



Fair For Everyone

**AMENDED BYLAWS OF
LOCAL DRIVER FEDERATION
COOPERATIVE
(a California Cooperative d/b/a FARE CO-OP
FEDERATION USA)**

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BYLAWS OF LOCAL DRIVER FEDERATION COOPERATIVE

INTRODUCTION TO THE BYLAWS

These Bylaws were established by resolution of the Board of Directors within the first operational year of the Cooperative to ensure clarity, structure, and stable governance during its foundational phase.

1. Board Formation and Authority:

The Board, formed exactly 365 days after the Cooperative’s creation, is vested with the authority to establish these Bylaws and to govern all Cooperative affairs until the first Annual General Meeting (“AGM”). This initial control period aligns with the Board’s investment, stewardship responsibilities, and duty to safeguard the Cooperative’s early stability.

2. Transition to Member Control:

Upon completion of the first AGM (12 months after incorporation), the authority to revise or expand these Bylaws transitions to the Membership in accordance with **Article 11**, at which time Members shall have the right to vote on, amend, or repeal any provision by the procedures outlined therein.

3. Governance Timeline:

The Board shall publish a timeline delineating each phase of governance control—establishment, operational stabilization, and transition to Member oversight—so that all stakeholders clearly understand when bylaws are fixed versus open to amendment.

4. Purpose and Spirit:

This phased approach prevents early disputes, promotes transparency, and reflects the Cooperative’s commitment to trust, accountability, and evolving self-governance.

ARTICLE 1 – INTERPRETATION

1.1. Definitions

In these Bylaws:

- a) “Act” means the *California Cooperative Act, formally known as the Consumer Cooperative Corporation Law, found in the California Corporations Code, Sections 12200 through 12704*, as amended, and any successor legislation;
- b) “Articles” means the Articles of Incorporation of the Cooperative;
- c) “Board” or “Board of Directors” means the Board of Directors of the Cooperative;
- d) “Bylaws” means these Bylaws as amended from time to time;

- e) “Cooperative” means LOCAL DRIVER FEDERATION COOPERATIVE CORPORATION formed in California and its successors etc.;
- f) “Director” means a member of the Board of Directors;
- g) “Fractional Member” means a member that has declined to participate in the Preferred Shareholder program thereby electing to receive 57.5% of the net revenue generated from each ride/fare completed by such Fractional Member (and is not required to pay monthly maintenance fees/dues). Each Fractional Member shall be issued or deemed to hold a Fractional Share equal to five percent (5%) of one (1) Preferred Share (the “Fractional Share”), on such administrative terms as may be set by the Board. The Board reserves the right to allocate the complementary fractional voting right of each Fractional Member to participate through its local area cooperatives or through the creation of a cooperative that will represent 2.25% of the 50% voting allocation for drivers.
- h) “Free Fractional Member” means a member that has declined to participate in the Preferred Shareholder program thereby electing to receive 55% of the net revenue generated from each ride/fare completed by such Free Fractional Member (and is not required to pay monthly maintenance fees/dues). The Board reserves the right to allocate the complementary fractional voting right of each Free Fractional Member to participate through its local area cooperatives or through the creation of a cooperative that will represent 0.25% of the 50% voting allocation for drivers.
- i) “Good Standing” means being in compliance with obligations to the Cooperative as determined by the Board, and not being in breach of any agreement entered into between the Member, or non-member, and the Cooperative;
- j) “Launch” means the date on which the Federation’s rideshare platform is made commercially available to the public in at least one jurisdiction, as determined and announced by resolution of the Board (the “Launch Date”).
- k) “Local Leader” shall mean a duly elected President, Treasurer, or Secretary, or otherwise appointed by Board of the Federation in exigent circumstances where the Local Leaders are not effective or sufficient.
- l) “Managing Federation Founders” which shall include Ahmed Attia, Danny Golnik, Mathew Mahoney, Ivan Olivo, and Kevin Steele.
- m) “Member” means any local area cooperative that completes a membership agreement within the Cooperative, the Co-founder membership class, and the investor membership class.
- n) “Member Interest(s)” shall mean any right of any Member in any obligation of the Cooperative to the Member.
- o) “Membership Agreement” means the agreement with a Cooperative agreeing to become a local area cooperative (defined by area code(s)), the Co-founder membership class, and the investor membership class.

- p) “Meeting of Members” means the first meeting of the Members, an annual meeting of the Members, or a special meeting of the Members;
- q) “Model Articles”, “Model Bylaws” means the form and terms approved by the Cooperative for Local area cooperative members, the Co-founder membership calls, and the investor membership class.
- r) “Monthly Membership Dues for Preferred Shareholders” means the \$50 plus processing fees that permits a Preferred Shareholder to remain eligible for the 90% net fare split on a per ride basis.
- s) “Officer” means an officer of the Cooperative as chosen from time to time by the Board of Directors;
- t) “Patronage Returns” means a patronage return or returns based on the business done by the Cooperative with, through, or on behalf of Members with, as provided in the Act and based on USA tax law;
- u) “Policy” means any Policy established pursuant to clause 2.8 of these Bylaws;
- v) “Preferred Share” means a preferred share in the Cooperative that entitles such member shareholder to a potential dividend and/or return on their preferred share within the limitations of Section 25000(r) of the Act.
- w) “Preferred Shareholder” means the driver member, co-founder, or investor (depending on class) that purchased a preferred or is issued a share that entitles such member shareholder to a potential dividend and/or return on their preferred share within the limitations of Section 25000(r) of the Act and as defined by the Board.
- x) “Recorded Address” means the last address of a Member, Shareholder, or Director as recorded in the records of the Cooperative;
- y) “Shares” means Membership or Investment Shares in the Cooperative;
- z) “Subscription Agreement” means an agreement by which a Member or an entity or person with a pre-existing relationship to subscribe to purchase or receive a Preferred Share in the Cooperative
- aa) “Regulations” means the regulations passed under the Act;
- bb) “Service Fee” means a service fee charged by the Cooperative to the Member or Non-member with respect to services provided by the Cooperative to the Member or non-member pursuant to agreements made between the parties. The Board will set the amount of these service fees;
- cc) “Special Resolution” means a resolution passed by a majority of not less than two thirds of the Members who are entitled to vote on the resolution and who do vote on the resolution;
- dd) “Surplus Revenue” means the surplus income of the Cooperative as determined by the Cooperative’s accountants using Generally Accepted Accounting Principles.

ARTICLE 2 – BUSINESS OF THE COOPERATIVE

2.1 Corporate Seal

- (1) The Cooperative may have a corporate seal in a form approved by the Board
- (2) If the use of the corporate seal is approved by the Board, the seal shall be authenticated by the signatures of such person or persons as may be designated by the Board.
- (3) A document executed on behalf of the Cooperative is not invalid merely because the corporate seal is not affixed to it.

2.2 Fiscal Year

- (1) The Fiscal Year of the Cooperative shall begin and end on such date as may be fixed by the Board.

2.3 Execution of Instruments

- (1) All cheques, notes, bills of exchange, and other financial documents shall be signed on behalf of the Cooperative by at least two Directors of the Cooperative authorized by a resolution of the Board to do so or other employee or agent authorized by the Board.
- (2) All other deeds, transfers, assignments, contracts, obligations, certificates, and other instruments may be signed on behalf of the Cooperative by a person or persons appointed by the Board by resolution.

2.4 Memberships Certificate “Membership Certificate” to those local area cooperative Members that qualify as Members (by assembling 10 driver Members that have participated in the preferred share program), members of the Co-founder Members class, and the corporate/Investor member class on such terms as are appropriate for each class of Members. All such Member shall execute the appropriate Membership Agreement as the Board deems appropriate and necessary for each class of Members.

2.5 Preferred Share Certificates

- (1) The Cooperative shall issue a “Shareholder Certificate” to those Members that have agreed to participate in the “Preferred Shareholder” program:
 - (a) In order for driver members to participate in this program the proposed candidate must be a qualified driver and accept the terms of the applicable Membership Agreement.
 - (b) The process for issuing Preferred Shares to members of the Co-founding class shall be determined by the Board.

(c) The process for issuing Preferred Shares to the corporate/Investor Class of Members shall be determined by the Board.

- (2) The Cooperative shall issue a Preferred Share Certificate only to those Members in the Cooperative that have signed a Subscription Agreement, Summary Offering Memorandum, and have paid for the Preferred Share or shares.

2.6 Information Available to Members and Shareholders

- (1) Subject to the Act and applicable regulations, no Member or Preferred Shareholder shall be entitled to any information respecting the Cooperative's business which, in the opinion of the Board, would be prejudicial to the interest of Members, Shareholders, or of the Cooperative. The Board may, from time to time, determine the conditions on which the accounts, records, and documents of the Cooperative shall be open to inspection by Members or Shareholders, and no Member or Shareholder shall have the right to inspect any record or document except as permitted by the Act or authorized by the Board or otherwise permitted by California law.

2.7 Business with Non-Members

- (1) The Cooperative shall not be restricted to doing business with its Members. Without restricting the generality of the foregoing, the Cooperative may enter into agreements with both Members and non-members.

