



Otter

OTTER FARM & HOME CO-OPERATIVE

DIRECTOR APPLICATION AND INFORMATION FORM

| | |
|-----------------------|---------------------|
| Application Due | MAY 6, 2019 |
| Election at Otter AGM | JUNE 5, 2019 |

QUALIFICATIONS FOR DIRECTORS

1. All of the directors of the Association must be individuals ordinarily resident in Canada.
2. All of the directors of the Association must be individuals ordinarily resident in British Columbia.
3. All of the directors' must be members of the Association or representatives of an eligible organization that is a member of the Association.
4. No individual is entitled to become or act as a director of the Association if:
 - a. the individual is under the age of 18 years;
 - b. the individual is found by a court, in Canada or elsewhere, to be incapable of managing the individual's own affairs;
 - c. the individual is an undischarged bankrupt;
 - d. the individual is convicted in or out of British Columbia of an offence in connection with the promotion, formation or management of a corporation, or an offence involving fraud, unless the events described in the Act have occurred;
 - e. the individual is an employee of the Association;
 - f. the individual or a member eligible organization of which the individual is a director has an account with the Association that is more than 60 days in arrears
 - g. the individual or a member eligible organization of which the individual is a director has purchased less than \$2,500 per fiscal year from Otter Co-op.

DIRECTORS' LEGAL OBLIGATIONS

DUTY

The Acts in each province impose a duty on every director and officer that they must, in exercising their powers and performing their duties of office:

- a. Act honestly and in good faith with a view to the best interests of the co-operative; and,
- b. Exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

These duties are owed exclusively to the co-operative and not to any one or more of the members of the co-operative.



Otter

Directors cannot place their own private interests in conflict with their duties owed to the co-operative. A director cannot take personal benefit from his/her position and must disclose any conflict or potential conflict to the board in a timely fashion.

BEST INTERESTS

When considering the best interests of the co-operative, directors are expected to consider the interests of the co-operative's members/shareholders as a collective whole rather than thinking only of the co-operative as an abstract legal entity. This means taking into account the interest of all the members/shareholders and not allowing one sectional interest to prevail over all the others. In general, directors and officers act in the co-operative's best interests when they act in ways that maximize profits and take into consideration the interests of all the members/shareholders.

CONFIDENTIALITY

The general principles of director confidentiality are:

- Directors have no obligation to share board minutes or the details of board discussions with anyone outside the board, not even members or employees of the co-operative; and,
- Directors must not share sensitive information from board minutes or board discussions with anyone outside the board, not even members or employees of the co-operative.

As a part of a director's duty of loyalty, they must keep confidential board minutes and the details of board discussions. Any communications from the board should come from the board and not from individual members. Breach of the duty of confidentiality could result in damages to the co-operative for which a director may be found liable.

STATUTORY DUTIES

There are a number of legal requirements whereby a director may be found personally liable. These include potential liability to the co-operative's employees for unpaid wages and liability to the co-operative where the directors have voted to issue shares in the co-operative to someone for less than fair value or where the directors have voted to redeem shares contrary to the *Act*. Be sure to review the *Act* in your jurisdiction to determine what specific liability is placed on directors. As well, personal liability can be incurred by a director where the co-operative commits an offence under a number of acts including the *Canadian Environmental Protection Act*.

GOOD MANAGEMENT

Upon appointment as a director:

- Become familiar with the co-op's policies and the current structure of management;
- Become familiar with the nature and extent of the co-ops articles of incorporation, its bylaws and its organizational objectives;



Otter

- Determine the degree to which indemnification of directors is provided through agreement, bylaws and/or through directors' liability insurance.

On an ongoing basis:

- Attend all or at least the vast majority of board meetings;
- Prior to meetings, ensure you have received and reviewed all documents and reports on which voting is anticipated;
- Review in detail all minutes of meetings and ensure that any clarifications and corrections are brought forward prior to approval;

Review in detail all financial statements and ask questions for clarification;

- Obtain written legal opinions for any action to be taken by the board which is outside the directors' expertise;
- Obtain written professional opinions from specialists on whose advice the board is expected to act;
- Maintain minutes recording any disclosure, dissent or abstention by you or other board members;
- Vote against any expenditures if there is a question about the solvency of the co-operative;
- Inquire on at least an annual basis as to whether the co-operative is up to date on tax payments, EI and CPP remittances;
- Implement controls for the execution of cheques and contracts;
- Comply with the duty of confidentiality;
- Avoid or disclose any conflict of interest in a timely fashion

DIRECTOR TIME COMMITMENTS

1. Attend one Board meeting each month in person
2. Attend up to one committee meeting every second month
3. Attend an additional 2-5 planning or education sessions per year
4. Represent the Board at Special events such as store openings, socials, and equity days.
5. Complete the Director Development courses

Board meetings are typically held on Wednesday at 6:00 pm. Committee meetings are held at the discretion of the committee. Social events are often held on weekends.

