates to the Co-operative Housing Federation of Canada, the local co-op housing federation and other bodies as necessary, and define their duties and authority. They must be members of the co-op, but do not have to be directors or officers. Article 13 (Officers) will apply to them in the same way as to officers. The same member can be delegate to more than one body.

15.3 Federation Delegates

Each federation delegate

- represents the co-op at meetings of the federation
- informs the board and the members of what the federation is doing
- informs the federation of the views and concerns of the co-op, and
- votes at federation meetings. The delegate should get direction from the board on important issues.

15.4 Expenses

The co-op will pay the reasonable expenses of delegates and other members appointed to attend federation activities.

Article 16: Staffing

16.1 Staffing the Co-op

The board is responsible for co-op staffing. This includes:

- recommending amounts for staffing in the budget presented to the members
- arranging contracts with property management or service companies or others or hiring employees
- negotiating management fees, salary and employment terms, as applicable
- making sure there is an adequate contract for all staffing services including a description of duties, responsibilities and authority
- following the Occupancy By-law section on “Co-op Employees”, and
- making sure that education about co-operatives is available to staff.

16.2 Dealing with Staff

(a) Board responsibility

The board is the final authority for the co-op in relation to staff. This includes:

- dealing with property management or service companies
- supervising the manager
- reviewing performance of property management companies and employed staff at least annually
- considering increases in fees or salaries when desirable
- dealing with complaints and problems relating to property management companies and employed staff, and
- terminating staffing contracts when needed.

(b) Manager

The board can give authority to the co-op manager to deal with some of its responsibilities in relation to other staff.

16.3 Confidentiality and Conflict of Interest Agreement

The board must make sure that all contracts for staffing include an agreement that the staff will follow the confidentiality and conflict of interest requirements of this By-law. This could be in employment contracts or contracts with property management or service companies or other contracts. The board must arrange for all staff to sign a Confidentiality and Conflict of Interest Agreement when they become staff. A signed copy must be kept with staff contracts. The Agreement must be the one in Schedule A, or it can be part of an employment, management or other contract as long as it says the same basic things.

16.4 Staff Information

(a) Confidential staff information

The co-op will respect the right of staff to privacy in their relations with the co-op and in personal information. Confidential staff information includes staff salaries, fees for staff, employment contracts, management contracts, records of reviews and complaints, personal information and personal health information.

(b) Access to confidential staff information

The board can have access to confidential staff information as necessary to make any decisions about staff. Individual directors can have access only as authorized by the board. They must keep the information confidential. The general membership cannot have access.

(c) Review by new directors

Directors must have all significant information about the co-op's contracts and obligations in order to do their job. Within thirty days after they are elected or appointed, each new director should review all the co-op's employment contracts, management contracts, staff salaries, benefit payments, fees and related materials.

(d) Detailed review by new officers

The officers that are mainly responsible for staff need to have more detailed knowledge of staff information. Within thirty days after they are elected, the president, the treasurer and any other officer designated by the board, will review the complete co-op file for the last year on all staff. If there are any active complaints or other issues outstanding when they are elected, the retiring officers will give them all relevant information.

(e) Backup copies

The board must ensure that complete copies of all staffing contracts and important documents relating to staffing are sent to the co-op's lawyer or auditor.

Article 17: No Payment of Directors and Officers

17.1 No Payment for Being a Director or Officer

Directors and officers must serve without payment of any kind for being a director or officer.

17.2 No Other Payment to Directors or Officers

Except as stated in this Article, directors and officers and their relatives cannot receive any pay, remuneration or compensation from the co-op.

17.3 Authorized Expenses

Directors and officers may be reimbursed for reasonable travel or other expenses while doing business for the co-op. The board of directors must authorize these expenses. These expenses must meet guidelines and limits set by the board. The co-op cannot compensate directors or officers for income that was lost because they were spending time at co-op meetings or doing things for the co-op.

17.4 Contracts with Co-op

Except as specifically permitted in this By-law, directors and officers and their relatives cannot enter into any contracts with the co-op other than contracts that are generally available to other members, such as occupancy or performance agreements.

17.5 On-call

Directors and officers and their relatives can be on-call committee members if the total on-call payment for the director or officer and all relatives is no more than \$100 per month.

17.6 One Year Gap

One year must pass after someone is a director or officer before that person or any of their relatives can be a paid employee or contractor of the co-op.

17.7 Management or Service Company Employee

(a) Can't be director or officer

A member cannot be a director or officer if the member or a relative is employed by a company that provides services to the co-op. This also applies if

the member or a relative is related to the business as defined in section 1.4(g) (Special Meanings – Relatives).