2.8 Business to be Conducted by the Board

- (1) Subject to the Act, the Regulations, the Articles, and these Bylaws, the business of the Cooperative shall be directed and supervised by the Board, and the Board may exercise all the powers of the Cooperative that are not required to be exercised by the Cooperative at a Meeting of Members.
- (2) The Board may, from time to time, at its discretion, raise or borrow money for the purpose of the Cooperative's business and may secure the repayment of the same by mortgage, charge, or other security upon the undertaking and assets of the Cooperative, both present and future.
- (3) The Board will require records to be kept of all business transactions and of all actions of the Board.
- (4) The Board may appoint an executive committee from among its number, and will, if appointed, prescribe the executive committee's duties.
- (5) The Board may appoint persons or employ a manager or such other agents, employees, consultants, or independent contractors for defined purposes to assist the Board in the discharge of its duties.

2.9 Golden Clause

- (1) Bylaw Protection Against Demutualization and Hostile Control
- (2) Golden Clause: Protections Against Demutualization, Hostile Takeover, and Structural Deviation.
- (3) Purpose: This section establishes irrevocable safeguards to preserve the mutual, federated, and cooperative character of the Cooperative and to prevent any hostile takeover, demutualization, or conversion into a non-cooperative or investor-owned entity. These protections serve to uphold the values of democratic ownership, labor-based equity, and inter-cooperative solidarity.
- (4) Supermajority and Veto Requirement: Notwithstanding any other provision in these Bylaws, Articles of Incorporation, or applicable law, any proposed action that would result in or reasonably lead to the following outcomes shall require:
 - (a) An affirmative vote of at least 85% of the entire membership across all classes combined;
 - (b) Unanimous approval from the entire Class “C” Members;
 - (c) Approval from at least two-thirds of the Board of Directors; and,
 - (d) A non-waivable veto right held jointly by the Founding Members or their designated successors.
- (5) These thresholds apply to the following actions:
 - (a) Any conversion of the Cooperative into an investor-owned entity;
 - (b) Any merger, acquisition, or reorganization that would eliminate or materially diminish worker or member control;
 - (c) Any amendment to the Cooperative’s mission, federated structure, or governance model that removes member ownership or democratic control.
- (6) Veto Safeguards: The Cooperative shall designate a Golden Share or equivalent non-transferable Founding Member Class with perpetual veto power over the enumerated actions above. This class shall have no additional rights to profit distribution but shall retain the power to prevent the Cooperative’s deviation from its foundational principles.
- (7) Continuity of Protections: These provisions shall be binding on all future Boards, management, and member classes, and may not be repealed, amended, or suspended except by the procedures and approvals outlined herein.
- (8) Federated Autonomy: Each member cooperative within the Federation shall be encouraged to adopt reciprocal Golden Clause protections to safeguard the structural integrity of the overall federated network.

(9) These provisions are intended to uphold the long-term solidarity, autonomy, and integrity of the cooperative movement as embodied by the Federation.

2.10 Policy

- (1) The Board shall have the authority to make, amend, approve, and publish policies which establish standards, guidelines, and requirements with respect to Members, and non-members, to the Cooperative (“Policy”). A Policy shall take effect from the date that it is approved by the Board but may be amended or repealed by a majority of the Members at the next Annual General Meeting of the Cooperative.

ARTICLE 3 – DIRECTORS

3.1 Election of Directors by Members

- (1) The Board shall consist of not less than five (5) and not more than (eleven (11) Directors, of which:
 - A. Not more than 49 percent shall be individuals representing Class “A” Preferred Shareholders (Drivers) Members, which for the moment shall not constitute more than two directors;
 - B. Not more than 30 percent shall be individuals representing the Class “B” Co-Co-founders Members, which presently shall not constituted more than two directors;
 - C. Not more than 20 percent shall be individuals representing the Class “C” Members, which shall be constituted at the discretion of the Board of Directors Local Direct Tech. Inc., which presently shall not represent more than 1 director.
- (2) The voting and ownership structure of the Federation (the nationwide governing cooperative), subject to the recuperation of 50% of the capital and like-kind services contributed by the co-founders and Direct Local Tech, Inc. (the “**Recuperation**”), shall be divided as follows:
 - A. 49 % of the Federation shall be allocated to Local Area Cooperatives, each of which shall be constituted and democratically governed by its own local driver Preferred Share Members— with **2.5%** of such 50% voting interest being allocated to the Fractional Local Driver Cooperative, comprised of **2.25%** allocated to **Fractional Members** and **0.25%** allocated to **Free Fractional Members**—which shall be generally known as the “**Drivers’ Vote**”.
 - B. The Driver’s Vote shall be allocated through the membership interests in the Federation of the Local Area Cooperatives and the Fractional Local Driver Cooperative, which, once again, shall constitute 50% of the total votes available in any vote within the Federation (subject to the aforementioned

recuperation of the capital and like-kind services contributed by the co-founders and Direct Local Tech, Inc.) on the issues set forth below as “Nationwide Federation Voting”.

- C. Forty nine percent (49%) of the Drivers’ Vote shall be calculated on the basis of the number of member-drivers of each Local Area Cooperative that are a Preferred Shareholder Member that have purchased a Preferred Share with the Federation, maintained his, her, or its monthly maintenance fees, and is otherwise in good standing within his, her, or its Local Area Cooperative. The remaining 2.5% of the Driver’s Vote shall be allocated to (i) Fractional Members (2.25%) and (ii) Free Fractional Members (0.25%) participating in the Nationwide Federation Voting by and through the Fractional Local Driver Cooperative.
- D. Until such time as the Recuperation occurs, the weighted value of the Drivers’ vote will be limited to 49% with that additional 2.5% percent being allocated to the Expert Co-founders.
- E. The effect of this provision is for a popular vote of the eligible drivers, as set forth above, on those issues tabled bi-annually by the Board of the Federation, in which driver participation is needed (referendums).
- (3) All Directors shall be elected by the Members by a simple majority as provided in these Bylaws at the first Meeting of Members and at each annual meeting thereafter.
- (4) Members will have the opportunity to nominate candidates for election to the office of Director within a reasonable period of time before the Meeting of Members as established by the Board. The Directors may nominate a slate of Directors to be considered for election by the Members, provided these nominees are disclosed to the Members within a reasonable time prior to the Meeting of Members.
- (5) The Election of Directors shall be by secret ballot or electronic equivalent. Two scrutineers who are not nominees or Directors shall be appointed by the Chair of the Meeting for the purpose of ascertaining and declaring the results of the election of the Directors. In the event of a tie, the Chair is authorized to prescribe a procedure to break the tie.
- (6) At the first meeting of the Members of the Cooperative:
 - a) one half of the total number of Directors to be elected by Members; or if one half of that number is not a whole number, the next highest whole number shall be elected to hold office until the first annual general meeting; and
 - b) the remaining number of Directors to be elected by Members after applying subsection (a), shall be elected to hold office until the second annual general meeting; and

- c) The Chair of the Meeting may either call for two sets of nominations for each of the above groups of Directors or call for all nominations at the same time on the basis that the Directors receiving the highest number of votes will be elected for the longer term as per subsection (b) of Article 3.1(5).
- (6) Except as provided in Bylaw 3.1(5), the term of the office of a Director to be elected by Members shall be two (2) years, subject to the provisions in Article 3.
- (7) Retiring Directors are eligible for re-election.

3.2 Officers/Meetings

- (1) Federation Board Elections and Appointments (Annual): At each Annual General Meeting (“AGM”), the Presidents of each Local Area Cooperative shall vote to elect (a) the President of the Federation Board of Directors and (b) the Chief Executive Officer (“CEO”) of the Federation Board of Directors, each for a one-year term or until their successors are elected.
- (2) Local Area Voting Process: Each Local Area President shall cast their Local Area’s vote based on an internal vote conducted prior to the AGM by that Local Area’s governing leadership (President, Secretary, Treasurer), in accordance with the Local Area’s bylaws and procedures.
- (3) Appointed Directors: The Co-founders group shall appoint two (2) Directors to the Federation Board, and the technology company (Class “C”) shall appoint one (1) Director, each on such terms and for such duration as may be set out in these Bylaws or by Board policy.
- (4) Other Officers: Following the AGM elections and appointments above, the Federation Board shall appoint from among its Directors a Secretary and Treasurer (and any other officers), unless otherwise provided by resolution of the Members.
- (5) Subject to section 3.2(3), the Board will hold meetings, not less than once every three months, on days and at places and times decided on by the Board, or as requested by any manager or managing director appointed by the Board. The Board may appoint a day or days in any month or months for regular meetings of the Board at a place and hour to be named. A copy of any resolution of the Board fixing the place and time of such regular meetings shall be sent to each Director forthwith after being passed, and no other notice shall be required for any such regular meeting.
- (6) Special meetings of the Board may be called at the request of two (2) Directors or by the Chair. The Directors or Chair calling the meeting will fix the time, place, and date of the meeting.
- (7) Notice of the time and place of special meetings of the Board shall be given to each Director not less than five (5) days before the time when the meeting is to be held if the notice was delivered personally to each Director or by means of facsimile transmission or email to the last recorded facsimile number or email address of each

Director, and not less than 10 days' notice if it is given by mail at the last recorded address of the Director or by any other means.

- (8) If all the directors are present at a meeting, it will be deemed to have been regularly called whether or not the notice of the meeting has been given or properly given. A Director may waive notice of a meeting in writing or by participation in a meeting.

