

NUMBER: AG-4.2

TITLE: By-law concerning the election of members to Sollio Cooperative Group's Board of Directors.

WHEREAS section 43 of the Law on the Charter of Sollio Cooperative Group which provides that the seat of a Director becomes vacant in each of the cases where a director dies, or is declared bankrupt, or is prohibited or is sentenced to a infamous sentence, or abandons his domicile in the province, or resigns in writing;

WHEREAS the reputation of SCG and its Board of Directors is at the heart of its success and must be constantly protected and it is the responsibility of the directors to conduct themselves in a way that solidifies the reputation of SCG and to earn and maintain the confidence of agricultural producers, its stakeholders and the general public;

WHEREAS an admission of guilt on a variety of legislation can potentially impair SCG's ability to contract with the state or obtain permits and authorizations;

WHEREAS on the recommendation of the ad hoc committee on network governance, it is the shared responsibility of the cooperatives and sections of the network, as well as of SCG, to enforce and apply the necessary controls when they are required.

WHEREAS section 83 of the Cooperatives Act stipulates that for the formation of the Board of Directors, the cooperative may, by by-law, divide the members into groups or its sector into sectors or into groups and sectors and allocate to each of these groups and sectors the right to elect a certain number of administrators;

Upon motion duly made and seconded,
it is resolved:

THAT the Annual General Meeting of delegates of Sollio Cooperative Group's member cooperatives, having been duly informed of the Board of Directors' intention to submit a draft amendment of the by-law concerning the election of members, agrees to amend By-law AG-4.2, which states the following:

GENERAL PROVISIONS

- 1) The number of Board members is set at **up to eighteen (18)** directors. Of this number, **thirteen (13)** directors are elected based on sectoral representation, **two (2)** directors are elected based on general representation, and two (2) **or three (3)** are appointed by Sollio Cooperative Group's Board of Directors.
- 2) Directors have a mandate of three (3) years, except for directors appointed by the Board of Directors, who have a mandate of (1) year. **Furthermore, any elected director who has accumulated eighteen (18) years of service—consecutive or not—in one or more director positions shall no longer be eligible to run for a director position at SGC.**
- 3) Directors in positions 1 to **12** inclusive are elected based on sectoral representation of **the Regional Cooperatives and** Agricultural cooperatives, and these sectors are defined by listing **the** cooperatives that belong to them. The General Meeting elects, by general ballot, the directors of **Regional Cooperatives** and Agricultural Cooperatives from sectors 1 **and 2**.
- 4) The director in position **13** is elected based on the sectoral representation of the group of special-interest cooperatives **and the sections** composing sector **3**. Special-interest cooperatives are those whose activities with Sollio Cooperative Group are limited and that rely on the provisions of By-laws AG-10 and AG-11 relating to consumer cooperatives. The General Meeting elects, by general ballot, one (1) director from a cooperative or section advisory committee from sector **3**.

- 5) The director in position 14 is elected based on **general** representation. The assembly elects, by general ballot, one (1) director from a cooperative or a section advisory committee **from sectors 1 to 3**.
- 6) The director in position 15 is elected based on general representation. Position 15 is intended to promote equal representation on the Board of Directors and as such will be known as the "Equity" seat. The position may only be held by a woman farmer who is also director of a member cooperative or member of a section advisory committee. The General Meeting elects, by general ballot, one (1) woman director from a cooperative or section advisory committee from sectors 1 to **3**.

The director in position 15 may not serve more than two (2) consecutive terms, whether full or partial, and is therefore not eligible for re-election beyond that limit.

- 7) Positions 16, 17 **and 18** are reserved for external directors, without voting rights, appointed by Sollio Cooperative Group's Board of Directors according to the profiles and qualifications determined by the Board, and elected by the General Meeting.

ELIGIBILITY AND CAPS

- 8) The maximum number of eligible directors that may sit on the Board of Directors of a **Regional Cooperative or an Agricultural Cooperative or a section**, in accordance with sections 3, 4 and 5, varies based on the number of delegates calculated under By-law AG-10.

