

BOUNDARY

A COOPERATIVE BREWERY | BELFAST

ByLaws

1. Preface

1. Cooperative Values and Principles

Boundary Brewing Co-operative (“the Cooperative” or “Co-op”) subscribes to the Statement on Cooperative Identity adopted by the Congress and General Assembly of the International Cooperative Alliance held in Manchester, England in 1995. The full text of the statement is given below.

1.1 Definition

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise.

1.1.2 Values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

1.1.3 Principles

1.1.3.1 Voluntary and Open Membership

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, sexual orientation, gender identity and gender expression, social, racial, political or religious discrimination.

1.1.3.2 Democratic Member Control

Cooperatives are democratic organizations controlled by their members,

who actively participate in setting their policies and making decisions. Individuals serving as elected representatives are accountable to the membership. In primary cooperatives members have equal voting rights (**one member, one vote**) and cooperatives at other levels are also organized in a democratic manner.

1.1.3.3 Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

1.1.3.4 Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

1.1.3.5 Education, Training and Information

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of cooperation.

1.1.3.6 Cooperation among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

1.1.3.7 Concern for Community

Cooperatives work for the sustainable development of their communities through policies approved by their members.

1.2 Additional Principles

The Co-op subscribes to the following additional principles:

1.2.1 Participatory Self-Management

The Co-op aspires to achieve a fair and just outcome through decision-making in accord with participatory self-management. The Co-op's Participatory Self-Management system will be articulated in the Co-op's Operating Rules.

1.2.2 Living Wage

When financially able as determined by the Board of Directors ("the Board"), the Co-op shall pay no less than a living wage (determined by the formula of the Universal Living Wage Campaign) to any of its employees.

1.2.3 Sustainability

The productive resources of our environment are finite and many are non-renewable. They can be thought of as loaned to us from future generations. We strive to responsibly utilize local resources and suppliers whenever possible. In all aspects of our operation we endeavor to fulfill our desires without compromising the ability of future generations to do the same.

1.2.4 Privacy

Through the course of our operation, certain information may be gathered on the membership. Such information collection will always be voluntary (opt-in), and the information will remain the sole property of the individual in question. Except when compelled by law, the Co-op will never share or sell member information.

1.2.5 Responsible Consumption of Alcohol

The prevailing legal conditions regarding the distribution of alcohol are generally retroactive – such as refusing to serve intoxicated individuals. We seek to be proactive in encouraging the responsible consumption of alcohol in a community environment.

2. Membership

2.1 Qualifications

Membership in the Co-op is open to all natural persons at least 18 years of age and all incorporated entities organized on a cooperative basis or any other company, corporation, or non-profit organisation. Membership is pursuant to terms established by the board of directors. All applicant members must provide valid physical and electronic mailing addresses, and agree to abide by these bylaws and other rules and policies adopted by the Board of Directors ("the Board").

2.1.1

For all membership classes, membership shall commence upon the filing of a completed application form, receipt of the necessary associated cost, and approval of application by the board:

2.2 Cost of Membership

All applicant members must invest the minimum amount in the Co-op. This amount shall be set by the board and will be adjusted from time to time.

2.3 Types of Members

There shall be three types of members – Ordinary, Employee, and Supporter. All types of members may be referred to collectively as "member- owners", "members", "owners", or "members' assembly" Classification of membership is at the discretion of the board and may be reviewed. It is the responsibility of members to confirm their membership class prior to any AGMs or board elections.

2.3.1 Ordinary Members

All natural persons over the age of 18 who have paid the membership fee shall be known as Ordinary Members unless designated by the board into any other membership class. All Ordinary Members hold the same voting power - one member, one vote.

All incorporated entities organized on a cooperative basis or any other company, corporation, or non-profit organisation that have paid the membership fee shall be known as Ordinary members too, unless designated by the board into any other membership class. They shall name a designated representative to exercise the voting rights of their business. All organizations that are Ordinary Members hold the same voting power - one member, one vote.

The time spent as an Ordinary member director does not contribute to Supporter class

status.

2.3.2 Employee Members

Any paid employee of Boundary Brewing co-operative over the age of 18 who has satisfactorily completed their probationary period as defined in their employment contract, and has paid their membership fee will become known as an Employee member. All employee members hold the same voting power - one member, one vote.

2.3.3 Supporter Members

Any individual or incorporated entities organized on a co-operative basis or any other company, corporation, or non-profit organisation that have invested beyond the minimum community share amount, or has invested 40 hours per year minimum sweat equity will become known as a Supporter member. Hours spent as a board member do not count as sweat equity. All supporter members hold the same voting power - one member, one vote.

2.3.4 Joint

Two natural persons who share the same mailing address may join together and pay only a single membership fee. This counts as a single membership and as one vote.

2.3.5.1 Inactivation

A member may have their membership inactivated under certain circumstances, and once inactivated are not entitled to any benefits of membership.

2.3.5.2 Address Inactivation

All members without valid mailing addresses (physical and electronic), and having no other activity with the Co-op for a period of 2 years from the date of address invalidity, shall be considered inactive.