3.3 Electronic Meetings and Resolutions in Writing

- (1) A Director may attend a meeting of Directors by means of a telephonic, electronic, or other communication facility that permits all persons participating in the meeting to communicate adequately with each other during the meeting.
- (2) A resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of Directors or a committee of Directors is as valid as if it had been passed at a meeting of Directors or of a committee of Directors.
- (3) A resolution may be signed in counterpart, and by facsimile or email, in which event a faxed or email signature shall be deemed as good as an original, and all counterparts taken together shall be deemed to be one and the same instrument.

3.4 Quorum/Voting

- (1) A majority of the Directors constitutes a quorum for the transaction of business at a meeting of the Board, but a smaller number may adjourn from time to time until a quorum is obtained.
- (2) The Chair may vote on any question and also has a casting vote in the event of a tie.
- (3) If there is no majority in favor of a motion, the motion is lost.
- (4) At the meeting of Directors held before the annual meeting, the Directors will adopt a report covering all of the activities of the Cooperative for the preceding year, which will be presented to the Members at the annual meeting.
- (5) The act of a majority of the voting Directors present at a meeting at which a quorum is present will be the act of the Board, unless the act of a greater number is required by law or these Bylaws.

3.5 Validity of Acts

- (1) All acts done according to any meeting of the Board, or by any person acting as Director, or by a resolution in writing of the Directors will be valid and subsisting at first instance notwithstanding that it may subsequently be discovered that there was some defect in the appointment of any Director or person acting as Director.

- (2) Irregularities in the notice of any meeting or the accidental omission to give a notice to or the non-receipt of a notice by any Director will not invalidate any resolution passed or any of the proceedings taken at any meeting of the Board.
- (3) All acts undertaken according to 3.5(1) and 3.5(2) are subject to ratification by the Board.

3.6 Qualifications of Directors

- (1) No fewer than two thirds (2/3) of the Directors must be Members of the Cooperative. A majority of the Directors must not be full-time officers or employees of the Cooperative.
- (2) Subject to subclause 3.6(1) above, no person shall be a Director if that person is:
 - a) under 18 years of age;
 - b) an individual who is an assisted adult or an assisted person as defined in the *Dependent Guardianship and Trustee Act*, or who has been found a person of unsound mind by any court;
 - c) an undischarged bankrupt;
 - d) a full-time employee of the Cooperative unless the Members, by special resolution, waive this restriction, and
 - e) not in Good Standing, if the Director is a Member of the Cooperative.

3.7 Removal of Directors

- (1) The Board may remove any Director and declare that Director's office vacant if the Director:
 - a) remains in default under any agreement with the Cooperative, or is not in Good Standing, after 14 days' notice has been given to that Director to remedy the default by a person so authorized by the majority of the Board;
 - b) fails to attend three (3) consecutive regular meetings of the Board of which the Director has been duly notified, unless the Director's absence has been explained to the satisfaction of the Board;
 - c) is convicted of an indictable offence for which the Director is liable to imprisonment for a term of not less than two (2) years;
 - d) has been established to the satisfaction of the Board to be guilty of disloyalty to the Cooperative; or
 - e) has been established to the satisfaction of the Board to be no longer qualified.

- (2) Subject to the Act, the Members of the Cooperative may, by a majority vote at a Meeting of Members, remove any Director from office who was elected by the Members.
- (3) A Director may resign from the Board by giving the Board notice of his resignation in writing.

3.8 Ceasing to Hold Office/Filling Vacancies

- (2) A Director ceases to hold office when that Director dies, resigns, is removed from office, or becomes disqualified from continuing as a Director under the Act. If a Director's office is vacant, vacancy may be filled in accordance with the Act.
- (3) The Board shall have power from time to time and at any time, to appoint any other person as a director, either to fill a casual vacancy or as an addition to the board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Bylaws.

3.9 Conflict of Interest

- (1) A Director or Officer of the Cooperative must, in accordance with the Act, disclose to the Cooperative the nature and extent of any interest that the Director or Officer has in a material contract or transaction, or a proposed material contract or transaction, with the Cooperative and any material change to any such interest.
- (2) This provision does not require disclosure of:
 - (a) any agreement, contract or transaction that is available to and customarily entered into between the Cooperative and its Members or Shareholders if the said agreement, contract, or transactions are on the same terms as are generally available to Members.
 - (b) Any equity or interest held by a Director or Officer of the Cooperative that constitutes less than 5% of the equity of a publicly listed corporation.
- (3) Notwithstanding section 3.9(2) an Officer or a Director may not vote on matters involving Agreements, contracts, or transactions entered into between the Cooperative and the Director (individually) or Officer (individually), provided that a vote in these circumstances will not of itself obligate the Director or Officer to account for any profit realized from the contract, but may disqualify the Director or Officer from the Board if the Board, by a majority vote, decides that the Director or Officer's conduct justifies disqualification.

3.10 Remuneration and Expenses

- (1) The Directors and Officers shall be paid such remuneration for their services as the Members may, from time to time and by ordinary resolution, determine. The Directors and Officers shall also be entitled to be reimbursed for travelling and

other expenses properly incurred by them in attending meetings of the Board or any committee thereof. Nothing in these Bylaws shall preclude any Director or Officer from serving the Cooperative in any other capacity and receiving remuneration therefore.

3.11 Financial Statements/Records

- (1) The Board shall submit or cause to be submitted to every annual meeting of the Members financial statements as prescribed by the Act and the Regulations and a report as to the affairs of the Cooperative and the business carried on by the Cooperative.

3.12 Fees and Levies

- (1) The Directors may set and vary fees, service fees, and levies to be payable by Members and Shareholders, including annual Membership or Shareholders fees and levies, and fees for services rendered.

Type	Fee
Fee for Free Fractional Members	\$0
One-time Fractional Group Fee (covers background check)	\$50
Reservation of Preferred Share prior to application for the TNC License in each state, for new members	\$150
New one-time membership fee upon approval of the TNC License in each state, for new members	\$300
90 days post TNC approval for that jurisdiction or upon 100 Members entering the Preferred Shareholder program, whichever event occurs first	Fair Market Value
Maintenance, App Development and Marketing Fee (\$15 for app maintenance, \$30 for marketing, \$5 for miscellaneous fees), subject to covering monthly operating costs	\$50/month

- (2) The one-time \$50 Fractional Group Fee applies to any person joining the Fractional Member class in the future and is intended to cover the cost of the applicant's background check (currently approximately \$20). Free Fractional Members do not pay this fee and convert at Launch as provided in Article 1.1.

- (3) Members participating in the rideshare program will be responsible for paying insurance fees based on mileage. These fees, determined by the insurance provider in each state, will be deducted from the gross fare amount.

ARTICLE 4 - COMMITTEES, OFFICERS, AND STAFF

4.1 Committees

- (1) The Board may appoint other committees from the Board or the Membership to assist with the governance and planning of Cooperative operations. At least one Member of the Board must serve on any committee.
- (2) Unless otherwise determined by the Board, each committee shall have the power to fix its quorum at not less than a majority of its Members, to elect its Chair, and to regulate its procedure.

4.2 Officers

- (1) There will be at least three Officers of the Cooperative who will assume the duties of the Chairman of the Cooperative, President, the CEO of the Cooperative, Treasurer, and Secretary. The Board may establish other offices from time to time, which may be filled by individuals who need not necessarily be Members of the Board.
- (2) The Chairman of the Cooperative and the CEO will co-preside at all meetings of the Cooperative and of the Board.
- (3) The Chairman of the Cooperative is *ex officio* a Member of all committees of the Board.
- (4) The President will present to the first meeting of Members and each annual general meeting of the Members the Directors' report of the Cooperative's activities for the previous year.
- (5) In case of the absence of the President, the Board may nominate one of the Members of the Board who are present or participating by telephone to act as Chair of a meeting of Directors or Members.
- (6) Subject to paragraph 4.2(8), the Secretary will:
 - (a) attend all meetings of the Cooperative and of the Board and keep correct minutes of the meetings;
 - (b) have charge of the correspondence, records, and books of the Cooperative; and
 - (c) perform such other duties as are assigned from time to time by the Board.
- (7) Subject to paragraph 4.2(8), the Treasurer will:

- (a) receive and deposit in the bank, treasury branch, credit union, or place of safekeeping designated by the Directors, all money paid to the Cooperative, and issue receipts for that money;
 - (b) keep a proper set of books, showing accurately the dealings of the Cooperative;
 - (c) present a full and detailed account of the receipts and disbursements to the Board whenever requested by it;
 - (d) prepare for submission to the annual meeting of the Cooperative, a complete statement of the financial position of the Cooperative; and
 - (e) perform such other duties as are assigned from time to time by the Board.
- (8) The duties of the Secretary and Treasurer referred to in paragraph 4.2(6) and 4.2(7) may be modified or altered in keeping with the assignment of duties to any manager or other Officers of the Cooperative by the Board.
 - (9) Officers will not receive a salary or fees for their services apart from that allowed to Directors, but by resolution of the Board, reasonable out of pocket expenses of attendance, if any, may be allowed for attendance at each regular meeting of the Officers. Any such compensation will be budgeted for and approved by the Directors in advance.
 - (10) All Officers will serve at the pleasure of the Board. The Board will have the right to remove any Officers.
 - (11) Notwithstanding 4.2(10), the President of the Federation Board and the CEO elected under 3.2(1) may be removed only by [AGM vote / for cause / special resolution].
 - (12) The Board will fill any position of a required Officer of the Cooperative which becomes vacant with a successor who will hold office at the pleasure of the Board.