The maximum number of eligible directors per cooperative or section is determined according to the following scale based on the number of delegates:

- a) From 1 to **5** delegates, a maximum of one (1) candidate is eligible;
 - b) From **6 to 29** delegates, a maximum of two (2) candidates are eligible;
 - c) **30** delegates **or more**, a maximum of three (3) candidates are eligible.
- 9) If a cooperative deviates from the previous section following a merger of cooperatives, **directors from the merging cooperatives may continue their terms until the new rules applicable to their positions are adopted by the SGC Annual General Meeting following the work of a Network Governance Ad Hoc Committee. Following the adoption of these rules, the terms of such directors may be shortened to implement the new rules.**
 - 10) The secretary of the Board of Directors sends the final distribution of designated positions to be filled, by sector, to the cooperatives by December 15 of each year.
 - 11) Notwithstanding section **8**, candidacies for positions **13** and 15 may validly originate from a cooperative, a section, or a sector already fully represented on the Board of Directors without being limited by such representation.

POSITIONS, SECTORS AND THEIR GROUPS

- 12) For the purpose of electing directors, the positions, sectors, and their groups are divided as follows:

		Groups	
Position	Sector	Joint Venture	Cooperative
1, 2, 3, 4, 5 and 6	1	Regional Cooperatives Group (positions 1 to 4) Avantis Coopérative (position 1) Unoria Coopérative (position 2) Nutrinor Coopérative (position 3) Novago Coopérative (position 4)	Agricultural Cooperatives Group (positions 5 and 6) La Coop Saint-Hubert La Coop St-Fabien La Coop St-Patrice Avantis Coopérative Unoria Coopérative La Coop Fermes du Nord La Coop St-Ubald La Coop Gracefield Nutrinor Coopérative Novago Coopérative

5, 6, et 7, 8, 9, 10, 11 et 12	2	Regional Cooperatives Group (positions 7 to 12) Vivaco groupe coopératif (position 7) Covris Coopérative (position 8) Agiska Coopérative (Position 9) Uniag Coopérative (position 10)	Agricultural Cooperatives Group (positions 11 and 12) La Coop St-Adrien d'Irlande La Coop La Patrie La Coop St-Côme-Linière Vivaco, groupe coopératif Covris Coopérative La Coop Ste-Marthe La Fromagerie coopérative St-Albert inc. Agiska Coopérative Uniag Coopérative
8, 9, 10	3	Agiska Coopérative Uniag Coopérative	Agiska Coopérative Uniag Coopérative La Coop Ste-Marthe La Fromagerie coopérative St-Albert inc.
11, 12, 13	4		La Coop Fermes du Nord La Coop St-Ubald La Coop Gracefield Nutrinoor coopérative Novago Coopérative
13	3		La Coop de Dupuy et Ste-Jeanne d'Arc Plessisville CO-OP store St-Victor CO-OP store Havre-aux-Maisons CO-OP store Société coopérative de Lamèque Ltée La Coop Ste-Justine La Coop St-Méthode La Coop Chambord Ste-Perpétue CO-OP store La Coop St-Pamphile La Coop Squatec Sussex & Studholm Agricultural Society No. 21 Agro Co-operative Assoc. Antigonish Farm & Garden Atlantic Co-operative Country Stores Co-op Home and Farm Supply Eastern Farmers Co-op Society Kensington Co-operative Assoc. O'Leary Farmers Co-op Assoc. Scotian Gold Co-operative South Eastern Farmers Co-op Filière porcine coopérative Citadelle Independent BMR dealers Western Hog Producers
14	4		Universal seat
15	5		Equity seat
16, 17 and 18	Not applicable		External Directors

13) For the purpose of electing directors, sector 1 includes positions 1, 2, 3, 4, **5 and 6**; sector 2 includes positions 7, **8, 9, 10, 11 and 12**; sector 3 includes position **13**; sector 4 includes position **14**; sector 5 includes position **15**.

14) Sectors **1 and 2** are divided in both a group and a sector, namely the **Regional Cooperatives Group** and **the Agricultural Cooperatives Group**.

