



The New *Cooperatives Act* – Q&A

What does my coop have to do when the new *Cooperatives Act* becomes applicable?

By 1 July 2021, all cooperatives must file articles of amendment with the Director of cooperatives using the provided [form](#). This form will replace the letters of incorporation that cooperatives received when they were incorporated under previous legislation. The articles of amendment must be approved by the members by extraordinary resolution. The members must also adopt new by-laws that comply with the new [Cooperatives Act](#). The new by-laws are not filed with the Director of cooperatives.

For a summary of what coops no longer need to do, or what coops will now be able to do, or what coops will now need to do, consult [What you should know about the new Act](#).

What are the role and responsibilities of members under the new *Cooperatives Act*?

Members are expected to support their coop by providing the products or manpower that the coop needs or using the services provided by the coop. Members must also make a financial contribution to the coop in the form of membership shares, membership loans or membership fees. Members may also acquire investment shares. Members have the right to elect directors to the board, to be elected as directors, to vote on by-laws, articles of amendment, amalgamation, and dissolution and the appointment of an auditor. Members may submit proposals in advance to be included as an agenda item at the annual meeting. Special meetings may be requested by members.

What are the role and responsibilities of directors under the new *Cooperatives Act*?

A director is part of a board of directors that makes decisions on the business and affairs of the cooperative. Every director must act honestly and in good faith with a view to the best interests of the cooperative. A director must not vote on payments that are contrary to the *Act*. If a director is involved in a major contract or transaction with the cooperative, the director must make this conflict of interest known and the director must not vote on the matter of the contract or the transaction. A director may have specific duties if he or she is also an officer.

What are the role and responsibilities of board of directors under the new *Cooperatives Act*?

The board of directors is a group of people who jointly oversees the activities of the cooperative. It is responsible for the preparation of financial statements and financial decisions, such as patronage return and dividends. It is responsible for the approval or termination of memberships. While deciding on the issuance and redemption of shares, the board of directors is mindful of the financial stability of the cooperative. The board of directors may delegate some responsibilities to officers and committees.