4.3 Auditor

- (1) At the first annual meeting of the Cooperative, and at each subsequent annual meeting, the Members shall appoint an Auditor in accordance with the Act. The Members may, by special resolution, resolve not to appoint an Auditor at the first meeting of the Cooperative and at each subsequent annual Meeting of the Cooperative.

4.4 Manager and Staff

- (1) The Board may, from time to time, appoint a manager for the Cooperative. The duties of the manager shall be as determined by the Board from time to time.

- (2) The Board may, from time to time, appoint such other staff and officers as it may deem necessary to carry on the Cooperative's business and undertaking, with such duties as may be determined by the Board.

4.5 Agents and Attorneys

- (1) The Board may, from time to time, appoint agents or attorneys for the Cooperative in or outside California, with such powers of management or otherwise, including the power to sub-delegate.

4.6 Bonding Requirements

- (1) The Board may require such Officers, employees, and agents of the Cooperative as the Board deems advisable to furnish bonds for the faithful discharge of their powers and duties, in such form and with such surety as the Board may, from time to time, determine.

4.7 Team Leader Conduct and Management

As Local area cooperative team leaders ("Team Leaders") are agents and an extensions of the Federation and its values and thus are therefore bound by the cooperative values of self-help, self-responsibility, democracy, equality, equity, and solidarity. The local bylaws will reflect these principles. As elected representatives, Team Leaders are obligated to lead by example, demonstrating professionalism, clear communication, and integrity. Behavior detrimental to the organization's reputation and operational integrity will not be tolerated.

- a) **Professional Environment** - Team Leaders must foster a professional, inclusive, and supportive environment in all interactions with cooperative members and Managing Federation Founders. They are required to participate in meetings concerning ethical conduct and respectful interactions. An ethics and appeals board has been established by the Board of the Federation to adjudicate misconduct or disputed conduct for drivers censored or removed from local digital forums.
- b) **Confidentiality** - All internal communications, meetings, and virtual chat rooms are private and confidential. Information labeled or announced as "confidential", particularly trade secrets and proprietary information, must not be disclosed without explicit written permission from the Managing Federation Founders. Information should only be shared with individuals on a need-to-know basis. Unauthorized disclosure can result in severe disciplinary action, including potential termination, following an investigation and review process.
- c) **Meeting Recordings** - To ensure transparency and accountability, official meetings involving leadership may be recorded as determined by democratic

principles. By signing the acknowledgment of this policy, Team Leaders consent to be recorded in any live or virtual call or meeting.

- d) **Workplace Conduct** - The cooperative maintains a zero-tolerance policy for harassment, discrimination, and misconduct. The “Workplace” is defined to include any environment where a Team Leader conducts cooperative business, such as digital chat rooms and personal vehicles used for services. All claims will be investigated with discretion and fairness, and whistleblowers will be protected from retaliation under applicable laws.
- e) **Use of Artificial Intelligence** – While it’s recognized that ChatGPT has become a modern tool for people that can’t think for themselves and/or lack the ability to communicate in a sophisticated and intelligent manner, this organization shall not spend unnecessary time responding to repeated AI memorandums challenging the progress of this organization. It is the policy of the Cooperation that repeated use of ChatGPT as a method of gripping and/or challenging decisions of the Federation is not a good use of the Managing Federation Founders time or that of local team leader’s time. Occasional use is acceptable but abusing the use of artificial intelligence in communication by local leader’s time answering endless AI generated memorandums shall not be accepted as a worthy use of Managing Federation Founders and time. This restriction may be waived or recognized for specific communications on an occasional basis or for specific purposes but will only be tolerated for worthy issues and discussions. The Counsel for the Federation and the Chairman of the Federation has unfettered discretion to decide whether or not to answer Chat GPT memos and reserves the right to ignore them as they have better and more important ways to allocate their time than reply to computer programs. If the Counsel for the Federation and the Chairman of the Federation decide that an issue needs to be addressed then that issue will be addressed for the benefit of the cooperative.
- f) **Disciplinary Actions** - Policy breaches, especially those compromising confidentiality, will lead to stringent disciplinary measures, which may include removal from the leadership role or acceptance of resignation. Spreading hearsay or rumors is prohibited and may also result in disciplinary action upon sufficient proof. Disciplinary actions will be meticulously documented and follow a standardized procedure, which includes the right to a hearing before the Ethics and Appeals Committee.
- g) **Reporting** - Team Leaders are obligated to use the designated confidential email channels to report any unethical practices or policy violations. For the moment, any such complaints shall be delivered to legal@fare.coop. Reports will be handled with confidentiality and impartiality by the Managing Federation Founders.
- h) **Performance and Attendance** - Team Leaders must exceed performance and attendance standards. Attendance at the mandatory weekly leadership meetings is

required, except in unusual or emergency circumstances, which must be communicated to a Managing Federation Founder on 24 hours notice. Missing a meeting without cause results in a written warning. After three warnings, disciplinary action may be taken. A Team Leader unable to attend a meeting must delegate their responsibilities to another local team leader.

- i) **Operational Reporting** - Team Leaders must submit detailed weekly reports on exceptional or extraordinary operational tasks that may become detrimental to the health of the Federation and/or strategic decisions by midnight each day using the provided tools. Failure to submit a weekly report may result in a written warning, with three warnings subjecting the leader to disciplinary action. This reporting requirement expires 90 days after its implementation (on or about February 28, 2025) but may be extended in appropriate vote of local cooperative presidents and Managing Federation Founders.
- j) **Acknowledgment** - By signing the agreement, Team Leaders affirm their commitment to uphold these policies. This commitment shall be reviewed and reaffirmed annually or whenever policy updates occur. This policy will be updated as needed to address new issues.

4.8 Team Leader Duties, Responsibilities, and Standards

- (a) **Purpose and Role**
A Team Leader, whether elected or serving on an interim basis, shall serve as the **local operational authority and grassroots ambassador** of the Cooperative within their designated area. Team Leaders are responsible for advancing the Cooperative's mission of shared ownership, community empowerment, and economic justice through active participation, member support, and leadership accountability.
- (b) **Core Duties and Operational Requirements**
Each Team Leader shall:
 - (1) Actively participate in the Cooperative's services by completing rides weekly to maintain a direct understanding of the member and customer experience;
 - (2) Recruit a minimum of five (5) new drivers and five (5) new customers each week through outreach, referrals, and community engagement;
 - (3) Host weekly meetings with local Members to strengthen community bonds, provide updates, and address local issues; and
 - (4) Attend all mandatory Federation leadership meetings to ensure alignment with strategic goals and to report on local performance metrics.
- (c) **Member Support, Training, and Development**
Team Leaders shall:
 - (a) Train local Members on referral processes, sales funnel strategies, and membership upgrade options;
 - (b) Provide mentorship and maintain positive, constructive relationships with

Members to foster trust and engagement;

(c) Ensure Members understand the Cooperative's structure, voting rights, and opportunities for advancement; and

(d) Serve as the first point of contact for dispute resolution within their area, escalating unresolved matters to Federation leadership when necessary.

(d) **Reporting and Accountability**

(a) Team Leaders must submit **weekly and monthly performance reports** in the format prescribed by the Board, including data on rides completed, recruitment activity, and engagement metrics;

(b) Failure to meet the minimum performance expectations for two (2) consecutive weeks shall subject the Team Leader to performance management, which may include mentorship, reassignment, or removal in accordance with these Bylaws; and

(c) Compliance with this Article is a condition of holding the position of Team Leader. Each Team Leader must sign an annual acknowledgment reaffirming their commitment to these standards and to the Cooperative's mission.

(e) **Promotion, Community Representation, and Knowledge Sharing**

(a) Team Leaders shall organize or participate in local promotional efforts such as sign-up drives, community events, and marketing campaigns;

(b) Each Team Leader must remain informed of all policy, app, and marketing updates and mentor at least one (1) other Member to ensure leadership continuity; and

(c) Team Leaders are encouraged to share local updates, achievements, or success stories on Cooperative-approved social media platforms at least once per week.

(f) **Inclusion and Accessibility**

(a) Team Leaders shall actively promote **inclusivity and equity**, ensuring fair participation of underrepresented groups including women, immigrants, and non-English speakers; and

(b) Facilitate **language and accessibility support** where required to ensure equal opportunity and participation within their jurisdiction.

(g) **Required Attributes**

Each Team Leader must:

(a) Demonstrate unwavering commitment to the Cooperative's mission, vision, and values;

(b) Exhibit integrity, professionalism, and strong interpersonal skills;

(c) Be dependable, proactive, and capable of effective collaboration across diverse communities;

(d) Be proficient in using digital communication and reporting tools (e.g., Zoom, WhatsApp, spreadsheets); and

(e) Maintain a positive, solutions-oriented approach under pressure while representing the Cooperative's values in all actions.

(h) **Enforcement and Oversight**

The Federation Board shall retain oversight authority for Team Leader

performance, conduct, and compliance with this Article. Persistent failure to adhere to these duties or uphold the Cooperative's standards may result in disciplinary action, including removal, following review and documentation in accordance with Federation policy.