(b) Making contract

The co-op may make a contract with a property management or service company or business even though one of its employees or a relative was a director or officer of the co-op within the prior year if all of the following are true:

- The company was selected after a fair competitive process.
- The director or officer did not take any part in the selection or contracting process, either on behalf of the co-op or the company [see section 18.5 (Rules for Directors)].
- The director or officer resigns from the board or the office before the contract starts.
- The company does not employ the director or officer or their relatives at the co-op for one year after the contract starts – even if it would be permitted under the Occupancy By-law section on “Co-op Employees”.

Article 18: Conflict of Interest

18.1 Purpose of this Article

The rules in this Article are to help avoid conflicts of interest and to have fair ways to deal with them. They apply in addition to the requirements of the *Co-op Act* and other legal and government requirements. The first part of this Article explains conflict of interest. The definition of relatives is also important [section 1.4(g) (Special Meanings – Relatives)]. The second part of this Article states rules for different situations.

18.2 Understanding Conflict of Interest

People who make decisions on behalf of the co-op should make the decisions in the best interests of the co-op – not in their personal interests. This includes directors, officers, committee members and staff. Decisions at a members' meeting are governed by section 18.9 (Members' Conflict of Interest).

18.3 What is Conflict of Interest?

Two things create a conflict of interest:

- someone takes part in a decision on behalf of the co-op, and
- the decision benefits that person or a relative or friend in a way that is different from most co-op members.
- A relative of a member on the member selection committee or the Board applies to become a member of the co-op

(a) Taking part in a decision

People who take part in a decision on behalf of the co-op include:

- directors voting on a motion
- committee members making a decision or recommendation
- staff making a decision or giving advice to the board about a decision

(b) Benefits of a decision

Benefits of a decision include:

- direct or indirect benefits
- actual or potential benefits
- benefits to relatives and friends
- non-financial benefits

18.4 Conflict Situations

Two kinds of situations can become conflicts of interest:

- manageable situations
- prohibited situations

(a) **Manageable situations**

Manageable situations are part of the ordinary operation of the co-op. They could become conflicts of interest if the person getting the benefit takes part in the decision. Examples:

- A director puts in a work order for major renovations to their unit.
- A friend of a director is given a Notice to Appear.
- An employee requests a pay raise.

(b) **Prohibited situations**

Prohibited situations are things that do not happen in the ordinary operation of co-ops. They are often illegal. Examples include:

- A director gets a reduced price on carpeting from the same company that is contracting for carpeting for the co-op.
- A property management company or an employee receives an incentive or commission in connection with a contract signed by the co-op.
- A director is a partner or shareholder in a company that is bidding on the co-op's snow shoveling contract.

18.5 Rules for Directors

(a) **Declaring**

If a director has a conflict of interest or is involved in a situation that could become a conflict of interest, the director must declare it in writing before the next board meeting. If the director learns about it at a board meeting, the director must declare it at the meeting.

(b) **If in doubt, declare**

If a director is not sure whether something would be a conflict of interest, the director must report it to the board in the same way as stated in the previous paragraph. If other directors or members think a director could have a conflict of interest or is involved in a situation that could become a conflict of interest, they should also report it to the board.

(c) **Deciding**

The board has to decide if there is a conflict of interest and what to do about it. It should be considered at the first meeting after it is declared or reported or the next one after that. The persons who might have a conflict cannot participate in the process of deciding. They cannot be present while the decision is being made. The conflict declaration and the board decision must be recorded in the minutes of the meeting. This could be in the confidential minutes if appropriate.

(d) **If there is a manageable situation**

If there is a manageable situation, the person with the potential conflict

- cannot vote or participate in any decision-making relating to the item
- cannot be present at a meeting while the item is under discussion
- cannot see any of the documents or materials relating to the item, either before or after the decision is made

(e) **If there is a prohibited situation**

If there is a prohibited situation, the circumstances have to be changed so the prohibited situation no longer exists. It may not be enough for the director to leave the board since the director may have learned something that would give an advantage to someone, such as a bidder on a contract. Steps to be take could include one or more of the following:

A. **Resignation**

The person involved can resign as a director.

B. **Removal**

The board can remove the person involved from the board. Despite section 12.2 (Removal of a Director), removal under this section is effective as soon as the board passes the motion. There is no appeal to the members. If there is enough time, the director should be given written notice of the board meeting to discuss removal including the time and place of the meeting and the grounds for removal. The director can appear and speak at the meeting. The board decides and votes on the removal without the director present.

C. **Deal with someone else**

If the situation involved bidding on a contract with the co-op or selling something to the co-op, the co-op can reject the bidder or seller that is involved.

D. **Change the situation**

The situation that created the prohibited conflict can be changed in other ways so there will not be a prohibited conflict.