Eligible for the **Regional Cooperatives Group** are the member cooperatives **listed in the table of article 12 in the column associated with that group**.

Eligible for the **Agricultural Cooperatives Group** are all agricultural member cooperatives, including those also eligible for the **Regional Cooperatives Group**.

15) **Each** cooperative eligible to nominate a candidate for an election within the **Regional Cooperatives**

Group of its sector may elect a maximum of one (1) candidate on that basis. Notwithstanding the foregoing, that cooperative remains eligible to nominate other candidates within the **Agricultural Cooperatives** Group of its sector, **subject to article 8** and the procedure set out in article 18.

- 16) **Subject to article 8, each cooperative in the Agricultural Cooperatives Group of Sector 1 is eligible to present a candidate for election to positions 5 and 6 within the Agricultural Cooperatives Group of Sector 1; likewise, each cooperative in the Agricultural Cooperatives Group of Sector 2 is eligible to present a candidate for election to positions 11 and 12 within the Agricultural Cooperatives Group of Sector 2, all in accordance with article 8 and the procedure set out in article 18.**
- 17) **Subject to article 8, each cooperative in the Agricultural Cooperatives Group of Sector 1, each cooperative in the Agricultural Cooperatives Group of Sector 2, and each cooperative and section of Sector 3 is eligible to present a candidate for election to position 14, in Sector 4 (the “universal seat”), all in accordance with article 8 and the procedure set out in article 18.**
- 18) The election of candidates for each position in sectors 1 **and 2** will occur in two (2) stages.

The Annual General Meeting will conduct a first round of voting to elect eligible candidates in the **Regional Cooperatives** Group of the sector concerned, followed by a second round to elect eligible candidates in the **Agricultural Cooperatives** Group.

The same procedure applies when making necessary adjustments to other positions and sectors under election.

- 19) The General Meeting may shorten the term of mandate of a position in **Sectors 1 to 5** by resolution recommended by the Board of Directors so that the total number of elections for the three-year election cycle of a sector is balanced.

NOMINATION AND ELECTION PROCEDURE

- 20) For positions 1 to 15, only member and member cooperative sections may nominate, by resolution, one (1) of their directors or members of their advisory committees during the candidate nomination period.
- 21) To be eligible at the General Meeting, all nominations for sector director positions must be forwarded in advance to the Secretary of the Board of Directors of Sollio Cooperative Group using the prescribed form, **on or before January 15** preceding the General Meeting. **If January 15 is not a business day, the deadline is extended to the first business day following January 15.**

If no valid nomination has been submitted to the Secretary of the Board of Directors within the required time, the position of sector director may be filled by the delegates at the General Meeting, as per the usual procedure.

Any nominations submitted to the Secretary of the Board of Directors by the deadline may be withdrawn at any time by the candidate. Upon the expiry of the notice of nomination period, the Secretary of the Board of Directors will forward the list of nominations received by the prescribed date, accompanied by their respective standardized biographical notes, to the presidents of all the cooperatives and sections.

- 22) **Subject to the second paragraph of this article**, to be eligible, candidates nominated by member cooperatives **and sections** must be agricultural producers, have at least three (3) years of experience as cooperative directors **or as a member of their section’s coordination committee** at the time of their election, and sign a letter of resignation under conditions precedent, which commits them to a set of conditions aiming to guide their accountability, roles, and responsibilities.

Notwithstanding the conditions mentioned in the preceding paragraph, the director of sector **3— unless originating from the Filière porcine cooperative section or the Western Hog Producers section—**and the external directors are not subject to an obligation to hold and maintain an agricultural producer status.

To be eligible to submit their nomination at the 2023 Annual General Meeting, candidates from member cooperatives **and sections of Sollio Cooperative Group** must have successfully completed the Sollio Academy’s Cooperative Governance Certification program. However,

candidates whose first language is not French will not be subject to this eligibility condition until a similar cooperative governance development program in English has been approved by Sollio Cooperative Group's Board of Directors. In addition, candidates must not have been found guilty of an offence, be the subject of a conviction or an allegation deemed by SGC to be detrimental to its reputation, its activities or its obligations and duties.