4.9 Dispute Resolution Framework

- (1) The Cooperative shall maintain a formal dispute-resolution process to address governance disagreements, operational conflicts, or leadership disputes, including those arising even when the Board has reached a majority or unanimous decision.
- (2) The framework shall include:
 - (a) A written complaint and response procedure;
 - (b) A mediation stage led by a neutral panel of three impartial co-founders or independent members, **to be selected and confirmed at the discretion of the Federation Board**; and
 - (c) A final determination stage by a Federation Tribunal or designated hearing panel whose decision shall be binding.
- (3) The dispute process shall be documented in full within the Cooperative's policy manual, accessible to all members.
- (4) The objectives of this framework are to maintain board unity, ensure fairness, and prevent operational paralysis by providing structured and transparent resolution mechanisms consistent with cooperative principles and state law.
- (5) The Federation Board may appoint a Federation Tribunal or designated hearing panel to investigate and adjudicate any alleged violation of these Bylaws, leadership standards, or Cooperative Policies. Upon completion of its proceedings, the Tribunal shall issue a written determination with recommendations, which may include disciplinary action up to and including suspension or removal from leadership or membership. The Federation Board shall review and ratify the Tribunal's determination by resolution, after which the decision shall take immediate effect and be binding on the parties.

4.10 Succession Planning

- (1) **Purpose:**
This clause ensures continuity of leadership, the protection of earned cooperative value, and the equitable transfer of member and leader benefits in the event of death, incapacity, or permanent absence.
- (2) **Leadership Continuity:**
In the event of the death, incapacity, resignation, or removal of any elected or appointed leader (including Local Presidents, Secretaries, or Treasurers):
 - (a) The **Board of the Federation** shall have the authority to appoint a qualified successor to fill the position; or
 - (b) If the outgoing leader is able, they may **nominate a successor**, subject to

Board confirmation.

(c) The successor shall assume the vacated position and become entitled to receive the **1% jurisdictional revenue share** prospectively from the effective date of the appointment.

(3) **Leader Earnings and Family Rights:**

If a leader dies, becomes permanently incapacitated, or otherwise ceases to serve:

(a) The leader's **estate, family, or designated beneficiary** shall inherit all **earned compensation, referral commissions, and associated entitlements** accrued up to the date of death or incapacity.

(b) This includes the continuation of referral code ownership, associated referral commissions, and any outstanding eligible earnings or distributions accumulated prior to the date of death.

(c) Any leadership-linked compensation (including the 1% jurisdictional revenue share) shall terminate as of the date of death, with no further accrual beyond that date unless a successor is formally appointed.

(4) **Member Succession Rights:**

In the event of the death or incapacity of a **Member or Preferred Shareholder**, the **family, estate, or designated beneficiary** shall inherit:

(a) The deceased or incapacitated member's **referral code(s)**;

(b) All **referral commissions** and related residual earnings due and payable under the referral program; and

(c) Any other accrued or vested cooperative benefits as recognized by the Board.

(5) **Documentation:**

Each leader and member is encouraged to designate a successor or beneficiary in writing to the Cooperative. In the absence of such designation, inheritance shall be determined in accordance with applicable state estate laws.

(6) **Effective Administration:**

The Board shall maintain and enforce policies ensuring that all transfers under this section are documented, verifiable, and carried out within 60 days of verified notification of death or incapacity.

4.11 Leadership Accountability and Sales Funnel Reporting

(1) **Weekly Sales Funnel Reports**

All elected and appointed leaders, including local area presidents, secretaries, and treasurers, shall submit a weekly sales funnel report to the Federation.

(a) The report shall include data on new driver and rider referrals, membership upgrades, ride completions, and other key performance indicators prescribed by the Board.

(b) These reports shall be used as a primary accountability tool to measure leadership performance and demonstrate progress to both the Preferred Shareholders and Fractional Members they represent.

(c) The Federation may publish aggregated, non-confidential summaries of these

reports to maintain transparency and encourage friendly competition among local areas.

(2) **Purpose and Use**

The weekly sales funnel report shall serve as the core performance and growth monitoring mechanism for the Federation. It is intended to ensure consistent expansion of the mutual business owned collectively by the Members, Preferred Shareholders, and Fractional Members.

(3) **Weekly Local Meetings**

Each local area president shall hold weekly team meetings with their leadership team and drivers to:

- (a) Review performance metrics and sales funnel data;
- (b) Discuss operational challenges and cooperative opportunities;
- (c) Reinforce the sense of community ownership and belonging among local drivers and members.

These meetings shall be considered a vital leadership function for maintaining strong cooperative identity and communication in each jurisdiction.

(4) **Compliance and Oversight**

(a) Failure to provide timely weekly sales funnel reports or conduct required meetings may result in performance review, mentorship, or disciplinary measures as defined in Article 4.7.

(b) Any local area president who fails to submit three (3) consecutive weekly sales funnel reports without a justifiable reason shall be automatically suspended from the presidency pending review by the Federation Board.

(c) The suspension shall be lifted automatically after the president successfully submits three (3) consecutive weekly sales funnel reports following the date of suspension, demonstrating renewed compliance and accountability.

ARTICLE 5 – DUTY OF CARE AND PROTECTION OF DIRECTORS, OFFICERS, AND OTHERS

5.1 Duty of Care of Directors and Officers

- (1) Directors and Officers of the Corporation, in exercising their powers and discharging their duties, shall:
 - a) act honestly and in good faith with a view to the best interests of the Cooperative; and
 - b) exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.

5.2 Insurance

- (1) The Cooperative may purchase and maintain such insurance for the benefit of its Directors and Officers, as the Board may, from time to time, determine.

5.3 Indemnity

- (1) Subject to the limitations contained in the Act, the Cooperative shall indemnify Directors and Officers, former Directors and Officers, and their respective heirs, legal representatives, and successors, against all costs, charges, and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by them in respect of any civil, criminal, or administrative action or proceeding to which they are made a part of by reason of being or having been Directors or Officers of the Cooperatives if:
 - a) they acted honestly and in good faith with a view to the best interests of the Cooperative; or
 - b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, they had reasonable grounds for believing their conduct was lawful.

ARTICLE 6 -- MEMBERSHIPS, PREFERRED SHARES, AND TRANSFERS

6.1 Membership Qualification

- (1) Subject to the provisions of the Articles, a local area cooperative shall only be qualified to apply for Class "A" Membership in the Cooperative if that local area cooperative:
 - a) has 10 Members that have participated in the Preferred Shareholder plan, paying monthly maintenance dues, and are otherwise in good standing;
 - b) has 10 Members that are participating as fractional members within their local area cooperative;
 - c) is registered as a local area cooperative, duly incorporated, active, and operating under the Model Articles and Model Bylaws; and,
 - d) meets such other conditions as may be stipulated by the Board.
- (2) Subject to the provisions of the Articles, the Co-founders shall be issued and hold the Class "B" Membership by providing proof of the formation of a cooperative that represents its constituents in a manner satisfactory to the Board. All members of the Co-Founder cooperative must possess such expertise, experience, acumen, qualifications, or other attributes considered reasonably required to operate the Cooperative in the discretion of the Board and meet such other conditions as may be stipulated by the Board and/or the board of the co-founder cooperative.

- (3) Local Driver Local Tech., Inc., a Delaware corporation, shall hold the Class “C” Membership in the Cooperative.

6.2 Application for Membership

- (1) A person who qualifies for Membership in the Cooperative may apply for Membership by submitting to the Board each of the following:
 - a) an Application for Membership;
 - b) Subscription Agreement for Shares;
 - c) such agreements as may be stipulated by the Board;
 - d) payment of membership fees if applicable; and
 - e) such other documents, materials, and payments as may be required by the Board.

6.3 Refusal of Membership Applications and Subscriptions

- (1) All Applications for Membership in the Cooperative and subscriptions for Shares in the Cooperative shall be subject to the approval of the Board. Subject to the Articles and these Bylaws, the Board, in its sole discretion, may refuse any Application for Membership or subscription for Investment Shares.

6.4 Member Right to Vote

- (1) Each Member shall have only one vote regardless of the number of Shares held, or how the right to vote is exercised. Fractional/joint Members shall be deemed to be one Member and fractional/joint Members shall have only one vote between them.
 - (a) The membership voting structure of the Federation shall be divided as follows:
 - (i) 50% of the Cooperative is owned by Local Area Cooperatives as Members of the Cooperative, each of which is constituted and democratically governed by its own local driver-members. The Cooperative reserves the right to allocate 2.5% of this 50% to be voted by a member cooperative that would be constituted by (i) Fractional Members (2.25%) and (ii) Free Fractional Members (0.25%).
 - (ii) 30% of the Cooperative is owned by the Co-Founders, experienced managers from diverse industries.
 - (iii) 20% of the Cooperative is held by a Delaware-based technology corporation with a binding Master Services Agreement.

- (b) The voting interests are set forth through the membership interests of each Local Area Cooperative, which shall constitute 50% of the total votes available in any vote within the Federation. The driver-controlled 50% shall be calculated on the basis of the number of member-drivers of each Local Area Cooperative that have purchased a Preferred Share and are in good standing with their Local Area Cooperative (having paid their monthly maintenance fees). A record date of 14 days shall be established identifying the total number of member-drivers of each Local Area Cooperative that have purchased a Preferred Share and are in good standing with their Local Area Cooperative (having paid their monthly maintenance fees). The effect of this provision is create a popular vote of the member-drivers, as set forth above, on those issues tabled bi-annually by the Board of the Federation, in which driver participation is sought.
- (2) The voting interests of the Class “B” expert co-founders (and the expert co-founder advisors) shall represent 30% of the total vote.
- (3) The owners of the Class “C” membership class shall vote the remaining 20%, which will be by and through the Local Driver Tech Inc.
- (4) In other words, the total number of eligible votes as of the Record Date for member-drivers of each Local Area Cooperative that have purchased a Preferred Share and are in good standing with their Local Area Cooperative (having paid their monthly maintenance fees) shall equal the total number of votes to be voted by the Class “B” membership class and the Class “C” membership class.