(f) **Government requirements**

Individual directors and the board as a whole must also follow government and funder reporting and procedural requirements about conflict of interest.

18.6 Rules for Officers

Officers have to follow the same rules as directors, including any officers who are not directors.

18.7 Rules for Committee Members

(a) Declaring

Committee members must declare conflicts of interest and situations that could become a conflict of interest to the committee in the same way as directors declare them to the board. In addition, a copy of all conflict declarations should be given to the board, including those made during a committee meeting.

(b) Deciding

A committee has to decide about conflict of interest in the same way as the board. In addition, the chair of the committee has to give the board a written report on the situation no later than three days after the committee meeting.

(c) Dealing with committee conflicts

A committee has to deal with conflict of interest in the same way as the board. In addition, the board can make a decision about a committee conflict. The committee has to follow the board decision.

18.8 Rules for Staff

(a) Declaration by property management company

If the co-op has a contract with a property management company, that company has to declare conflicts of interest and any situation that could become a conflict of interest by giving a written report to the president as soon as possible. This has to be presented to the board at the next meeting. This could be a conflict of interest or situation involving the property manager's staff at the co-op or involving the company or its owners or personnel who do not work at the co-op. The written report should state proposed steps to deal with the situation.

(b) Service companies or others who are not employees

Service companies and others who are not employees have to follow the same requirements as property management companies under (a).

(c) Declaration by manager

If the manager is an employee of the co-op and has a conflict of interest, or is involved in a situation that could become a conflict of interest, the manager has to give a written report and explanation to the president as soon as possible. This has to be presented to the board at the next meeting.

(d) Declaration by other staff

Other co-op employees who have a conflict of interest, or are involved in situations that could become conflicts of interest, have to report it to the manager immediately. The manager will give any immediate directions that are needed and give a written report and explanation to the president as soon as possible. This has to be presented to the board at the next meeting.

(e) **Board action**

The board will decide if there is a conflict of interest and what steps to take.

18.9 Members' Conflict of Interest

At members' meetings, all members can discuss and vote as they wish, even if they have a conflict of interest. Members are encouraged to declare the conflict of interest before taking part in the discussion. Members should try to act in the best interests of the co-op as a whole.

18.10 Proof

(a) **When required**

The board can ask someone for evidence to prove that there is no conflict of interest or that the conflict of interest rules have been followed. It does this when deciding if there is a conflict of interest or investigating compliance with conflict of interest requirements.

(b) **Response**

Members and staff must give complete proof and details in response to a request under this section. This may require showing documents and getting sworn statements from everyone involved. Failure to provide proof under this section is a breach of this By-law. Also, failure to provide proof can be evidence of non-compliance with conflict of interest requirements.

Article 19: Confidential Information

19.1 Co-op Confidentiality Policy

The co-op has information about co-op members and the members themselves deal with and control that information while carrying out duties for the co-op. The co-op's policy is to protect that information and only use or disclose it as necessary or appropriate. The rules in this part of the By-law are to outline co-op systems to do this. They apply in addition to all legal and government requirements.

19.2 Kinds of Information

(a) Confidential information

Confidential information is

- personal information
- confidential co-op information, and
- confidential staff information

(b) Personal information

Personal information is information about an individual. The information can be recorded on paper, electronically or in other ways. It also includes information that has not been recorded in writing. Personal information may be known to other people and not confidential. That does not affect the co-op's duty to treat it under the personal information rules in this By-law.

(c) Confidential co-op information

Confidential co-op information is information about the co-op or co-op business which should be kept confidential to protect the co-op.

(d) Confidential staff information

Confidential staff information is confidential information about co-op staff. It includes property management fees, staff salary and benefits except as presented in a general way in the co-op budget. It also includes property management and individual staff contracts.

19.3 Basic Rules

The following basic rules govern how the co-op deals with personal information. They are subject to all government and legal requirements and the other parts of this By-law.

(a) Personal information

- The Co-op will only collect personal information that is needed for the co-op's operations.

- Personal information will only be kept as long as it is legally needed or still relevant.
 - Members and staff have a right to see personal information about them that the co-op has and to correct any errors.
- (b) **All confidential information**
- Confidential information will only be shown to people on a need-to-know basis or as permitted or required by government and legal requirements or co-op by-laws.
 - Confidential information will be used and stored in a way that protects confidentiality.

