

## SUMMARY OF PROPOSED BY-LAW CHANGES

The following By-law changes are recommended by the Board for the purpose of aligning the By-laws with the legal requirements of the legislation and with procedures in place at Red River Co-op. The proposed By-law changes are outlined below.

This summary is provided as supplementary information and does not replace the By-Law document, which is the definitive version to be voted on. The listing is not exhaustive; other amendments to the by-laws are considered minor and do not materially change the content. The updates enhance readability and ensure alignment with our current practices.

<b>Current By-laws</b>	<b>Proposed Amendments</b>	<b>Comments/Explanation of changes</b>
<b>Part 1 – Interpretation</b>		
	Various amendments	Changes improve clarity and ensure consistency. While these updates do not materially change the content, they enhance readability.
<b>Part 2 – Business of the Cooperative</b>		
<b>2.01 – Registered Office</b>	2.01 (b) Deleted	The provision allowing the members to change the registered office has been removed, since the Act provides for this and it is not necessary to repeat or provide in the by-laws
<b>2.04 – Signing Authority &amp; Policies of the Board</b>	1) Add the right to vote as a delegate 2) Expand policies to include “and such other matters “	1) From time to time, the Board of Directors may deem it to be in the best interest of Red River to appoint a non-board member to be a delegate and to stand for election to the FCL Board. FCL does not permit current Board members to concurrently sit on the FCL Board. 2) The board may need to consider policies beyond just purchasing, borrowing, confidentiality, and execution of instruments to properly govern the cooperative.
<b>Part 4 – Directors</b>		
<b>4.03 – Personal Qualifications</b>	4.03 (e) and (f) have been added as qualifications A person shall not be a director if the individual is the spouse of an employee of Red River Co-op, or if the individual has been convicted of a financial crime or a crime relating to a violation of trust	These changes have been made to ensure objective oversight and effective governance. Neither an employee nor the spouse of an employee may serve as a director due to conflict of interest, governance best practices, and fiduciary duty concerns
		Disqualification of a person convicted of a financial crime or a violation of trust is reasonable given the significant financial responsibilities of directors. However, the board will consider the nature and severity of the offense, as well as the time elapsed since the conviction, when evaluating its relevance to a candidate’s qualifications.
<b>4.05 – Nominating Committee</b>	4.05 (a) and (b) Amended.	While these updates do not materially change the content, they align with our current practices.
<b>4.06 - Nomination of Director Candidates</b>	4.06 (c) (ii), (d) (ii), (f), (h), (i), (j) (i) and (j) (ii) Amended.	While these updates do not materially change the content, they enhance readability and alignment with our current practices.

<b>4.07 - Advance Ballot Procedure</b>	4.07 (a) Removed appointment of elections officer and a scrutineer by the Nominations Committee.	The appointment by the board of an election officer and returning officer is covered in section 4.06 (j) (i)
	4.07 (b) Added.	This section ensures that a list of members entitled to vote based on the record date set by the Board in accordance with Section 10.04 is created and used for mailing of advance ballots.
	4.07 (c) and (c) (iii) (1) Amended.	While these updates do not materially change the content, they enhance readability and alignment with our current practices.
	4.07 (d) Replacement ballot.	This sentence was added to deal with the circumstance of a ballot not being delivered to the intended recipient.
<b>4.08 - Final Balloting and Counting of Ballots</b>	4.08 (a), (c), and (g) Amended.	While these updates do not materially change the content, they enhance readability and alignment with our current practices.
<b>4.10 - Removal of Directors</b>	4.10 (b) Change from removal to suspend.	This section grants the Board the power to suspend a director under certain circumstances prior to removal by members. The members must vote on the removal. The section specifies the actions to be followed to reinstate the director if the members overturn the Board's decision.
<b>4.11 - Ceasing to Hold Office</b>	4.11 (e) Deleted.	Consistent with changes made in 4.10
<b>4.13 - Exercise of Authority</b>	4.13 (c) Amended.	While this update does not materially change the content, it enhances readability and alignment with our current practices.
<b>4.19 - Conflict of Interest &amp; Remuneration</b>	Separated Conflict of Interest from Remuneration.	Conflict of Interest and Remuneration are two distinct topics and were separated to enhance readability.
<b>4.19 - Conflict of Interest</b>	4.19 (b) Enhance the definition of a conflict of interest.	The changes provide greater clarity and align with the Act
	4.19 (c) A director, having declared a conflict, cannot vote and must not be present while the matter is discussed.	Changes reflect the Board's ability, with unanimous approval, to permit the director in conflict to participate in the discussion of the matter.
<b>4.20 - Remuneration</b>	4.20 Newly created section for remuneration.	No changes to previous wording.
<b>Part 5 – Committees and Officers</b>		
<b>5.01 - Committees of Directors</b>	Delete a minimum of three directors per committee	Although the standing committees of the board, being audit, governance and nominations generally have three directors per committee there is the opportunity for special committees to be created with fewer than three directors.
<b>5.03 - Committees' Transaction of Business</b>	5.03 (e) Added	This addition allows for the passing of resolutions by voting methods other than in-person.
<b>5.04 - Electronic Attendance</b>	5.04 Added	This addition modernizes the bylaws, providing for electronic attendance and if attendance is electronic the specific conditions that should reasonably exist.
<b>Part 6 and Part 7</b>		

	Various minor amendments	While these updates do not materially change the content, they enhance readability, alignment with our current practices and comply with the law.
<b>Part 9 – Reserves and Allocation of Surplus</b>		
<b>9.05 - Computation of Business Done</b>	9.05 Add the Board may establish a policy in respect of business done	While this update does not materially change the content, it enhances governance, provides clarity and aligns with our current practice.
<b>Part 10 – Meeting of Members</b>		
<b>10.04 – Notice of Meetings</b>	Include the setting of the record date to determine eligibility to vote	This section provides clarity, consistent with the Act, for providing a Notice of Meeting and setting a Record Date to determine members' eligibility to vote. In addition, it stipulates when these events should occur relative to the meeting date. consistent with our practices.
<b>10.09 and 10.10 – Voting at the meeting or by mail-in or electronic ballot</b>	Various amendments	The sections are amended to incorporate the changes to 10.04, specifically the setting of a record date. The sections are further updated to add clarity to the language and align to current practice.
<b>Part 12 – Amendment and Repeal</b>		
<b>12.01 – Amendment. Repeal and Replacement</b>	12.01 (a) Defined the effective date of amendments to the by-laws	The addition of this defining sentence adds clarity in establishing the effective date of amended by-laws, once ratified.