6.5 Federation Referendum Voting (bi-annual)

- (a) Topics brought up by Local Driver Tech Inc.
- (b) Topics brought up by expert co-founders and expert co-founder advisors.
- (c) Topics brought up by the local area cooperatives that receive state approval.
- (d) Members will receive fair and transparent reporting on Cooperative performance.

6.6 Voting on State-wide Issues (quarterly)

(1) These are proposals made by local chapters impacting state-wide issues. In addition, if a majority of the members in a state vote in favor the tabling of a nation-wide issue then such a vote will be tabled for a vote by the Federation, inclusive of all participating States.

6.7 Local Area Cooperative Chapter Voting

(1) The Local Area Cooperative Voting shall be conducted by the by the local area president, secretary, and treasurer for each jurisdiction/area. Each local area leader must review and sign the Fare Coop Elected City Team Leader Conduct and Management Policy. Compensation for the elected President, Secretary, and Treasurer of a local area cooperative shall be 1% for the term of their position and for only the net profits generated within their local cooperative during that period. Local leaders that do not satisfy their job descriptions, as set forth by the board of the Federation, may be terminated by the Federation.

(2) The local area leaders for each Local Area Cooperative are responsible for conducting local elections on each of the following issues:

- (a) Local leadership (annual vote, unless required sooner due to resignation or termination of a leader).
- (b) Local pricing (monthly or weekly vote by the local area leadership).
- (c) Local marketing initiatives (provided there is surplus from monthly maintenance fees, or availability of other investment and/or marketing funds)
- (d) Local area ethics committee (to address ethical and misconduct issues or violations of local bylaws)
- (e) Local proposals to the state and Federation votes (impacting state wide or nation wide issues)
- (f) Initial local bylaws will be provided by the Federation as Model Bylaws and will be subject to adjustments and additions made by the local area cooperative impacting local issues, so long as they align with the general principles of the Federation.

6.7A Local Area Leadership Structure and Compensation Conditions

(1) Appointment Responsibility

Each Local Area President is responsible for identifying, appointing, or electing suitable individuals to fill the roles of Secretary and Treasurer within their local cooperative. These appointments must be communicated in writing to the Federation and recorded in the local cooperative's governance records.

(2) Unfilled Positions — Compensation Limitation

If either or both the Secretary and Treasurer positions remain unfilled within a local area cooperative, the maximum compensation the Local Area President may receive shall be limited to one percent (1%) of the net profits generated within that local area. No additional compensation or share of local proceeds shall be payable until both positions are duly filled.

(3) Purpose

This limitation is intended to ensure that all local leadership teams operate with full administrative and financial oversight and that Presidents prioritize establishing complete and accountable local governance structures.

(4) Purpose

This clause shall take effect on a provisional basis upon adoption by the Board and shall be subject to confirmation by vote at the first Annual General Meeting (AGM) of the Cooperative.

6.8 Preferred Shareholder Qualification

(3) The Class “A” Preferred Shareholders in the Cooperative shall be constituted of qualified drivers that purchase a share through the driver offered preferred share program for the values set forth in section 3.12 (Fees and Levies).

(a) Each such Member Shareholder must also execute the appropriate regulatory documents, including the Subscription Agreement, Summary Offering Memorandum, appropriate Membership Agreement, and satisfy such other conditions as may be stipulated by the Board.

(b) As part of the Preferred Shareholder Program, those drivers participating shall also be required to pay a monthly membership due in the amount set forth in section 3.12 (Fees and Levies).

- i. The failure of a Preferred Shareholder member to remain current with his, her or its monthly maintenance fees will result in those members being reduced to the Fractional Member compensation rate of 57.5% per ride/fare.
- ii. The specific treatment and status of the Preferred Share for any Preferred Shareholder member that has not or does maintain the monthly membership fees shall be addressed at the first meeting of the Members, which is to occur within the first 180 days of operations.
- iii. For those Preferred Shareholder members seeking a refund of their Preferred Share, a refund policy and program shall be determined by the Board subsequent to the first meeting of the Members.

- iv. Notwithstanding the foregoing, once a Preferred Shareholder member has referred one hundred fifty (150) customers in tier 1 to the Cooperative, as verified by the Cooperative and/or the Board, such Preferred Shareholder member shall no longer be required to pay monthly maintenance fees under this section.
- (c) The Class “A” Preferred Shares shall receive any declared dividends, patronage returns, or other distribution(s) at 50% of such net distribution(s) (with the Co-Founder Preferred share class receiving 30% and the Investor Share class receiving 20% of all such distributions).
- (4) The Co-founder Class “B” Preferred Shareholder class (which shall be constituted under the forum of one cooperative) shall consist of two classes of Co-founders that are to be described as (a) the Expert Co-founders and (b) Advisory Co-founders. The allocation of the returns of each subclass will be declared by the Board.
 - (a) The Class “B” Preferred Shares for Co-founders shall receive any declared dividends, patronage returns, or other distribution(s) at 30% of such net distribution(s) (with the driver preferred share class receiving 50% and the Investor Share class receiving 20% of all such distributions).
- (5) The Investor Class “C” Preferred Shareholder class, is owned by Local Driver Local Tech., Inc., a Delaware corporation.
 - (a) The Class “C” Preferred Shares for the corporate Investor shall receive any declared dividends, eligible patronage returns, or other distribution(s) at 20% of such net distribution(s) (with the driver preferred share class receiving 50% and the Investor Share class receiving 30% of all such distributions).
- (6) The foregoing share classes shall not have any voting right on account of their capital contribution by purchasing a Preferred Share.
- (7) This section governs the issuance, valuation, and redemption of Preferred Shares in full compliance with California Corporations Code §25100(r), and is intended to preserve the Cooperative’s exemption from securities qualification requirements.
 - (a) Dividends: Dividends, if declared, shall be distributed solely at the discretion of the Board of Directors and only from retained net surplus, and shall not exceed reasonable returns as defined by cooperative

policy. No dividend shall be cumulative, compounding, or guaranteed. The Board may choose to defer, reduce, or suspend dividends depending on financial conditions.

(b) Redemption and Share Value Adjustments: Preferred Shares are not transferable and shall not be sold or exchanged on any secondary market. However, the Board may authorize redemption of Preferred Shares from members under the following conditions:

- i. Redemption may only occur at the discretion of the Board, and only from available surplus, reserves, or designated redemption funds.
- ii. Redemption value may reflect the Cooperative's most recent independently reviewed or audited book value per share, as determined annually, if such method is expressly approved by the Board and disclosed in writing to all members.
- iii. The Board may cap or limit annual redemptions in any given fiscal year to protect financial stability.

(8) Valuation Adjustment Clause: The Board may, upon independent review and consistent with generally accepted accounting principles, assign a fair book value to Preferred Shares based on the Cooperative's net assets and accumulated surplus. This method may be used for internal redemption purposes only and shall not establish a public market price or suggest speculative investment potential.

6.8A Preferred Shareholders Not in Good Standing

1. Any Preferred Shareholder who is more than one (1) full month in arrears on their monthly maintenance fees shall automatically be deemed not in Good Standing.
2. During any period of non-compliance exceeding one (1) month, the Preferred Shareholder shall be temporarily downgraded to the Fractional Member compensation rate of 57.5% on all ride or service revenues.
3. The affected Preferred Share(s) shall be placed on administrative hold effective the date of default. While on hold, no dividends, patronage returns, or voting privileges shall accrue or be exercisable.
4. The share value shall remain fixed at its original paid-in value during the hold period and shall not participate in any share value appreciation until reinstated.

5. Referral payouts and referral-based commissions shall continue to be earned and distributed according to the applicable referral-program terms, regardless of the member's standing or share status.
6. Reinstatement of Good Standing may occur automatically upon full payment of all outstanding maintenance fees prior to the first Annual General Meeting (AGM).
7. At the first AGM, the body of Preferred Shareholders shall vote, by ordinary resolution, on the proper treatment of:
 - (a) Shares remaining on hold due to continued default; and
 - (b) Refund requests submitted by Preferred Shareholders seeking redemption.
8. Until such AGM resolution is passed, all shares under hold shall remain recorded at their original issuance value and may not be redeemed or transferred.
9. Free Fractional Conversion at Launch (No Charge): Until Launch, all Free Fractional Members shall be converted into the Fractional Member class at the 57.5% net revenue rate at no charge, effective on the Launch Date, and shall thereafter be treated as Fractional Members.
10. Defaulted Maintenance Fees (Fractional Share Issuance and Conversion): Any Preferred Shareholder who has defaulted on monthly maintenance fees prior to Launch shall be issued (or deemed issued) one (1) Fractional Share at no cost and, upon conversion at Launch, shall be treated as a Fractional Member at the 57.5% net revenue rate unless reinstated as a Preferred Shareholder in Good Standing.
11. Reimbursement Requests (Full Share Investment): Any member seeking reimbursement of their investment into a full Preferred Share must (a) sign the applicable Membership Agreement (if not already signed) and (b) complete and submit a written reimbursement request using the reimbursement form provided by the Federation (the "Reimbursement Form"). The review, timing, and approval of reimbursements shall be determined by the Board and/or by resolution of the Preferred Shareholders at the AGM, subject to available surplus and any redemption limits adopted by the Board.