2.3.5.3 Joining Member Inactivation

Members who have not fully paid their membership fee shall also be considered inactive.

2.3.6 Reactivation

Inactive members may have their membership reactivated upon filing a valid address or making a membership fee payment.

2.3.7 Termination

Either party may terminate membership through the procedures given below.

2.3.8 Withdrawal

Members may withdraw their membership at any time. Resigning members shall provide a written resignation and an address to which the Co-op may send confirmation of their resignation.

2.3.9 Expulsion

A member may be expelled for causes including, but not limited to: (a) intentionally or repeatedly violating any provision of the Co-op's Constitution, Bylaws, or Board policies; (b) breaching any contract with the Co-op; or (c) willfully obstructing any lawful purpose or activity of the Co-op. 75% of the board should recommend expulsion to a members' assembly. A member can only be expelled at a member's meeting. This decision may be appealed through a majority vote of the Members' Assembly. The appeal shall include an opportunity to address a meeting of the Members' Assembly.

2.4 Return of Capital Investment

All decisions concerning return of capital investment are approved by the Board. Members who withdraw from the Co-op shall be refunded the full value of their community share investment provided that such refund does not jeopardize the fiscal solvency of the Co-op. Members who are expelled from the Co-op shall be immediately refunded the full value of their community shares provided that such refund does not jeopardize the fiscal solvency of the Co-op. Member community shares investment shall be returned subject to offset by any debt owed to the Co-op by the withdrawing or expelled member. Any additional conditions and terms for the refund of investment capital will be approved by the Board of Directors and shall apply to all members equitably.

2.5 Transferability

Membership can not be transferred.

3. Member's Assembly

3.1 Definition of Members' Assembly

The Members' Assembly comprises all members of the Co-op.

3.2 Power and Duties

The Members' Assembly is the voice of the membership and holds the following powers, as well as any other powers granted to the membership under Northern Irish law: (a) election and removal of Directors; (b) passage of advisory resolutions for consideration by the Board; and (c) approval of Ends Policies (dissolution) for the Co-op.

3.3 Meetings

The Members' Assembly shall meet at least once per calendar year at the Annual General Meeting. The Board is responsible for calling, organizing, and presiding over all meetings of the Members' Assembly. At the AGM, the board will present annual reports on finances and activities of the Co-op.

3.3.1 Special Meetings

Special meetings may be called by a petition of at least 35% of the members to the Board. The membership shall receive notification of the special meeting at least 14 days before the meeting date.

3.3.2 Quorum

A quorum shall consist of no fewer than $\frac{2}{3}$ of the board members [rounded down] and at least 25% of the membership. Members submitting votes by mail or electronic means may count towards the quorum for the issue on which they have cast a ballot.

3.4 Voting

The standard for a successful vote shall be a simple majority unless otherwise specified in these bylaws or in the Rules in Society law.

3.4.1 Meeting Votes

Meeting votes conducted at a valid meeting of the Members' Assembly shall be final unless a dissenting minority calls for a referendum on the issue at hand. Proxy votes are prohibited. This is in line with art 65 in the Constitution.

3.4.2 Referenda

A referendum may be called by a majority of the Board of Directors, or a petition from a dissenting minority of at least 33% of the present members. Referenda may be conducted by postal mail, or on the Co-op's website, and are required for the election of the Board of Directors. Referenda shall be open for 14 days.

4. Board of Directors

4.1 Definition

The Board shall consist of between 5 and 9 Directors elected by the membership to handle the governance and oversee the management of the Co-op.

4.2 Representation of Employee Members

No more than three Directors may be employee members, as stated in the Constitution art 74. Should a Director be elected as an ordinary or supporter member, and later admitted to the Employee Class, such Director's seat will count toward this three-Director limit. If there are already three such employee members on the Board, the newly hired employee member that is a Director must resign his or her seat on the Board.

This potential need to resign is also applicable when a board member is moved between any of the other classes.

4.3 Powers and Duties

The Board is responsible for setting policy, issuing membership, overseeing Employee Members, issuing investor shares, leading meetings of the Members' Assembly, and ensuring that all actions taken by the co-op are both lawful and consistent with these bylaws.

4.4 Eligibility

Directors must be willing to submit to a financial background check (and capable of passing such a check), and not otherwise excluded from service on the Board.

4.5 Nomination

The board is able to establish a Membership Linkage Committee responsible for finding and cultivating competent candidates to fill open positions on the board. All candidates for Board positions must fill out an application, disclose all possible conflicts of interest they may hold, and comply with any other requirements of the Membership Linkage Committee for inclusion among the Board candidates.

4.6 Terms

Directors shall serve three-year terms, and elections shall be held on a staggered basis such that three seats are up for election annually. Directors may serve on the Board for no more than two consecutive three-year terms or eight consecutive years, and thereafter must wait at least two years before standing again for election.