19.4 Limiting Collection

The co-op will only collect personal information that is necessary to perform the co-op's functions under the co-op by-laws and government requirements. This can include:

- credit, reference and other information for new applicants, members applying for an internal move and applicants for long-term guest status
- reference and other information about applicants for work at the co-op
- household income and household composition information for households who apply for or receive subsidy and any other information needed under government requirements
- household composition information for all members in order to know who is living in a unit and to enforce the co-op by-laws
- information about the condition of a member's unit
- information about payment of housing charges
- information about possible breaches of co-op by-laws
- information about performance by co-op staff

19.5 Limiting Disclosure

(a) **Board of directors decides on confidentiality**

If there is any doubt, the board of directors will decide whether any information is confidential and whether confidential information should be disclosed. The Occupancy By-law states when information can be disclosed in certain situations. Other co-op by-laws can also deal with confidential information.

(b) **Obligations apply to everyone and do not end**

All co-op members and staff must follow the requirements of this By-law and the Occupancy By-law about disclosing confidential information. It does not matter how anyone got the confidential information. It could be by serving on the board or a committee, by a statement at a members' meeting or even by accident. The requirements of this By-law continue to apply even after

someone no longer has the position under which they got the information or even after they are no longer members or co-op staff.

(c) **Breaking obligations**

Unauthorized disclosure of confidential information is serious and could be grounds for eviction under the Occupancy By-law, removal from the board of directors, termination of employment without notice or other legal actions. In deciding what to do about any unauthorized disclosure, the board will consider factors like the sensitivity of the confidential information, how often it was disclosed and who received it.

19.6 Access to Personal Files and Accounts

(a) **Right to see file**

Members have the right to see their own personal files and financial accounts during co-op office hours. Members may have to make an appointment.

(b) **Notes and copies**

Members who look at their files can take notes. They can make photocopies of materials in the file. They must pay any photocopying charge normally charged by the co-op for personal photocopies. Staff may decide to make the photocopies for them.

(c) **Exclusions**

Letters to and from the co-op's lawyers about a member, complaints or investigations relating to a member, confidential board minutes related to a member and similar things are not part of a member's personal file. These may be kept in a separate legal file. The same applies to electronic information. If there is any issue about whether a member can see these items, the co-op will get legal advice.

(d) **Written statements by members**

Members can put written statements in their files.

(e) **Errors**

If a member believes that there is a factual or other error in their personal file or accounts, staff should try to correct the problem. If the member is still not satisfied, the member can make a complaint under Article 22 (Confidential Information Complaints).

19.7 Staff Access to Personnel Files

Co-op staff will have the right to see their personnel files as stated in their contracts with the co-op. Access that is not dealt with in a staff contract will be decided by the

board. The board will be guided by the principles applicable to members' access in this Article.

Article 20: Confidentiality Situations

20.1 Confidentiality of Minutes

(a) Record of attendance

The record of attendance at members' meetings should not be part of the minutes. It should be kept separately in a separate confidential minute book. The record of attendance at board and committee meetings should be part of the minutes.

(b) Motions

Minutes should record all motions passed or rejected. They can also include names of movers and seconders and information on the discussions. They do not have to. This applies to members' meetings and board and committee meetings. At the request of any director, minutes of board meetings should state whether that director voted for or against something.

(c) Confidential board minutes

When the board discusses things involving confidential information or members' personal information, the minutes of these discussions must be kept in a separate confidential minute book. This includes any reports or documents and any motions or decisions. Only directors and staff can see the confidential minutes unless the board decides to let someone else see them. Directors cannot see confidential minutes where they would have a conflict of interest.

(d) Right of membership to information

The board must decide which items go in the confidential minutes. They should remember that the members have the right to be kept fully informed about the co-op's business. The board must have a good reason for keeping something confidential.

(e) Committee business

Committees have to follow the same rules as the board. If there is any doubt, the committee should report to the board and the board will decide.

20.2 No Taping of Meetings

(a) Recording co-op meetings

People present at a co-op meeting can take notes but are not allowed to record the meeting, whether by tape or any other device. This includes members' meetings, board meetings and committee meetings. It includes the participants in the meeting, such as directors or committee members, and also members and guests. It applies whether the people are present in person or by conference phone or other equipment.

(b) Board authorization

The board can authorize taping or recording of meetings to help in minute-taking or for other reasons. Only the board can give the authorization, whether it is for a board, members' or committee meeting. The motion to authorize taping or recording must be recorded in the minutes of a board meeting.

20.3 Electronic Entry and Security Systems

(a) Electronic records

The co-op may have security cameras, key fobs or other systems that automatically create records. These are called electronic records in this section. They are considered confidential information under this By-law.

(b) Approval at a members' meeting

The installation of any new electronic records system, or any major change in an existing system, requires approval at a members' meeting. The board can approve other changes, such as relocation of a security camera.

(c) Location of security camera screens

Live monitors, computer or television screens that show images from security cameras will be placed so that only authorized staff can see them. A motion at a members' meeting can decide something else. This does not apply if the co-op has arranged for direct viewing on a cable or similar channel.