6.8B Multiple Share Ownership and Fleet Shares

1. Maintenance Fee Obligation for Multiple Shares: A Preferred Shareholder who purchases more than one Preferred Share shall be required to pay the monthly maintenance fee on only one (1) share, regardless of the total number of shares owned, unless one or more of the additional share(s) are actively assigned to other drivers or vehicles for operational use.

2. Assigned Operational Shares: When additional share(s) are assigned to other drivers or vehicles and are being actively used for rideshare or delivery operations, each such active share shall incur the standard monthly maintenance fee as established under Article 3.12.
3. Idle Shares: Additional shares that are not assigned or actively operated remain idle shares and shall not be subject to ongoing monthly maintenance fees while idle. However, such shares remain non-dividend-accruing and non-voting until reactivated.
4. Fleet Share Specification: A Fleet Owner is defined as a Member or Preferred Shareholder operating multiple vehicles or employing multiple drivers under the Cooperative's platform.
 - (a) Each Fleet Owner must purchase one Preferred Share per vehicle or driver participating in the fleet program.
 - (b) Fleet Owners shall receive bi-weekly payments via ACH deposit representing their share of Cooperative net revenues, subject to standard deductions and reconciliations.
 - (c) Fleet Owners bear full responsibility for compensating their respective drivers, contractors, or employees in accordance with applicable law and at their own discretion.
 - (d) Fleet Owners must ensure that all assigned drivers meet Cooperative qualification, insurance, and background-check standards prior to activation.
 - (e) Any misuse, underreporting, or non-compliance with Cooperative policy may result in suspension of fleet privileges or forfeiture of Fleet Share benefits by Board resolution.
5. Administrative Oversight: The Cooperative reserves the right to request documentation verifying fleet assignments, operational activity, or payroll compliance at any time. Failure to provide satisfactory evidence may result in reclassification of shares as idle and immediate suspension of fleet status.

6.9 Joint Membership, Partnerships, and Corporations

- (1) Two or more persons may jointly hold a Membership or Shares. Where a Membership or Shares are held jointly, they shall be held in joint tenancy unless the joint holders all sign a statement which indicates to the Cooperative that the Membership or Shares are to be held as tenants-in-common. Joint members and shareholders are jointly and severally liable for all assessments, levies, fees, service fees, payments, and other charges and debts imposed or payable to the Cooperative. A joint membership or Shares exists whenever two or more persons indicate that they wish to hold a single Membership Share or Share in the Cooperative.
- (2) Membership and Shares may be held by corporations, partnerships and other entities so long as they or it satisfy the limitations of section 52000(r) of the Act.

- (3) The holder of any jointly held share shall appoint or elect a single delegate to represent and vote for them at Meetings of Members, if they wish to vote.

6.10 Transfer and Transmission of Shares

- (1) No transfer or transmission of Shares or Membership in the Cooperative shall take effect unless a written application by the transferee has been approved and the transfer or transmission has been authorized by the Board. Upon approval and authorization of the transfer or transmission, notification shall be sent to the transferee and the name of the transferee shall be entered in the Members' register.
- (2) An Application for the transfer of Shares or Membership shall include a transfer duly executed by the registered holder or the registered holder's attorney or representative together with such reasonable assurance or evidence of signature, identification, and authority to transfer or transmit as the Board may, from time to time, require proof that any applicable taxes have been paid and that any claims which the Cooperative may have against the transferor (including any claims under any agreement with the Cooperative) have been satisfied.
- (3) The personal representative of a deceased holder of Member Interests is entitled to become the holder of the Member Interests if the personal representative deposits with the Cooperative, together with any reasonable assurances that the Cooperative may require:
 - a) any certificates or documents reasonably required by the Cooperative to prove that the deceased Member held the Member Interests;
 - b) a document proving the death of the holder of the Member Interests; and
 - c) a document proving that the personal representative has the right under the law of the place in which the deceased Member was domiciled immediately before death to deal with the Member Interests.
- (4) Deposit of the documents required by Bylaw 6.8(3) empowers the Board to approve the transfer, assignment, or transmission of Member Interests from the deceased Member to the personal representative or to any person that the personal representative may designate and to treat the transferee as the owner of the Member Interests.
- (5) Notwithstanding the foregoing, shares in the Cooperative are only transferable to the extent permitted by law and to the extent permitted by any Subscription Agreements signed by the Member or Shareholder at the time of issue.

6.11 Duty of Members and Shareholders

- (1) Members shall faithfully support and promote the purpose and objectives of the Cooperative and shall be bound by the Bylaws and any other Agreements with the Cooperative signed by the Member. A Member who is not in Good Standing shall not be entitled to vote at a Meeting of Members.

- (2) Any Member who does not fulfill their obligations under these Bylaws irrevocably appoints the Cooperative as its attorney-in-fact and agent to sign and deliver in the name of the Member all such documents necessary to complete any action deemed necessary by the Board to fulfill the purpose of the Cooperative. Such appointment, being coupled with an interest, is not revoked by the incapacity of the Member who hereby ratifies and confirms all that the Cooperative may lawfully do or cause to be done pursuant to this section to give full effect to such Power of Attorney.

6.12 Withdrawal of Members

- (1) Subject to the approval of the Board, and subject to the terms of any Agreement between the Cooperative and a Member, and subject to the Act, and upon such terms and conditions as the Board requires, a Member may withdraw from the Cooperative by giving 90 days' notice in writing of their intention to withdraw. The Board, in its sole discretion, may accept any application for withdrawal upon shorter notice. A withdrawing Member must satisfy all that Member's obligations to the Cooperative prior to withdrawal, including the Member's obligations under any Agreement with the Cooperative.

6.13 Termination of Membership for Cause

- (1) The Board shall have the right, by resolution, to terminate the Membership of any Member if, in the opinion of the Board:
 - a) the Member remains in default under any agreement with the Cooperative, or is otherwise not in Good Standing, after 14 days' notice has been given to the Member to remedy the default in question;
 - b) the Member is petitioned or makes an assignment into bankruptcy, a Receiver is appointed with respect to the Member or the Member's property, or a seizure or extra-judicial seizure is effected with respect to the Member's property that affects the Member's ability to carry out the responsibilities of membership;
 - c) the Member is convicted of an offence involving imprisonment without the option of a fine;
 - d) the Member is an assisted adult, or an assisted person as defined in the *Dependent Adult Guardianship and Trustee Act*, or has been found to be a person of unsound mind by any court;
 - e) the Member fails to comply with any law or regulation;
 - f) the Member is no longer eligible for membership in the Cooperative as defined in these Bylaws, Articles, the Act, or Policies of the Cooperative;
 - g) any other just cause.

- (2) Within seven (7) days after the date on which the resolution to terminate the Membership of a Member is passed by the Board, the Cooperative shall, in the same manner as that provided for the giving of notice of a Meeting of Members, notify the person whose Membership was terminated.
- (3) A person whose Membership is terminated for cause or by resolution of the Board may appeal the decision to the next Meeting of Members.
- (4) At the next Meeting of Members, the Members may, by majority vote, affirm or overturn that termination. The outcome shall be final and binding on the Member.

6.14 Expedited Termination for Severe Violations

- (1) **Purpose**
This section provides the Federation Board with authority to immediately terminate a Member's leadership role, Membership, or both, where continued association would expose the Cooperative to material legal, reputational, or financial risk.
- (2) **Grounds for Expedited Termination**
The Federation Board may, by resolution, permanently terminate any Member, Officer, or Team Leader without further notice or right of appeal upon reasonable determination that the individual has:
 - (a) been convicted of, or charged with, a felony or other serious criminal offence involving moral turpitude, fraud, violence, or dishonesty;
 - (b) violated any executed non-disclosure, non-compete, or confidentiality agreement with the Cooperative or its affiliates;
 - (c) engaged in conduct constituting theft, embezzlement, misappropriation of Cooperative property or data, or intentional dissemination of proprietary information;
 - (d) committed any act of gross misconduct, defamation, or fraud which, in the opinion of the Federation Board, causes or is likely to cause material harm to the Cooperative, its reputation, or its members; or
 - (e) otherwise demonstrated conduct inconsistent with fiduciary duty or the cooperative principles of honesty, integrity, and solidarity.
- (3) **Procedure**
 - (a) The Federation Board shall document the evidence supporting such determination and may, at its discretion, refer the matter to the Federation Tribunal for verification.
 - (b) Upon adoption of the Board resolution, termination shall take effect immediately, without requirement of further notice or hearing.
 - (c) The terminated party shall have no right of appeal under Article 6.13 or otherwise.
- (4) **Effect of Termination**
 - (a) All positions, rights, and privileges of membership, leadership, or representation are immediately revoked.

(b) All access to Cooperative platforms, data, or resources shall be terminated forthwith.

(c) The individual remains liable for all obligations owed to the Cooperative as of the termination date.