4.7 Election & Removal

4.7.1 Election

Board elections shall be held by a referendum of the members at an AGM. An election

vote shall be open for 30 days, even if the required number of ballots for a successful normal referendum has already been cast.

4.7.2 Removal

A Director may be removed with or without cause. Removal requires a majority vote of the Members' Assembly.

4.7.3 Vacancies

Should a vacancy arise, the Board shall choose an individual to fill that position on a temporary basis until the next election.

4.8 Officers: Roles & Responsibilities

The officers of the Board shall consist of Chair, Secretary and Treasurer.

4.8.1 Chair

The Chair is the chairperson of the Board and has responsibility for calling meetings, preparing the agenda, and facilitating meetings.

4.8.2 Secretary

The Secretary is responsible for documenting the meetings of the Board and following up on action points.

4.8.3 Treasurer

The Treasurer is responsible for overseeing the finances of the Co-op.

4.9 Board Meetings

4.9.1 Regular Meetings

The Board shall meet on a monthly basis. If a meeting is not considered valid due to lack of participation, inadequate notification of the membership, or any other reason, the Board shall reschedule that meeting for another date. At least 6 regular meetings of the Board must be held in a given calendar year, no more than 2 months apart.

4.9.2 Special Meetings

Special meetings of the Board may be called for by the Chair subject to a seconding by another member, or by request of 3 regular Directors.

4.9.3 Notice of Meetings

The membership of the Co-op shall be given notice of Board meetings at least 2 weeks prior to the meeting date. The proposed agenda of the Board meeting shall be made available at least 7 days prior to the meeting.

4.9.4 Quorum

At least half of Directors, or 3 (whichever is greater), of the seats currently held, must be present at all valid Board meetings for a quorum to exist. A Director may be considered present through any electronic means that enables their full participation in the dialogue of the meeting.

4.9.5 Conflicts of Interest

If a quorum of Directors, of the seats currently held, exists but a quorum on an issue can not be established among non-interested Directors then any number of non-interested Directors totaling two or more shall be considered a quorum for the purpose of transacting the business at hand. Directors abstaining for reasons other than being interested in the current issue shall be included in quorum.

4.9.6 Transaction of Business without a Quorum

If a quorum at a valid Board meeting can not be established then a sub-quorum totaling 50% or more of quorum can be established to discuss and transact business but any decisions made are non-binding until ratified at a meeting with a full quorum.

4.9.7 Electronic Votes

An email vote, or email poll, shall follow the same quorum rules as a regular Board meeting except that Board members have 48 hours, from the timestamp on the email, to respond to the request to have their presence counted for quorum and their vote, or abstention, cast. The Board shall establish procedures whereby the membership can opt-in to receive notice of Board votes by email, and a record of all the email communications on the issue shall be kept and presented as minutes at the next regular Board meeting. If the email vote concerns a confidential matter related to litigation, personnel, real estate transactions, or other matters deemed sensitive by the Board, the record shall be treated as minutes of an executive session of the Board.

4.9.8 Closed Meetings

All meetings of the Board shall be open to the public except for those specifically pertaining to personnel, litigation, real estate, or any other matter deemed sensitive by the Board. A written request to the secretary must be made 2 weeks before the meeting date.

4.9.9 Compensation

The compensation of the Board shall be defined in policy, but may not exceed that of any other position within the Co-op.

5. *Volunteer Policy*

5.1 Volunteers

The Co-op may make use of volunteers, but must first submit volunteer policies for approval by the Board of Directors. The policies must include policies on liability for volunteer acts and relevant insurance, for approval by the Board of Directors. The policies must additionally include standards and expectations of the volunteers. Volunteers are required to sign waivers removing the Co-op of responsibility of personal injury to the volunteer or others injured by acts, work or products of the volunteer while working with potentially dangerous equipment.

6. Miscellaneous

6.1 Indemnification

The Co-op shall indemnify, as allowed by law, any officer, Director, or employee of the Co-op, for expenses and costs actually and necessarily incurred in connection with any claim asserted by reason of the person being or having been such officer, Director, or employee, except in relation to matters of negligence, fraud, criminal acts, or intentional misconduct in respect of the matter in which indemnity is sought. The Co-op shall carry appropriate liability insurance to protect its officers, Directors, employees, and the Co-op itself against the costs of such indemnification.

6.2 Severability

If any section, clause, provision, or portion of these bylaws is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of these bylaws shall not be affected thereby.

6.3 Adoption & Amendment of Bylaws

Amendment and adoption of these bylaws can be done at any time by the Board, with a 2/3 majority [round down], or with 66% of the member's assembly. Ratification shall follow voting procedures decided upon by the members of the Co-op and requires a 2/3 majority vote of the members present at the meeting on which the ratification is voted upon for success.

6.4 Sunset

These bylaws must be reviewed and re-approved by the membership every five years. The five year countdown begins on May 2014.

6.5 ByLaw Provision Control

To the extent that the sections of these bylaws entitled "Preface" and "Additional Principles" conflict with the bylaw provisions contained in Section 2 to 6 hereof, the bylaw provisions shall control.