(d) Checking electronic records

Electronic records will be checked as necessary by authorized staff. No one else can see them except as stated in this section.

(e) Discarding electronic records

The board will decide on a normal time frame for discarding or recycling each kind of electronic record unless one of the following applies:

- The manager is aware of an incident or situation where the records may shed light on the problem in the future.
- Someone has submitted an incident report or complaint where the manager believes the records could be relevant.
- The manager feels the records could be relevant in a legal proceeding.
- The manager has received an indication that the records should be kept as evidence.

20.4 Incidents

(a) Use of records

When the manager is reporting to the board on any incident, complaint or situation, the manager should report to the board on what is shown by relevant

paper, electronic and other records. The manager may show the record itself. Records will be made available to the police under a warrant and may be made available without a warrant when the manager thinks it is appropriate.

(b) Disputes between members

Paper, electronic and other records may be requested by someone who is having a dispute with someone else. The following apply:

- The records will be kept if the manager is given notice that they may be needed.
- If the records show information about someone not related to the matter, they will not be shown without that person's written consent.
- If both sides consent in writing, records may be reviewed by those involved or their lawyers or representatives.
- A member can submit a written request to see the records to the board. If the board decides to permit this, the records will be available to people on both sides of the dispute.
- Despite the above, the records will be shown or delivered in obedience to any subpoena or court order.

(c) Legal action

Paper, electronic and other records may be shown or sent to the co-op's lawyers or anyone investigating or dealing with an incident or complaint on behalf of the co-op. Paper, electronic and other records may be used in connection with any eviction or procedure in Court or at the Landlord and Tenant Board.

Article 21: Ensuring Privacy

21.1 Privacy Officer

The president will be the co-op's privacy officer unless the board chooses someone else. The name, business address and business telephone number of the privacy officer will be made available on request.

21.2 Duties of the Privacy Officer

The privacy officer will work with the manager to review the co-op's confidential information procedures and consult with the manager on specific situations, concerns and issues raised by the manager, including the ones in Article 20 (Confidentiality Situations). The privacy officer will be accountable for the co-op's compliance with confidentiality requirements. The privacy officer can report to the board on any specific situation and on any recommendations for improvements in the co-op's confidential information practices and procedures.

21.3 Limits on Privacy Officer

The privacy officer will not have authority to give directions or orders to staff, board or committees or to incur any expense. The privacy officer can point out the problem and the person responsible should correct it. If they do not do so, or if there is any disagreement, the privacy officer can report the situation to the board. The board's decision will be final.

Article 22: Confidential Information Complaints

22.1 Making Complaints

Any member, staff member or other person can make a complaint to the privacy officer about confidential information. Complaints should be in writing signed by the person making the complaint. No special form is needed. The privacy officer should assist in putting the complaint in writing, if necessary.

22.2 Informal Action

Depending on the nature of the complaint, the privacy officer may try to resolve the situation informally, such as by consulting with the member and staff and assisting them to come to agreement on the issue.

22.3 Referral to Board

If a complaint is not resolved informally, the privacy officer will refer the complaint to the board of directors. The privacy officer will always refer a complaint to the board if the privacy officer feels an investigation could hurt anyone's rights, if staff is involved, or if legal advice is needed.

22.4 Investigating Complaints

The board will decide whether an investigation of the complaint is needed. An investigation could be done by the privacy officer or someone else. The board will determine the procedure. The board can decide to get legal advice.

22.5 Board Report

After completing the investigation, the investigator will give a written report to the board. The report should summarize the position of the parties to the complaint, the investigation process and the investigator's conclusions and recommendations. It should include a copy of the complaint, any written response and any relevant documents.

22.6 Board Action

The board will decide what steps to take as a result of the report.

22.7 Confidentiality of Complaint Process

The complaint, all materials related to the investigation and the report will be considered confidential information. If the complaint is about someone, that person

will be shown the complaint or a summary and given an opportunity to comment. The board may decide to permit the person who complained or anyone complained about to see the report and to give comments. The board does not have to do this. The board will decide whether the report or any materials relating to the complaint should be inserted in the file of the party who complained or the party complained about or neither.