- 23) When electing positions 1 to 14, the directors shall be selected from the eligible nominations received by the sector's delegates at the General Meeting of members, in accordance with the numbering of sectors and positions up for election.

When electing position 15, the woman director shall be selected from the eligible nominations received by the delegates of all member agricultural cooperatives and sections.

The order of vacancies is determined by sector and the election to each of these positions, if applicable, is filled separately in ascending order. If more than one (1) candidate is nominated for any given position, the general meeting delegates shall vote for a single candidate. The candidate who obtains the majority (50%+1) of valid votes is elected to represent the sector. If more than one (1) voting round is needed to obtain a majority, the President withdraws the candidate who receives the fewest votes following every round.

In the case of an equality of votes, the election chairperson shall be entitled to cast their deciding vote and withdraw the candidate of their choice from the list.

The same procedure applies when making necessary adjustments during the election of candidates in other sectors.

TRANSITIONAL MEASURES

- 24) In accordance with the implementation of the new composition of seats, sectors and groups, as defined in article 12 of this by-law, **immediately following the adoption of this by-law**, during the **2026** Annual General Meeting, the General Assembly proceed with certain adjustments to the **positions and terms of office currently in effect**, namely:

- a) In Sector 1:

Position 1 will be held by Patrick Soucy until the 2027 AGM, and the subsequent term for this position will be for three years (2027–2030).

Position 2 will be held by Adrien Pitre until the 2027 AGM, and the subsequent term for this position will be shortened to two years (2027–2029).

Position 3 will be held by Normand Lapointe for a three-year term (2026–2029).

Position 4 will be held by David Mercier for a three-year term (2025–2028).

Position 5 will be held by Sophie Gendron for a three-year term (2025–2028).

Position 6 will be held by Cathy Fraser until the 2027 AGM, and the subsequent term for this position will be for three years (2027–2030).

- b) In Sector 2:

Position 7 will be held by Marc-André Roy until the 2027 AGM, and the subsequent term for this position will be for a duration of one (1) year or three (3) years, as determined by a draw to be held at the 2027 AGM.

Position 8 will be held by Jeannine Chartrand for a three-year term (2026–2029).

Position 9 will be held by Alain Laflamme until the 2027 AGM, and the subsequent term for this position shall be for a duration of one (1) year or three (3) years, as determined by a draw to be held at the 2027 AGM.

Position 10 will be held by Jean Bissonnette for a three-year term (2026–2029).

Position 11 will be held by Jean Philippe Côté for a three-year term (2025–2028).

Position 12 will be held by Guy Labrecque for a two-year term (2025–2027).

- c) In Sector 3:
Position 13 shall be held by Ms. Lucie Boies, with no change to the duration of her current term.
- d) **In Sector 4:**
For the universal seat, position 14, this new position will be held by Richard Ferland, with a three year term beginning in 2026 and ending in 2029.
- e) **In Sector 5:**
The term for the Equity seat, position 15, currently held by Ms. Marie Pier Béliveau, remains unchanged.

25) **Past and current** terms served by directors occupying positions **1 to 15** will be counted for the application of the rule establishing a maximum of **eighteen (18) years**, consecutive **or not, in a director position, as set out in article 2.**

FINAL PROVISIONS

- 26) If a new cooperative joins Sollio Cooperative Group, the Board of Directors will submit a proposal to integrate this cooperative into a sector prior to the elections at the General Meeting of members.
- 27) This **amendment to** By-law AG-4.2, as adopted by the **2026** Annual General Meeting, takes effect **on the date of its adoption. Accordingly, the elections to be held at the 2027 Annual General Meeting will be conducted in accordance with the new structure of sectors and positions**

Adopted by the Annual General Meeting on February 22, 2018
Amended by the Annual General Meeting on February 28, 2019
Amended by the Annual General Meeting on February 27, 2020
Amended by the Annual General Meeting on February 25, 2021
Amended by the Annual General Meeting on February 24, 2022
Amended by the Annual General Meeting on February 23, 2023
Presented to the Annual General Meeting on February 26, 2026