REMUNERATION FOR DIRECTORS

The remuneration for Directors changes on a yearly basis. Currently, Directors receive the following compensation as approved by the members-owners at the annual meeting:

1. Presidents Monthly Retainer: \$787.50
2. Director Monthly Retainer: \$262.50



Otter

3. ½ Day Meeting (less than 4 hours): \$131.25
4. Full Day Meeting (more than 4 hours): \$262.50
5. Mileage: .44 cents per KM

CORE COMPETENCIES OF RETAIL BOARDS OF DIRECTORS

- **Independent thinking:** Maintains convictions despite undue influence, opposition or threat.
- **Teamwork:** Recognizes the importance of a thorough consideration and discussion of issues before reaching a consensus and making decisions and/or taking actions. Respects the decisions of the group and the confidentiality of those decisions.
- **Effective communication:** Is able to carefully listen to others to understand and to convey key ideas in a comprehensive and succinct manner.
- **Knowledge of the co-operative model and the CRS:** Understands the history of co-operatives, co-operative principles and values, the co-operative business model, and the Co-operative Retailing System in Western Canada.
- **Knowledge of the business:** Has sufficient knowledge of the business lines in which the co-operative is engaged or may be engaged in the future in order to carry out the board's monitoring and oversight role.
- **Strategic thinking:** Applies creativity, a big picture view and relevant knowledge of the business environment (both opportunities and challenges) to develop long-term, strategic goals and priorities.
- **Financial literacy and planning:** Reads and interprets budgets, financial statements and reports, and links these reports to the co-operative's strategic goals and plans.
- **Risk oversight:** understands the various risks of the co-operative enterprise and ensures systems and processes are in place to mitigate those risks.
- **Performance assessment:** Effectively monitors and assesses the General Manager's performance and productivity in relation to certain pre-established criteria and business objectives.
- **Conflict resolution:** Ensures that conflict is resolved with justice, fairness and respect in order to maintain healthy relationships.
- **Adaptability to change:** Able to recognize the changes occurring in the broader economic, social and internal business environment to make informed decisions about how the co-operative may need to adapt as a result.
- **Analytical and critical thinking:** Able to synthesize large quantities of information from a variety of sources and to evaluate that information in order to make sound strategic long-term decisions; able to question management constructively on direction to ensure the co-operative's best interests



Otter

OTTER CO-OP DIRECTOR APPLICATION PLATFORM, EDUCATION AND EXPERIENCE FORM

By completing and signing this form, you agree to allow Otter Co-op to publish your nomination information and photograph in election communications and documents. Candidates must submit all information in a typed (Word) or printed format. Each candidate must submit this form via paper copy and an electronic copy of this document in a Word format by email to mmculey@otter-coop.com. Please also provide your email address for communication relating to the election. Any submissions exceeding the noted word counts will be cut off by Otter Co-op exactly at the allotted number of words.

In addition to completing this form, please attach the following documents to your application

- 1) A Police Information Check with Non-Vulnerable Sector (PIC)
- 2) Personal Photograph (Digital Copy – e-mailed to mmcauley@otter-coop.com)
- 3) If you would like a video to be posted online, our marketing team can schedule an appointment prior to May 6th.

| | |
|-----------------------|--|
| First Name: | |
| Last Name: | |
| Member Number: | |
| Address: | |
| Phone Number: | |
| E-mail: | |



Otter

1) In 100 words or less, describe why you want to serve on the Otter Co-op Board of Directors:

2) In 100 words or less, describe how you support the Otter Co-op:



Otter

3) In no more than 100 words, what special attributes do you feel you can bring to the Otter Co-op Board?

4) List any experience or education in financial analysis or board governance:

| Organization/Institution Name | Description of experience | Years (y to y) |
|-------------------------------|---------------------------|----------------|
| | | |
| | | |
| | | |

5) Outline up to three of your most recent work experiences:

| Organization Name | Position | Years (y to y) |
|-------------------|----------|----------------|
| | | |
| | | |
| | | |



Otter

6) List up to three relevant educational accomplishments you have achieved:

| Institution Name | Degree/Certification/Diploma | Year Achieved |
|------------------|------------------------------|---------------|
| | | |
| | | |
| | | |

7) Outline up to three community activities that you have participated in:

| Community Group | Service Provided | Years (y to y) |
|-----------------|------------------|----------------|
| | | |
| | | |
| | | |

OTTER CO-OP DIRECTOR APPLICATION NOMINEE DECLARATION

I, _____ have read the above list of Director Qualifications for Otter Farm & Home Co-operative. I declare that I meet the qualifications listed above. If elected as a director, I will notify the Co-op's Board of Directors as soon as I cease to meet any of the qualifications listed above.

Signature of Nominee

Signature of Witness

Printed Name of Nominee

Printed Name of Witness

Date Signed

Member Number of Applicant