Article 23: Financial

23.1 Major Commitments

(a) When member approval is needed

The following actions are called “Major Commitments” in this By-law. They can be taken by the board of directors on behalf of the co-op, but only if they have been authorized by the members under this Article or are within the exceptions in (b):

- borrowing money
- mortgaging co-op property or giving any kind of security for a loan or payment of a debt through a charge, mortgage, pledge or other security interest in real or personal property of the co-op
- issuing, selling or pledging securities of the co-op
- investing co-op money as stated in section 23.3(e) (Investment of Co-op Money – Alternatives)
- acquiring real estate by purchase, lease or in other ways
- selling, transferring, leasing or disposing of real estate
- entering into agreements that will involve charges to the members for items that were not included in the most recent approved budget
- entering into non-residential leases for space that was not leased before
- entering into agreements with government bodies that may require changes in the co-op by-laws
- entering into any agreements or commitments with a term of more than ten years or where the other party can renew the term so the total is more than ten years

(b) When member approval is not needed

Despite the previous paragraph, the following actions are not considered Major Commitments and the board can take them without member approval:

- borrowing money without security as long as the total unsecured borrowing of the co-op will be less than \$25,000
- renewing or refinancing an existing loan without increasing the principal, including a loan secured by mortgage or in other ways
- entering into any agreements or commitments that can only continue for ten years or less (including renewals)
- renewing or extending non-residential leases or signing new non-residential leases of the same space.

(c) **Optional member approval**

The board can request approval from the members for any action that is not within the definition of Major Commitment. If the board requests approval, it must follow the decision of the members' meeting.

(d) **Authority to spend**

When the members approve borrowing under this Article, they are not automatically giving the board authority to spend the borrowed money. Spending authority has to be requested separately as stated in the Occupancy By-law and Spending By-law. That can be requested at the same members' meeting or another members' meeting.

23.2 Approval Process

(a) **How member approval is given**

Member approval for Major Commitments has to be given by special resolution. The board has to pass a resolution and the members have to approve it, with or without changes, by a two-thirds majority vote at a members' meeting. Member approval is needed for the action, but not necessarily to the specific documents required for the action.

(b) **Board approval process**

Before the board passes a resolution to go the members on a Major Commitment, a report must be given to the board. The report has to include a summary of the proposal and a letter from the co-op's lawyer or auditor commenting on it. Each director has to read the basic documents before approving. For example, each director must read a mortgage commitment letter, but only the signers have to review the mortgage itself.

(c) **Requesting member approval**

When requesting member approval, the board must give a report to the members. The report has to include a summary of the proposal and a letter from the co-op's lawyer or auditor commenting on it. The actual documents have to be available for members to review before the meeting. If any parts of the report or documents have to be kept confidential or are not yet available, they must be explained orally at the members' meeting.

(d) **Optional approval process**

If the board requests approval under section 23.1(c) (Major Commitments – Optional member approval), only a simple majority vote will be needed at the members' meeting.

(e) **Conditional commitments**

The board can sign a commitment to something requiring member approval if the commitment is conditional on obtaining member approval.

23.3 Investment of Co-op Money

(a) Government requirements

The board has to invest co-op money as stated in government requirements. This includes the *Housing Services Act* or the co-op's Operating Agreement, as applicable.

(b) Other investments

Where government requirements do not apply, the board can invest co-op money in

- government bonds, treasury bills or other securities guaranteed or insured by the governments of Canada or Ontario or a crown corporation or agency
- investments under a program where oversight is provided or arranged by the Ontario Housing Services Corporation, the Co-operative Housing Federation of Canada or a local co-op housing federation
- investments under a bulk-investment program that is part of the services of the Co-operative Housing Federation of Canada or a local co-op housing federation

(c) Investment By-law

If the co-op has a separate Investment By-law, the board can invest co-op money in other investments that are permitted under the Investment By-law if it follows the procedures stated in the Investment By-law.

(d) Deposits

The board can deposit funds with a Canadian credit union, chartered bank or trust company.

(e) Alternatives

The board may not invest or put co-op funds in any investment, security or deposit other than as stated in the earlier paragraphs of this section unless it is approved by the members as a Major Commitment.

(f) Reserves and special funds

If there are any reserve or special funds, money earned on them will be put back into the funds.

23.4 Financial Year

The financial year (fiscal year) of the co-op will be decided by the board. The board can change the financial year.

23.5 Auditor

(a) **Appointed by members**

The members appoint an auditor at each annual members' meeting. The auditor can be either a chartered professional accountant or a chartered professional accountant firm. The auditor stays in office until another auditor is appointed as stated in the *Co-op Act*. The *Act* states how to remove an auditor and appoint a different auditor. The board will arrange for payment of the auditor.

(b) **Work of auditor**

The auditor must have access to the co-op's books, accounts and vouchers at all reasonable times. Directors, officers and staff must give any information or explanations that the auditor requests.

23.6 Indemnification

(a) **Obligation to indemnify**

The co-op will indemnify all directors and officers, and their heirs and legal personal representatives, to the maximum extent permitted by the *Co-op Act*.

(b) **Insurance**

The board of directors may purchase insurance to cover this liability, subject to reasonable limitations and deductibles.