ARTICLE 7 – DELEGATES

7.1 General

- (1) Members who hold Membership jointly, or corporations and partnerships, shall be represented at meetings by delegates, who may, subject to these Bylaws, vote on behalf of the Member.
- (2) The authority of delegates to represent a Member may be established in writing if signed by the Member or by any other means acceptable to the Board.

ARTICLE 8 – MEETINGS OF MEMBERS AND/OR SHAREHOLDERS

8.1 Annual Meetings

- (1) The Board shall call a first Meeting of Members within 180 days after the Cooperative comes into existence.
- (2) The Board shall call the first annual Meeting of Members not later than 18 months after the Cooperative comes into existence. Subsequent annual meetings of Members must be held not later than the earlier of 15 months after the holding of the preceding annual meeting and six months after the end of the preceding fiscal year.

8.2 Special Meetings

- (1) The Board may at any time call a special Meeting of Members.
- (2) 25% of the Membership interest of the Cooperative or 5 driver owned local area cooperative members in the Cooperative, whichever is the lesser number, may by written requisition require the Board to call a Meeting of Members for the purposes stated in the requisition.

8.3 Place of Meetings

- (1) Meetings of Members shall be held at the business office of the Cooperative or elsewhere in California, or electronically, as the Board may determine.
- (2) A Member may attend a meeting of Members by means of a telephonic, electronic, or other communication facility that permits all persons participating in the meeting to communicate adequately with each other during the meeting

8.4 Notice of Meetings

- (1) Notice of the time and place for each Meeting of Members shall be given not less than 14 days and no more than 45 days before the date of the meeting.
- (2) The notice shall be given to each Director, to the auditor, if any, and to each Member registered in the records of the Cooperative at the close of business on the date immediately preceding the day on which the notice is given.
- (3) Notice of a Meeting of Members called for any purpose other than the consideration of the annual report of the Directors, the financial statements, the auditor, the election of directors, the appointment, or the reappointment of the Cooperative's auditor, shall state the nature of that business in sufficient detail to permit the Member to form a reasoned judgment thereon, and shall state the text of any special resolution to be submitted to the meeting or, if the full text is too lengthy for convenient inclusion in the notice, a summary thereof.
- (4) A Member may, in any manner, waive notice of or otherwise consent to a Meeting of Members without notice.
- (5) Failure to receive a notice does not deprive a Member of the right to vote at a meeting.

8.5 Meetings Without Notice

- (1) A Meeting of Members may be held without notice at any time and place if all Members are present in person or by delegate (in the case of joint members, partnerships, and corporations)
- (2) or if those not present waive notice of or otherwise consent to such meeting being held, and if the directors are present or waive notice of or otherwise consent to such meeting being held. At such meeting, any business may be transacted that the Cooperative at a meeting of Members may transact.

8.6 Chair, Secretary, and Scrutineers

- (1) The Chair of any meeting of Members shall be one of the following individuals who are present at the meeting: the President, or, if the Present is absent, some other person elected by the Board, or Members, before the meeting.
- (2) If the Secretary is not present at the meeting, the Chair of the meeting shall appoint some person to act as secretary of the meeting.
- (3) The Chair of the meeting shall appoint scrutineers under appropriate circumstances, for the purpose of ascertaining and declaring the results of any ballots taken.

8.7 Persons Entitled to be Present

- (1) The only persons who are entitled to be present at a Meeting of Members are the Members, the Members' delegates, Directors and Officers of the Cooperative, the

Cooperative's legal and accounting advisors, and the auditor. Others may only be admitted upon the invitation of the Chair of the meeting or the consent of the majority of the Members and their respective delegates present at the meeting.

8.8 Quorum

- (1) A quorum for the transaction of business at any Meeting of Members shall be a minimum of 50% of the Members (or their respective delegates), present and entitled to vote at the meeting.

8.9 Record Date

- (1) The Record Date for each Meeting of Members is fourteen (14) days prior to that meeting.
- (2) Only Members or their delegates, who have been entered on the Member or delegate register by the Record Date are entitled to vote at the Meeting of Members and in the election of Directors, provided that the Chair of the meeting may permit a non-registered delegate to vote in place of a Member, if the Chair is satisfied that the delegate has the authority to do so.

8.10 Order of Business

- (1) So far as applicable an any particular Meeting of Members of the Cooperative, the order of business is as follows:
 - a) calling of a meeting to order by the Chair;
 - b) approval of Minutes of the preceding meeting;
 - c) business arising out of the Minutes;
 - d) Report of the Officers and Board of Directors and committee reports (if any);
 - e) consideration of financial statements;
 - f) report of the auditor;
 - g) nomination and election of Directors by Members;
 - h) nomination and appointment of the accounting advisor;
 - i) new business; and
 - j) adjournment.
- (2) At any Meeting the Members may amend the agenda, add items to it, or delete items from it in accordance with normal rules of practice for the conduct of business and meetings, and in accordance with the direction of the Chair.

8.11 Votes to Govern

- (1) At any Meeting of Members, every question shall, unless otherwise required by the Act or these Bylaws, be determined by the majority of the votes cast on the question. In case of equality of votes, the motion shall be lost.

8.12 Show of Hands

- (1) Subject to the Act and these Bylaws, any question at a Meeting of Members shall be decided by a show of hands unless a ballot thereon is required. Whenever a vote by show of hands has been taken upon a question, unless a ballot thereon is so required, a declaration by the Chair of the meeting that the vote upon the question has been carried or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against any resolution or other proceeding in respect of the question, and the result of the vote so taken shall be the decision of the Members.

8.13 Ballots

- (1) On any question proposed for consideration at a Meeting of Members, any three members or delegates entitled to vote at the meeting may demand a ballot with respect to matters which may be decided by Members. A ballot so demanded shall be taken in such manner as the Chair shall direct. A demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken, the result of the ballot shall be the decision of the Members upon the question.
- (2) The Board may authorize and provide for the voting by mail ballot, or by a combination of mail ballot and ballots at a Meeting of Members, on any matter of special business.

8.14 Adjournment

- (1) If a Meeting of Members is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the adjourned meeting. If a Meeting of Members is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given.

8.15 Resolution in Writing

- (1) A resolution in writing signed by all the Members or their delegates, or all the Shareholders or their proxies, entitled to vote on that resolution is as valid as if it had been passed at a meeting

ARTICLE 9 – ALLOCATION OF REVENUES

9.1 Disposition of Surplus Revenue to Preferred Shareholders

- (1) Subject to the Articles, the disposition of Surplus Earnings remaining in the hands of the Cooperative at the end of a fiscal year shall be dealt with as follows:
 - a) the Board shall set aside such reserves as the Board considers necessary;
 - b) the Board shall pay out dividends to Investment Shareholders pursuant to these Bylaws and any Subscription Agreement entered into between the Cooperative and the Member or Investor;
 - c) The Board shall pay out Patronage Returns to member shareholders in appropriate circumstances.

ARTICLE 10 - NOTICES

10.1 Method of Giving Notice

- (1) Any notice required or permitted to be given under the Bylaws to a Member and/or Preferred Shareholder will be in writing and may be given or delivered by:
 - a) Personal Delivery to the Member or Shareholder;
 - b) By sending it via mail to the postal address last provided by the Member or Shareholder to the Cooperative; or
 - c) By send it via email to the last email address provided by the Member or Shareholder to the Cooperative.
- (2) A notice delivered by hand or electronically shall be deemed to be given when it is delivered or transmitted as the case may be. A notice given by mail shall be deemed to be received on the third business day following mailing
- (3) Each Member and Shareholder will provide the Cooperative with a current mailing address for service of notices and may provide an email address for the purposes of receiving notices under these Bylaws.

10.2 Notice to Cooperative

- (1) Any notice or ballot required or permitted to be given under the Bylaws to the Cooperative by the Member or a Shareholder will be in writing and will be given to the Cooperative by mailing it or delivering it to the Cooperative at its business office, or by facsimile transmission or email to the Cooperative's facsimile number or email address.

10.3 Change of Address

- (1) Any party may, at any time, give notice in writing to the other of any change of address, facsimile number, or email address of the party giving such notice and from and after the giving of such notice, the address therein specified will be deemed to be the address of such party for the giving of notices under these Bylaws.

10.4 Undelivered Notices

- (1) If any notice given pursuant to this section is returned, the Cooperative shall not be required to give any further notices until the person to whom it is directed informs the Cooperative in writing of their new address, or email address as the case may be.

10.5 Waiver of Notice

- (1) Any Member, delegate, Shareholder, Director, Officer, auditor, or member of a committee may, at any time, waive any notice, or waive and abridge the time any notice is required to be given.

ARTICLE 11 – AMENDMENT TO BYLAWS

11.1 Amendment by Members

- (1) These Bylaws may be amended, repealed, or replaced in whole or in part by ordinary resolution.

11.2 Amendment by Directors

- (1) Notwithstanding section 10.1, the Directors may, by ordinary resolution, make or amend a Bylaw, provided that such Bylaw or amendment is not contrary to a Bylaw made and approved by the Members, and provided further that the Bylaw or amendment as the case may be will be presented to the Members at the next Meeting of Members for confirmation or amendment, failing which the Bylaw or amendment as the case may be will be deemed to be repealed as of the date of the Meeting of Members at which it was not confirmed.

The undersigned Directors of the Cooperative certify that the above Amended Bylaws were adopted by a resolution of the Directors of the Cooperative on the 15th day of November, 2025.



AHMED-EASA ATTIA



DANNY GOLNIK