Article 24: Signing on Behalf of the Co-op

24.1 Committing the Co-op

This Article governs committing the co-op. This includes ordering anything, writing any cheque, creating any obligation or making any other commitment. It does not matter if this is done through a formal contract or document, orally, by e-mail, or in other ways. These are all called “documents” in this Article.

24.2 Board Approval

Board approval must be given before anyone is authorized to commit the co-op to anything or to sign any document. Member approval may also be needed as stated in section 23.1 (Major Commitments). Whoever signs any document must be sure that these approvals have been given.

24.3 Signing

(a) Signing officers

The president, vice-president, secretary and treasurer will be signing officers.

(b) Signing specific documents

When approving a document, the board can decide who is authorized to sign on behalf of the co-op. The board can authorize one or more of the signing officers or anyone else to sign. If the board does not decide something else, documents must be signed by two signing officers.

(c) Form of documents

When authorizing a document, the board can decide its exact form. If it does not, the signer or signers can approve the final document.

(d) Kinds of documents

The board can authorize one or more officers, directors or staff members to sign specific kinds of documents for the co-op.

(e) Cheques

All cheques or other negotiable documents must be signed by two authorized signers. No one is authorized to sign a blank cheque, or a cheque to one of the signers or a relative. Before signing, the signers must make sure that the expense has been properly approved.

24.4 Staff Authority

Staffing contracts can give spending and signing authority to staff members. This includes employment contracts and property management contracts. When the board approves the staffing contract, it is also approving the spending and signing authority stated in it and no additional approval is needed unless approval of the members is required. See section 23.1 (Major Commitments).

24.5 Approval Motions

All board approvals and decisions mentioned in this Article must be made by a formal motion passed by the board and recorded in the minutes of a board meeting.

Article 25: Giving Notices

25.1 Scope of this Article

“Notices” in this Article includes documents. Notices relating to an eviction are governed by the Occupancy By-law. This Article is about other kinds of notices.

25.2 Notices

(a) Number of notices

Only one notice or one copy of a document needs to be given for each unit.

(b) Delivery

Notices and documents can be

- handed personally to the member
- left with an adult in the member’s unit
- left in the unit mailbox
- slid under the unit door or through a mail slot in the door
- delivered in any other way to the member’s unit
- put in the member’s box in the co-op’s internal mailbox system

(c) Mail

Notices and documents can be given by ordinary mail to members at their co-op unit or the last known address where the member lives or works. Notices and documents that are sent by mail are considered delivered on the fifth day after the day of mailing.

(d) Electronic mail

Members can sign a form consenting to notices by electronic mail. The form must state an e-mail address. Notices and documents can be given to those members by e-mail. Notices and documents by e-mail are considered delivered at the time of sending. Members can change their e-mail address by notice to the co-op. Members can also cancel their consent to receive e-mail notices.

25.3 Notices to Co-op

(a) Delivery

Notices and documents can be given to the co-op by delivery to the co-op office.

(b) **Mail**

Notices and documents can be given by ordinary mail to the co-op addressed to the co-op office. Notices and documents that are sent by mail are considered delivered on the fifth day after the day of mailing.

(c) **Electronic mail**

If the co-op has arranged for e-mail notices under section 25.2(d), members can give notices and documents to the co-op by e-mail at an address set by the co-op. Notices and documents by e-mail are considered delivered at the time of sending.

25.4 Defects in Notice

A minor error or omission in any notice will not affect any decision made by the board or members. This includes accidentally failing to give notice or a document to someone. It also includes someone not receiving a notice or document that has been delivered or sent.

**Schedules
And
Attachments**

Schedule A: Confidentiality and Conflict of Interest Agreement

TO: [Insert name of co-op]

I am signing this Agreement as a committee member or staff member of the co-op.

CONFIDENTIALITY

1. I understand that this Agreement applies to
 - (a) Personal information about co-op members and applicants.
 - (b) Confidential information about co-op staff.
 - (c) Confidential information about the co-op or co-op business.
2. I understand that the above is considered confidential information even if I learn about it from a source unrelated to my position with the co-op and even if it is publicly available.
3. I will not tell anyone any confidential or personal information
 - that I know through my position with the co-op
 - that I learn at meetings related to my position with the co-op, or
 - that I know about in any other way.
4. I will not disclose, or permit disclosure of, any confidential or personal information in any other way.
5. I will safeguard confidential or personal information that I may have.
6. The only exception is when I am authorized by the board or the co-op by-laws to disclose the information. If I am not sure whether information should be kept confidential, I will ask the board for a decision about it.
7. I agree that the above obligations apply while I have my position with the co-op and after I no longer have that position or any connection with the co-op.
8. I will always give the board any information requested by the board. When I no longer have my position with the co-op, I will return all co-op papers and property to the co-op.
9. While I have a position with the co-op, I will not gossip about the co-op or its members or employees.

CONFLICT OF INTEREST

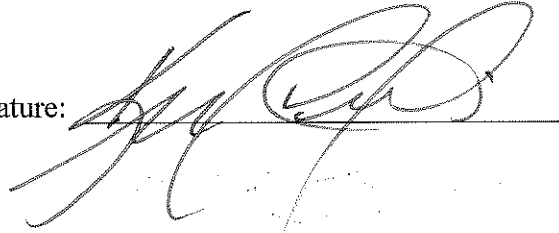
10. Whenever I am involved in a decision or action of the co-op, I will put the best interests of the co-op ahead of my personal interests and the interests of my relatives and friends.

11. A conflict of interest is where I take part in a decision that benefits me or a relative or friend in a way that is different from most co-op members.
12. I understand that some conflicts of interest are prohibited and some situations are manageable as stated in the Organizational By-law.
 - **Prohibited conflicts.** I will not become involved in any conflict of interest that is prohibited.
 - **Manageable situations.** If I am involved in a potential conflict that is manageable, I will follow the applicable rules as stated in the co-op's Organizational By-law.
13. I promise that I will declare any conflict of interest or situation that could become a conflict of interest as stated in the Organizational By-law. If there is any doubt, I will report the situation to the board, or any committee that I am on, and they will decide if it is a conflict of interest.
14. I promise that I will abide by the conflict of interest rules and definitions in the Organizational By-law. I promise to ask if I have any questions or there is anything I don't understand.
15. I also agree to abide by any legal and government requirements about conflict of interest that are not included in co-op by-laws.

GENERAL

16. I understand that this Agreement is a binding legal document and I have had the opportunity to obtain legal or other advice before signing it.

Date: June 25, 2018

Signature: 

Schedule C: Director's Conduct Agreement

TO: [Insert name of co-op]

I agree to be a director of the co-op and to do my best to forward the interests of the co-op and the members and the other stakeholders in the co-op.

BOARD PROCEDURES

1. I agree that any director can participate in a board meeting by conference telephone or other communication equipment where all the directors are able to hear each other.
2. CROSS OUT ONE:
 - (a) I will accept notices to directors by electronic mail.
 - (b) I will **NOT** accept notices to directors by electronic mail.

DUTIES OF A DIRECTOR

3. I will perform my duties as a director honestly, in good faith and in the best interest of the co-op rather than in my personal interest.
4. I will use the care, diligence and skill of a reasonably prudent person in performing my duties as a director.
5. I will sign and comply with the co-op's Confidentiality and Conflict of Interest Agreement and all legal and government requirements about confidentiality, privacy and conflict of interest.
6. I will always give the board any information requested by the board. I will return confidential papers to the co-op when requested. When I am no longer on the board, I will return all co-op papers and property to the co-op.
7. I will attend all board and members' meetings unless excused by the board based on advance notice of absence.
8. I will prepare for board meetings and act constructively at all board meetings.
9. I will participate in all training programs as decided by the board.

ACTING AS A BOARD

10. I understand that the board acts as a whole. If I disagree with something the board is considering, I will say so at a board meeting. Once the board has made a decision, I will support that decision or remain silent.
11. I understand that directors can act only by a decision at a proper board meeting. Between meetings I have no authority unless the board has given me authority to do something, such as to sign a document.
12. I understand that even if the board has given me responsibility for something, the final authority and responsibility stays with the board.

13. I understand that, if I am an officer or a member of a committee, my duties must be performed as directed by the board and within any limits set by the board.

RESPECT FOR OTHERS

14. As a director I will remain open to other points of view and options. I will not act defensively when directors or members question or disagree with my point of view.
15. I will do my best to work together with the other directors for the good of the co-op. I will not let personal dislikes or grudges affect my conduct or decisions.
16. I will never make statements which in any way harm, put down or show a lack of respect for other directors, members or staff.
17. I will never make statements, take actions or harass anyone in any way that is prohibited under the Ontario *Human Rights Code*.
18. I will make any complaints I may have about the co-op or the co-op's staff only to other directors. I will bring any concerns I may have to the attention of the board.
19. I will support the co-op's staff as they carry out their duties and not say or do anything that might cause them to lose respect among the membership or other staff.

DUTIES OF A MEMBER

20. I will perform my duties as a co-op member. I will comply with the by-laws of the co-op.
21. I will not be in arrears while I am a director.

I have read and understood this Agreement and I agree that I will follow it. I understand that, if I break this Agreement, the board of directors can follow the procedure stated in the Organizational By-law to remove me as a director.

Date:

June 25/2018

Signature:

Print name:

