

Yellowknife Direct Charge Co-operative Ltd.

Board of Director's Statement of Practice - Number One

Title: Board Governance and Practices

Purpose: This Statement of Practice outlines the roles, responsibilities and activities of the Board of Directors of the Co-operative. In addition, it outlines the overall duties and limitations placed upon the General Manager by the Board of Directors. Finally, it describes the relationship of the Board and the General Manager.

Statement of Practice

The Yellowknife Co-operative's Board of Directors has established the following practices to guide the operation of the organization. These practices may change, from time to time, as a result of decisions of the Board of Directors.

Part One - Board of Director's Governance

1.0 Board Position Description

- 1.1 The Board of Directors of the Yellowknife Direct Charge Co-operative directs to the operation of the member/owner co-operative in a manner consistent with legislation, the Co-operative's Bylaws, values and published strategic direction. In doing this the Board shall, provide wise stewardship of the Co-operative's resources while preventing unacceptable actions and situations that could harm the effectiveness and success of the corporation.
- 1.2 In governing, the Board of Directors will fulfill its legal responsibilities of:
 - 1.2.1 *Duty of Care* that requires that in fulfillment of his/her duties, a Director owes the Co-operative the care that an ordinarily prudent person would exercise in a like position and under similar circumstances; and

- 1.2.2 *Duty of Obedience* that requires the Directors to be faithful to the mission and pillars of the Co-operative in its *Statements of Practice, Directives* and actions;
- 1.2.3 *Duty of Loyalty* that requires Directors to always put the best interest of the Co-op first when making decisions affecting the organization.
- 1.3 The Board provides strategic direction and broad oversight of the corporation's activities. To do this, the Board:
 - 1.3.1 Establishes strategic direction through the preparation of documents outlining the goals, objectives and values of the corporation;
 - 1.3.2 Produces written governing policies related to:
 - 1.3.2.1 Corporate outcomes – expected results for the corporation;
 - 1.3.2.2 Organizational health – expectations and limitations for executive actions and decision-making;
 - 1.3.2.3 Board governance; and
 - 1.3.2.4 Board-General Manager linkages – description of the relationship between the Board and the General Manager including the General Manager's role, authority and accountability.
- 1.4 Holds the General Manager accountable, through the monitoring of his or her performance, against established policies and direction.

2.0 Governing Style

- 2.1 In carrying out its responsibilities, the Board of Directors operates, to the extent possible, by:
 - 2.1.1 Looking to the future and keeping informed of the operations, issues and trends that may affect the mission and organizational health of the Co-op;
 - 2.1.2 Making decisions based on the knowledge of member/owner needs and best practices in accordance with the Co-op's mission;
 - 2.1.3 Being proactive and visionary in its thinking;

2.1.4 Working in a manner that encourages thoughtful deliberation, incorporating a diversity of viewpoints; working together in a collegial manner encouraging mutual support and good humour;

2.1.5 Having the courage to show leadership and make difficult decisions;

2.1.6 Committing to excellence in governance, including the regular monitoring, assessing and improving of its own performance.

2.2 The Board will monitor and discuss the Board's process and performance on a regular basis, at least two times per year.

3.0 Code of Conduct

3.1 The *Code of Conduct* outlines the authority of the Board and individual Directors and describes the general rules applicable to Director conduct of Co-op business.

3.2 The Board commits itself and its Directors to ethical, businesslike and lawful conduct, including the proper use of authority and professional decorum when acting as Directors.

3.3 Directors must demonstrate un-conflicted loyalty to the interests of the member/owners of the Co-op.

3.4 The Directors are committed to:

3.4.1 **Board Authority:** The Board recognizes its authority as being limited to overseeing the affairs of the Co-operative in a manner deemed beneficial to the Co-operative as a whole; to employing a manager to be responsible for the overall and day-to-day management of the business under the direction of the Board; and to effecting other duties as provided by the Bylaws or by general or specific corporate laws.

3.4.2 **Director Authority:** Each Director recognizes that, except when the Board is in formal meeting, his/her authority is equal only to the rights and authority of any individual member/owner of the Co-op and that no individual Director may take action on behalf of the Co-operative alone, unless explicitly delegated that authority by action of the Board.

- 3.4.3 **Managerial Authority:** The Board recognizes the authority of the manager, as provided in the Bylaws or as established by general corporate practice, to manage the affairs of the Co-operative. The manager shall employ, supervise, and discharge all employees, agents and laborers and engage in all negotiations and discussions on behalf of the Co-operative as necessary and/or directed by the Board.
- 3.4.4 **Disagreement:** The Board agrees that while an individual Director may disagree with a policy or action adopted by the majority of the Board, s/he should support said policy or action as being the considered judgment of the Board. An individual Director shall have the right and duty to present further evidence and argument to the Board for further consideration in a manner consistent with the Board's practices, and the Board shall have the duty of reconsidering its actions appropriately.
- 3.4.5 **Confidentiality:** The Board and each individual Director agree that all directors shall use the utmost of professional judgment and discretion in discussing disputed or confidential corporate actions, policies, or issues with Co-op member/owners, employees or the general public. All personnel, real estate, marketing, legal, strategic planning, and financial matters will be considered sensitive issues subject to Director's good faith and discretion unless or until made specifically clear by action of the Board as a whole.
- 3.4.6 **Professional Conduct:** At all times Directors shall recognize that they project an image as a representative of the Co-operative and shall conduct themselves in a professional manner, which fosters confidence and reflects positively on the Co-operative, its member/owners, and its staff. All Directors will respect the rights of other – Directors, staff and member/owners – to communicate their ideas free from interruption and without intimidation. All Directors shall affirmatively, and at all times, disclose any/all economic conflicts of interest.
- 3.4.7 **Leadership:** Each Director shall recognize their leadership role in the Co-op by being totally familiar with Co-op principles, the Mission and Objectives of the Co-op. Directors shall fully support the goods and services provided by the Co-op and ensure they are Directors in Good Standing. Directors must seek input from the

member/owners and report openly on the activities of the Co-op.

- 3.5 On an annual basis each Director shall be required to sign a copy of the *Code of Conduct* to demonstrate their commitment to the principles and practices that are described therein.
- 3.6 Directors are expected to attend every regularly scheduled Board meeting. A Director with more than two (2) consecutive absences for regularly scheduled Board meetings will be asked to justify their absences. Directors with more than three (3) consecutive unexcused absences will be asked by the President to resign their position as a director.

4.0 Decision-Making

- 4.1 The Board will make decisions by a process of careful deliberation; seeking out the wisdom and experience of as many voices as appropriate, which may include member/owners, administration, other Directors and others with knowledge of the Co-op's mission.
- 4.2 The Board will strive for consensus of opinion in decision-making.
- 4.3 If consensus cannot be reached after a reasonable period of consideration, to be determined by the President, then a decision of the Board shall be taken in accordance with the Bylaws.

5.0 Role of the President

- 5.1 The president shall assure the integrity and fulfillment of the Board's processes.
- 5.2 The President assures that the Board conducts business consistent with its own rules, including:
 - 5.2.1 Assuring that the deliberations of the Board are fair, open, thorough, timely, orderly and to the point;
 - 5.2.2 Chairing Board meetings and exercising the established and commonly accepted powers of the position;
 - 5.2.3 Representing the Board to outside parties based upon approved board-stated positions.

- 5.3 The Chair has no authority to supervise or direct the General Manager unless specifically directed to do so by Board decision.

- 6.0 Board Committee Structure and Principles
 - 6.1 Board Committees will be created in accordance with the Co-op's Bylaws. As well, the Board may establish adhoc or standing committees when it sees fit to do so.
 - 6.2 Committees will not interfere with the delegation of duties and responsibilities from the Board to the General Manager.
 - 6.3 Expectations and authority of Committees will be carefully stated in order not to conflict with the authority delegated to the General Manager.
 - 6.4 The Board, in accordance with the Bylaws shall approve all terms of reference for all committees.
 - 6.5 Committees will assist the Board by preparing policy alternatives and implications of matters for the Board's consideration.
 - 6.6 Board Committees may not speak or act for the Board except when expressly authorized to do so by Board decision.
 - 6.7 Board Committees cannot exercise authority over Co-op staff.

- 7.0 Cost of Governance
 - 7.1 The Board of Directors may invest in and develop its governance capacity.
 - 7.2 Investment in governance capacity may include training, third party monitoring, Board retreats and seminars as well as other activities needed to ensure that the Board has the ability to fulfill its legal obligations and represent the interests of its member/owners.
 - 7.3 The cost of governance will be integrated into the Co-op's strategic planning and annual budgeting processes.

- 8.0 Director Nominations

- 8.1 The Board seeks to recruit individual member/owners to serve on the Board who are committed to the mission and governing processes of the Co-operative.
- 8.2 In seeking potential candidates to serve as Directors, the Board of Directors will seek individuals with the following characteristics:
 - 8.2.1 Demonstrated passion and interest in the Co-op mission;
 - 8.2.2 Reflect the diversity of the cultures, abilities, family structure, race, socio-economic status and geography of the Co-op's service area;
 - 8.2.3 Supportive of the Board governing structure and can meet the Board's work expectations;
 - 8.2.4 Will engage in deliberative and collegial decision-making;
 - 8.2.5 Are committed to the established stewardship responsibilities;
 - 8.2.6 Have knowledge of the issues and challenges facing the Co-op, board governance, change management, finance, corporate growth, legal matters and strategic and organizational planning.
- 8.3 Final decisions related to the selection of Directors will be made in accordance with the Co-op's Bylaws.

Part Two - Executive Limitations

- 1.0 Financial Planning and Budgeting
 - 1.1 The General Manager will prepare financial plans and annual operating and capital budgets that achieve approved Board established goals and promote the long-term stability and sustainability of Co-op.
 - 1.2 The General Manager will prepare an annual budget, for consideration and approval of the Board, in which:
 - 1.2.1 Expenses do not exceed the amount of funds that are conservatively expected to be received in that period;

- 1.2.2 Identifies and includes estimated costs and revenues in all categories of activity;
- 1.2.3 Funds depreciation expense; and
- 1.2.4 Includes a capital expenditure budget.
- 1.3 In addition, the General Manager will prepare and maintain a long-term financial plan.
- 1.4 The annual budget will be reviewed and revised at the end of the sixth month of the fiscal year to assure continued compliance with all Board financial policies.

2.0 Financial Conditions and Activities

- 2.1 With respect to the actual, ongoing financial condition and activities, the General Manager will operate Co-op in a sound and prudent fiscal manner for short and long-term financial health, not deviating materially from Board-stated priorities.
- 2.2 Accordingly:
 - 2.2.1 Total expenses shall not exceed available organizational resources unless specifically authorized by the Board of Directors;
 - 2.2.2 Unrestricted operating expenses shall not exceed unrestricted operating income; and
 - 2.2.3 All other Board *Statements of Practice* and *Directives* are met.
- 2.3 The General Manager will maintain internal financial reports sufficient to monitor the financial activity of Co-op in accordance with all other financial policies. Specifically, the General Manager will:
 - 2.3.1 Prepare a monthly report as determined by the Board;
 - 2.3.2 Prepare monthly balance and income statements compared to budget;
 - 2.3.3 Maintain internal controls as defined by the standards of the Generally Accepted Accounting Principles as established for

retail enterprises similar to that of the Co-operative, in order to provide reasonable assurance on the reliability of financial reporting, effectiveness and efficiency of the operation, and compliance with applicable laws and regulations.

2.3.4 Maintain a current listing of member/owners and their status; and

2.3.5 Maintain appropriate internal controls as defined by audit requirements.

2.4 The General Manager will accurately prepare and file, on a timely basis, all reports for which s/he is responsible.

2.5 The General Manager will settle payroll and other debts in a timely manner.

2.6 The General Manager shall not indebted the Co-op in an amount greater than can be repaid by certain, otherwise unencumbered revenues within thirty days.

2.7 The General Manager must seek Board approval before incurring any long-term debt.

2.8 The General Manager will aggressively pursue receivables.

3.0 Staff Recruitment, Compensation and Benefits

3.1 With respect to employment, compensation and benefits to employees, consultants, contract workers and volunteers, the General Manager shall operate the Co-op in a manner which is legal, ethical, nondiscriminatory and protects the Co-op's public image and fiscal integrity.

3.2 The Board of Directors shall establish and pay the General Manager's compensation and benefits.

3.3 The Board of Directors shall establish and maintain a pay grid for senior Co-op managers and staff.

3.4 Compensation and benefits for all staff should be reasonable within the NWT marketplace and, where appropriate, will be negotiated with a union(s) representing some or all of the Co-op's workers.

3.5 Compensation and benefits should be flexible enough to attract and retain employees who are best able to assist the Co-op in achieving its mission, including the ability to:

3.5.1 Attract a diverse workforce; and

3.5.2 Provide opportunities for professional growth.

4.0 Treatment of Staff

4.1 All staff and volunteers of Co-op will receive fair, humane and dignified treatment and shall be afforded all rights guaranteed by law.

4.2 The General Manager will draft, with legal advice, and maintain written policies that reflect the policies of the Board, clarify personnel rules for staff, provide for effective handling of grievances, and protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons.

4.3 The Co-op shall provide equal employment opportunity and advancement to qualified individuals without regard to gender, race, age, religion, cultural background, ability or sexual orientation.

4.4 The General Manager shall not discriminate against any staff member for expressing an ethical dissent.

4.5 The General Manager will assure that all staff and volunteers have been informed of their rights under the Co-op's human resource policies.

5.0 Treatment of Member/Owners and Customers

5.1 The Co-op shall establish in writing and implement procedures, conditions and practices in which all customers or those applying to be member/owners are treated in a manner which is fair, dignified, humane, legal, ethical, safe, appropriately protects confidentiality or privacy, and is not unnecessarily intrusive.

5.2 The Co-op shall promote diversity and provide equal opportunity for participation to qualified individuals without regard to gender, race, age, religion, cultural background, ability or sexual orientation.

- 5.3 The only information solicited from clients should be information necessary for Co-op to best serve their needs.
 - 5.4 The Co-op shall ensure that member/owners and customers have a clear understanding of what may be expected and what may not be expected from the services provided.
- 6.0 Asset Protection
- 6.1 The General Manager will protect and adequately maintain all tangible and intangible assets of the Co-op. Accordingly, the General Manager will:
 - 6.1.1 Maintain theft and casualty insurance of at least 80% of replacement value and liability insurance to cover Board Directors, Co-op staff and the organization in an amount greater than the average for comparable organizations.
 - 6.1.2 Assure that only bonded personnel have access to material amounts of funds.
 - 6.1.3 Assure that plant and equipment are adequately maintained and repaired;
 - 6.1.4 Assure that the organization, its Directors or staff, are not unnecessarily exposed to claims of liability.
 - 6.1.5 Approve purchases only in the instances that he or she is sure that:
 - 6.1.5.1 Prudent protection has been exercised against conflict of interest;
 - 6.1.5.2 Comparative prices and quality have been investigated;
 - 6.1.5.3 Capital purchases with a value exceeding \$100,00 have been subjected to stringent criteria for comparison of long-term cost and quality; and
 - 6.1.5.4 Investments or holding of operating capital is only in secure instruments such as interest-bearing, insured savings or checking accounts and bonds of no less than AA rating.
 - 6.2 The General Manager will not encumber or dispose of real property without Board approval.

- 6.3 Assure that intellectual property, information and files are protected from loss or significant damage.

Part Three - Board /General Manager Linkage

- 1.0 Transition Policies and Practices
 - 1.1 All policies and practices remain in place until amended by the Board of Directors.

- 2.0 Executive Constraints
 - 2.1 The General Manager shall operate the Co-op in a manner that is lawful, prudent and in accordance with the strategic direction established by the Board of Directors, as well as, generally accepted business practices and professional ethics.
 - 2.2 Protect Co-op's public image and credibility at all times.
 - 2.3 The Board's sole official connection to the operating organization will be through the General Manager.
 - 2.4 Only decisions of the Board of Directors, acting as a body, are binding on the General Manager.

- 3.0 Accountability of the General Manager
 - 3.1 The General Manager is the Board's formal link to the Co-op's operational achievement and conduct. As a result, all authority and accountability of Co-op staff, as far as the Board is concerned, is considered to be within the authority and accountability of the General Manager.

- 4.0 Delegation to the General Manager
 - 4.1 The Board will direct the General Manager through written policies and Board decisions.

- 4.2 From time to time, the Board may change its Statement of Practices, thereby shifting the boundaries between Board and General Manager responsibilities.
- 4.3 As long as the General Manager uses any reasonable interpretation of the Board's Statement of Practices, the General Manager is authorized to establish further policies, make all decisions, take all actions, establish all practices and develop all activities.

5.0 Monitoring General Manager Performance

- 5.1 The Board will provide systematic and rigorous monitoring of the General Manager's job performance.
 - 5.1.1 The General Manager monitoring will be based on expected General Manager outcomes as expressed in the General Manager's annual performance goals as approved by the Board;
 - 5.1.2 In every case, the standard for compliance shall be any reasonable interpretation of Board policy that is being monitored.
- 5.2 The Board will acquire monitoring data by any of the following methods:
 - 5.2.1 Internal reports prepared by the General Manager;
 - 5.2.2 External reports prepared by a third party selected by the Board; and/or
 - 5.2.3 Direct inspection by a designated member/owner or Board Director(s), including inputs, as required, from selected member/owners, staff members or others.
- 5.3 All policies that instruct the General Manager will be monitored at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time and by any method, but will ordinarily depend on a routine schedule.

- 6.0 Communication and Support to the Board
 - 6.1 The General Manager shall communicate with the Board in a timely and sufficient manner to keep the Board informed and prepared for its work.
 - 6.2 The General Manager shall:
 - 6.2.1 Submit monitoring information required by the Board in a timely, accurate and understandable manner, directly addressing the Board *Statements of Practice* and *Directives* being monitored.
 - 6.2.2 Report and make recommendations and suggest corrective actions in a timely manner on any actual or anticipated non-compliance with any policy of the Board allowing sufficient time for the Board to consider corrective action.
 - 6.2.3 Keep the Board informed of relevant trends, anticipated adverse member/owner or media response to events, material internal and external changes, particularly changes in assumptions upon which Board *Statements of Practice* and *Directives* have been, or is being, established

Date Approved by the Board of Directors: December 11, 2013 (motion 13/12/08)

Signature of President: Original signed by Mr. E. Gullberg

Yellowknife Direct Charge Cooperative Ltd.

Board of Director's Statement of Practice – Number Three

Title: Membership and Membership Services

Purpose: This document outlines the Yellowknife Co-operative's Board of Directors Practices related to Co-op membership.

Statement of Practice

The Yellowknife Co-operative's Board of Directors has established the following practices to guide the operation of the organization. These practices may change, from time to time, as a result of decisions of the Board of Directors.

- 1.0 Membership in the Co-operative
 - 1.1 All applicants to become member/owners of the Co-op may enjoy the benefits and obligations of membership once they have filed an application and purchased the required shares.
 - 1.2 Corporations and businesses may not be member/owners of the Co-operative.
 - 1.3 All applications for membership must be approved by the Board of Directors at a duly constituted meeting (held in accordance with the requirements of the Co-op's Bylaws).
 - 1.4 Membership may be held jointly by member/owners of the same household.
 - 1.5 All member/owners have the rights and responsibilities of membership.
 - 1.6 Membership includes the right to:
 - 1.6.1 Participate and exercise voting power in accordance with the Bylaws at any annual general meeting or special meeting of the Co-operative;

- 1.6.2 Stand for a position on the Board of Directors;
- 1.6.3 Benefit from any patronage dividend declared by the Board of Directors, should they be eligible to do so;
- 1.6.4 Receive rebates to which member/owners may be entitled;
and
- 1.6.5 To be treated in a reasonable, civil and fair manner by the other Co-op member/owners, Co-op staff and the Directors of the Co-op.

1.7 Membership responsibilities include:

- 1.7.1 Payment of all financial obligations (i.e. service fees) in accordance with the rules set by the Board of Directors;
- 1.7.2 Contribute to the health and well-being of the Co-operative;
- 1.7.3 Treat other member/owners, shoppers, the Co-op staff in a reasonable, civil and fair manner.

1.8 Management will design and implement the necessary forms for membership applications and resignation.

2.0 Service Fees

- 2.1 All member/owners of the Co-operative will pay a weekly fee of \$1 (one dollar).
- 2.2 Member/Owners who fail to pay their weekly service fee for a period of 20 weeks will have their membership suspended until such time that all outstanding service fees are paid in full.
- 2.3 Member/Owners who elect to pay for 52 weeks of service fees in advance will be charged \$49 (forty-nine dollars).
- 2.4 Member/Owners who elect to pay for 26 weeks of service fees in advance will be charged \$25 (twenty five dollars).
- 2.5 There will be no refunds of service fees that are paid in advance.
- 2.6 Member/Owners who live outside the Co-op's immediate trading area may be identified by management and charged an additional

fee, for order processing, expediting and shipping of the member/owner's orders.

- 2.7 Upon approval by the Board of Directors of an application for resignation from the Co-operative, a member/owner will be deemed to have resigned the later of either:
 - 2.7.1 The date of the application for resignation; or
 - 2.7.2 The requested effective date of the resignation.
 - 2.8 Service fees will be required to be paid until the determined date of resignation.
 - 2.9 Any service fees outstanding at the resignation date will be charged against the member's share capital account – before the share capital account is reimbursed to the resigning member.
- 3.0 Non-member Sales (Private and Business)
- 3.1 Non-member/owners are welcomed to shop at the Co-op. However, non-member/owners are not provided with the financial benefits of membership. As well, they are not required to meet the financial obligations of membership.
 - 3.2 Corporations and businesses are considered to be “non-member/owners” and may purchase goods from the Co-operative. As non-member/owners, they are not provided with the financial benefits of membership. As well, they are not required to meet the financial obligations of membership.
 - 3.3 Management may set the terms and conditions on sales to corporations and businesses.
- 4.0 Patronage and Rebates
- 4.1 Patronage
 - 4.1.1 The Board of Directors considers distribution of net operational savings as part of the finalization of the annual financial statements of the corporation.

4.1.2 Where the Board of Directors makes a decision to distribute net operational savings it may do so using one, or any combination, of the following methods:

- 4.1.2.1 Cash;
- 4.1.2.2 Share capital; or
- 4.1.2.3 Some other specified form.

4.1.3 The patronage payable to a member/owner shall be calculated based on the eligible purchases made by the member/owner during the previous fiscal year of the corporation. Eligible purchases do not include purchases made at the Gas Bar, such as gasoline and other purchases at the convenience store, or tobacco products.

4.1.4 In order to receive a patronage payment, of any form, a member must be a member in good standing on a date fixed by the Board of Directors.

4.1.5 Any member who resigns from the Co-op prior to the date set by the Board of Directors will not be eligible for patronage for the prior fiscal year.

4.1.6 The Board of Directors may use a member's patronage to offset any debt that the member owes to the Co-operative.

4.2 Rebates

4.2.1 Management may set the value and timing of distribution of rebates to be paid to Co-op member/owners as a result of the member's purchase of gas at the Co-op's gas bar.

4.2.2 Management must inform the Board of Directors at least two months prior to any changes in the value or timing of distribution of gas rebates.

4.2.3 Management may negotiate rebates payable by third parties to the member/owners of the Co-operative. Should such agreements be made the Board of Directors will be immediately informed of the details of the arrangements.

4.2.4 In order for a member to be eligible to receive a rebate for any reporting/calculation period, a member must be a member in good standing on the date on which the cheque for that rebate is payable.

4.2.5 The Board of Directors may use a member's rebate to offset any debt that the member owes to the Co-operative.

5.0 Other Membership Services

5.1 The Board of Directors may establish specific projects and activities related to Membership Services. These may be established through changes to this Statement of Practice or through the approval of Directives.

Date Approved by the Board of Directors: December 11, 2013 (motion 13/12/08)

Signature of President: Original signed by Mr. E. Gullberg

Yellowknife Direct Charge Cooperative Ltd.

Board of Director's Statement of Practice – Number Two

Title: Shares and the Treatment of Share Capital

Purpose: The Co-operative is established as a limited corporation under legislation and bylaws. The bylaws described the ownership of the co-operative through the distribution of shares. This Statement of Practice outlines, under the requirements described in legislation and the bylaws, how the Board of Directors addresses matters related to share capital.

Statement of Practice

The Yellowknife Co-operative's Board of Directors has established the following practices to guide the operation of the organization. These practices may change, from time to time, as a result of decisions of the Board of Directors.

- 1.0 Share Capital
 - 1.1 All decisions made by the board with respect to share capital will be consistent with the *Cooperative Associations Act* and the Co-op's Bylaws.
 - 1.2 Share capital may be accrued in the following ways:
 - 1.2.1 Through the purchase of shares upon initiating membership;
 - 1.2.2 Through distribution of patronage by the Board of Directors; and
 - 1.2.3 By a charge applied to grocery purchases as described in the Co-op's Bylaws.
 - 1.3 There is no maximum value or amount of share capital that a member may accrue.
 - 1.4 No action shall be taken (by Board or management) that would reduce any member's share capital below the minimum required by the Bylaws, unless the member/owner resigns his/her membership in the Co-op.

- 2.0 Partial Redemption of Share Capital
 - 2.1 The Board of Directors may authorize a partial share redemption for member/owners.
 - 2.2 In making any such determination, the Board of Directors may establish terms and conditions with respect to the partial redemption of share capital.
 - 2.3 No partial redemption of share capital will be made unless it is approved by the Board of Directors.

- 3.0 Treatment of Share Capital Following a Member/Owner's Resignation
 - 3.1 Repayment of share capital to a resigned member/owner shall be made within six months following the Board's approval of the member/owner's resignation.
 - 3.2 No payment of share capital shall be made unless it is approved by the Board of Directors.
 - 3.3 Management may prepare forms to be used in communicating a member/owner's request for partial redemption of share capital.

- 4.0 Other
 - 4.1 The Board of Directors may establish specific projects and activities related to this Statement of Practice. These may be established through changes to this Statement of Practice or through the approval of associated Directives.

Date Approved by the Board of Directors: December 11, 2013 (motion 13/12/08)

Signature of President: Original signed by Mr. E. Gullberg

Directive Number: 01 - 01

Yellowknife Direct Charge Cooperative
Naming of Documents Directive

Related Statement of Practice:

Statement of Practice – Board Governance and Practices

Directive Purpose:

The Board of Directors may, from time to time, issue directions documents to guide its activities in governing the Co-op's strategic direction. These documents are separate and distinct from the documents developed by management. Management documents guide the operations of the Co-op.

Directive:

1.0 General

1.1 The Board of Directors issues two forms of directions documents to guide its decision-making. These are:

1.1.1 *Statements for Practice* – documents providing a broad framework that guide Board decision-making related to general areas of Board responsibilities.

1.1.2 *Directives* – documents providing more detailed direction with respect to matters that fall within the scope of a specific *Statement of Practice*.

1.2 The numbering of Board directional documents shall be as follows:

1.2.1 Each Statement of Practice shall be numbered sequentially (e.g. 01, 02, 03, etc.);

1.2.2 Directives shall be numbered to reflect the *Statement of Practice* under which they relate (e.g. 01, 02, 03, etc.) followed by a second number reflecting the placement of the

directive in order to its preparation and approval (e.g. 01, 02, 03, etc). As a result the numbering for a Directive will read, as an example: "01 – 01" (indicating that the Directive falls under the *Statement of Practice* number "01" and is the first Directive that was approved under the *Statement of Practice*).

1.3 The Co-op's management, through the General manager may, from time to time, develop and issue operational direction documents to guide activities of Co-op staff. These documents are:

1.3.1 *Policies* – Describing the broad operational framework for guiding the work of staff;

1.3.2 *Procedures* – Describing the specific steps to be taken to address operational matters.

Date Approved by the Board of Directors: December 11, 2013 (motion 13/12/08)

Signature of President: Original signed by Mr. E. Gullberg

Directive Number: 01 – 02

Yellowknife Direct Charge Cooperative Board Directive
Sponsorship and Donations Directive

Related Statement of Practice:

Statement of Practice - Board Governance and Practices

Directive Purpose:

The Co-op proudly supports community activities, events and fundraising efforts conducted by non-commercial organizations or groups. It provides assistance using various methods and approaches. Recognizing that the Co-op's resources are limited, decisions related to support of community activities, events and fundraising efforts are made in accordance with this policy.

Directive:

1.0 General

- 1.1 In cases where the Co-op agrees to provide financial support for community activities, events and fundraising conducted by non-commercial organizations or groups, except as noted in Section 3, below, the financial support will be in the form of specific product, Co-op gift cards, the use of Co-op equipment, or any combination of these methods. Cash donations will not be made.
- 1.2 The Co-op will only support community activities, events and fundraising that occur within the organization's primary area of business, which is defined as including the communities of Yellowknife, N'dilo, Dettah and Behchoko.
- 1.3 The Co-op may provide opportunities for organizations, including those organizations not eligible for some types of financial support described in this policy, to pack groceries, sell tickets, conduct car washes, conduct barbeques or carry out other types of fundraising activities on the Co-op's property.

1.4 Under this policy, no financial support will be provided to individuals.

1.5 All support provided by the Co-op is provided at the discretion of the authorities listed in this policy.

2.0 Financial Support for Schools

2.1 The Co-op provides annual per capita funding, at an amount determined by the Board of Directors, to schools in Yellowknife, N'dilo, Dettah and Behchoko for use by the public schools in accordance with the general philosophy and values of the Co-op.

2.2 As a result of financial support provided in Section 3.1, schools and school related activities are not eligible to receive additional financial support described in Section 4.

3.0 Eligibility for Financial Support

3.1 As first priorities, the Co-op may provide financial support for:

3.1.1 Community activities, events and fundraising related to elimination of hunger or raising awareness of hunger issues.

3.1.2 Community activities, events and fundraising related to promoting healthy lifestyles.

3.2 The Co-op may also provide financial support for:

3.2.1 Community events open to the public generally or a significant portion of the public (e.g. activities related to statutory holidays);

3.2.2 Cultural activities and events open to the public generally or a significant portion of the public (e.g. music festivals, artistic displays);

3.2.3 Community activities and events that will raise funds for the general benefit of the residents of Yellowknife, N'dilo, Dettah or Behchoko or a significant portion of the community (e.g. charitable foundation events benefiting the community);

3.2.4 Activities and events that will raise funds for the benefit of an individual or family resident in Yellowknife, N'dilo, Dettah or

Behchoko who is suffering from a personal crisis (e.g. loss resulting from a fire or severe illness); and

3.2.5 Local activities associated with national fundraising efforts, provided such activities would have a demonstrated direct or indirect benefit to the residents of Yellowknife (e.g. annual national fund raising events).

3.3 In all cases, requests for financial support must be submitted by a Yellowknife Direct Charge Co-operative member who is in good standing.

3.4 Financial support will not be provided for:

3.4.1 Activities of government departments or agencies;

3.4.2 Sports teams;

3.4.3 Travel;

3.4.4 Commercial day cares or day homes;

3.4.5 Religious observances or promotion activities (religious groups may receive financial support for activities that are not primarily religious in nature);

3.4.6 Political parties, associations or events that are primarily of a political nature; and

3.4.7 Except as noted in Section 3.2.4, activities that would result in a direct benefit to individuals or a small group of individuals.

3.5 All receiving financial support are required to publicly acknowledge the Co-op's support of their activity.

4.0 Sponsorship and Donation Policy Authorities

4.1 The Board of Directors is responsible for the approval and oversight of this policy.

4.2 The General Manager (and any employee or employees to whom s/he may delegate responsibility) shall administer this policy.

- 4.3 All requests for financial support or access to the Co-op's property for other community activities, events and fundraising efforts shall be supported by a written request in a form approved by the General Manager.
- 4.4 The General Manager may approve, in accordance with the terms and conditions described in this policy, financial support requests of under \$500.
- 4.5 If the General Manager receives a request in excess of \$500, the General Manager may:
 - 4.5.1 Approve the financial support in an amount not to exceed \$500;
 - 4.5.2 Reject the claim; or
 - 4.5.3 Refer the request to the Board of Directors for consideration, if the General Manager believes a donation of more than \$500 may be appropriate.
- 4.6 The decision of the General Manager is final and not subject to appeal.
- 4.7 The General Manager may approve or deny requests for access to the Co-op property for the conduct of community activities, events and fundraising efforts by eligible groups and organizations.
- 4.8 The General Manager may refuse any request for financial support or access to the Co-op property if s/he believes that:
 - 4.8.1 the financial or other support would be prohibited by this policy;
 - 4.8.2 the proposed activity or event is not consistent with the Co-op values;
 - 4.8.3 the public relations value to the Co-op will be minimal or negative; or
 - 4.8.4 the person or group requesting support has misused previously provided assistance or support or has failed to provide the Co-op with any publicity promised in the previous application for funding.

4.9 The General Manager shall inform the Board of Directors, at least quarterly, of the number, nature and disposition of all requests received related to this policy.

Date Approved by the Board of Directors: December 11, 2013 (motion 13/12/08)

Signature of President: Original signed by Mr. E. Gullberg

Directive Number: 01 - 03

Yellowknife Direct Charge Cooperative
Board Member Remuneration Directive

Related Statement of Practice:

Statement of Practice – Board Governance and Practices

Directive Purpose:

This directive outlines how and when members of the Board of Directors are remunerated during travel away from Yellowknife, on behalf of the Yellowknife Direct Charge Co-operative.

The Co-operative's Bylaws require that any remuneration to be paid to Directors (see section 1.0 below), be approved by a vote held at the Annual General Meeting of the Co-operative.

Directive:

1.0 Honoraria

- 1.1 From time to time Directors may be called upon to represent the Yellowknife Direct Charge Co-operative at meetings or functions.
- 1.2 When authorized by a motion of the Board of Directors, a Director shall receive an honorarium for attending meetings or functions on behalf of the Co-op.
- 1.3 The honorarium shall be \$250 (two hundred and fifty dollars) per day unless the participating member is receiving an honorarium from another organization.
- 1.4 Where less than a full day attendance is required, the honorarium shall be one-half of the full day rate, or \$125 (one hundred and twenty-five dollars). The honorarium shall also be paid for travel days, if required.

2.0 Travel Expenses and Per-diem Rates

- 2.1 Directors on authorized travel, who are not receiving financial support for travel from another organization, are entitled to receive reimbursement for travel costs (e.g. air travel, taxi, hotel and the like);
- 2.2 Directors on authorized travel who are not receiving per-diem (for meals and incidentals) reimbursement from another organization, are entitled to receive per-diem monies at a rate established in accordance with that paid to Government of the Northwest Territories (GNWT) employees that are on duty travel. Per diems will cover all meals and associated incidentals not paid for by another party (or the Co-operative itself).
- 2.3 Any of a Director's other out of pocket costs, that are directly attributable to the approved travel, (e.g. reasonable taxi expenses, laundry costs, etc.) may be reimbursed upon production of receipts.

3.0 Reporting Requirements

- 3.1 When required to do so by the Board of Directors, the Director traveling on behalf of the Board shall provide a written report on their activity. Alternatively, the Board of Directors may direct a report to be provided verbally at a full meeting of the Board.

Date Approved by the Board of Directors: December 11, 2013 (motion 13/12/08)

Signature of President: Original signed by Mr. E. Gullberg

Directive Number: 01 - 04

Yellowknife Direct Charge Cooperative
Board Member Service Awards Directive

Related Statement of Practice:

Statement of Practice – Board Governance and Practices

Directive Purpose:

The Board of Directors recognizes the dedication and service of Board members based upon their length of service.

Directive:

1.0 General

- 1.1 Director service awards, for cumulative service on the Board of the Yellowknife Direct Charge Co-operative, shall be awarded at five years and in five-year increments thereafter.
- 1.2 Awards to Directors shall be presented at the Annual General Meeting or another appropriate function.
- 1.3 Recognition may be in the form of a plaque and may also be accompanied by a gift appropriate to the length of service.
- 1.4 The Board of Directors shall establish the maximum value of any gifts that are awarded.

Date Approved by the Board of Directors: December 11, 2013 (motion 13/12/08)

Signature of President: Original signed by Mr. E. Gullberg

Directive Number: 01 - 05

Yellowknife Direct Charge Cooperative
Contest and Draw Participation Directive

Related Statement of Practice:

Statement of Practice – Board Governance and Practices

Directive Purpose:

This Directive describes the limitations placed upon Director participation in the Yellowknife Direct Charge Co-operative contests and draws that are open to the general membership.

Directive:

1.0 General

- 1.1 With the exception of the circumstances noted in 1.2, Directors, and all persons residing in the same household as a Director, are not eligible to participate during in-store promotional draws and customer contests.
- 1.2 Directors and all persons residing in the same household as the Director may participate in contests and draws held at the Annual General Meeting.

Date Approved by the Board of Directors: December 11, 2013 (motion 13/12/08)

Signature of President: Original signed by Mr. E. Gullberg

Yellowknife Direct Charge Cooperative
Education and Training Scholarship Program Directive

Related Statement of Practice:

Board Governance and Practices

Directive Purpose:

The Co-op recognizes its social responsibility to help improve the quality of life in Yellowknife by investing in its employees and their families. One way that it does this is by providing scholarships to Co-op employees and/or their dependants who are enrolled on a full-time basis in an accredited Canadian post-secondary education program that leads to a certificate, diploma, degree or professional or trades certification.

Directive:

1.0 General

- 1.1 The successful scholarship applicant will receive a scholarship award of \$1,000 for the academic year.

2.0 Eligibility Criteria

- 2.1 In order to be considered for the scholarship, you must meet the following eligibility criteria:

- 2.1.1 You are a Co-op current employee that has been:

- 2.1.1.1 A full-time employee for the past two years; or

- 2.1.1.2 A part-time or seasonal employee and have accumulated at least 1000 hours of work at the Co-op over the past four years;

2.1.1.3 Accepted as a full time student into an accredited Canadian university, college, technical school or institute of technology and program that is at least one academic year in length;

2.1.2 You are a dependant (spouse or dependant child) of a Co-op employee that has:

2.1.2.1 Completed high school, adult equivalency or a General Equivalency Diploma (GED);

2.1.2.2 Been accepted as a full time student into an accredited Canadian university, college, technical school or institute of technology post-secondary institution and program that is at least one academic year in length;

2.2 Applicants who have received a scholarship and successfully completed their first year of studies and remain in good academic standing with the post-secondary institution they are attending, are eligible to apply for an additional scholarship in the second year of their studies.

2.3 Applicants who were full-time Co-op employees immediately prior to beginning their studies and who successfully completed their first year of studies and are immediately enrolling in a second year of studies in the same program will be deemed, for the purposes of this program, to be “employees” even if their employment status with the Co-op may have changed.

2.4 No person is eligible for more than two scholarships.

3.0 Applications Process

3.1 The applicant must provide:

3.1.1 The Co-op application form;

3.1.2 A copy of the acceptance letter from an approved post secondary institution;

- 3.1.3 A description of the institution, and the program, that the applicant plans to attend; and
- 3.1.4 Following registration at the post secondary institution, a copy of your registration form.
- 3.2 Applications will be accepted twice each year. The periods during which applications will be accepted are:
 - 3.2.1 For programs starting during the fall term - June 1 through July 31; and
 - 3.2.2 For programs starting during the winter term - October 1 through November 30.
- 3.3 Applications will be reviewed to determine whether the applicant has met the terms and conditions noted above; and decisions on the awarding of scholarships will be made by August 31 (for fall term programs) and December 31 (winter term programs).
- 3.4 However, it is important to note that successful applicants will not receive their scholarship until they provide proof of full course load registration in their selected post secondary program.

4.0 Other Considerations

- 4.1 Applicants must agree to permit their name and likeness to be published by the Co-op and provide general information about their studies that may be used for public relations purposes.

Date Approved by the Board of Directors: December 11, 2013 (motion 13/12/08)

Signature of President: Original signed by Mr. E. Gullberg

Directive Number: 02 - 01

Yellowknife Direct Charge Cooperative Board Directive

Savings Certificates Directive

Related Statement of Practice:

Statement of Practice – Shares and the Treatment of Share Capital

Directive Purpose:

This Directive is temporary in nature and has been prepared to reflect a Board of Directors activity on which decisions were previously made.

In the past, the Board of Directors established a practice of providing member/owners with savings certificates in lieu of providing increases to share capital. The Board then changed its Bylaws to permit member/owners to increase their share capital and ceased the issuance of savings certificates. The Board also initiated action to repay all outstanding savings certificates held by member/owners.

Directive:

1.0 General

- 1.1 Savings certificates held by member/owners will be paid out at the direction of the Board of Directors;

2.0 Calculation of Payouts

- 2.1 Payouts that cannot be made due to the unavailability of present or former member/owners of the Co-op shall be held and earn no interest until such time as they are paid out.

Date Approved by the Board of Directors: December 11, 2013 (motion 13/12/08)

Signature of President: Original signed by Mr. E. Gullberg

Directive Number: 03 - 01

Yellowknife Direct Charge Cooperative

PRIVACY OF PERSONAL INFORMATION DIRECTIVE

Related Statement of Practice:

Membership and Member/Owner Services

Directive Purpose:

The Yellowknife Direct Charge Co-operative (the Co-op) is committed to maintaining the confidentiality of information provided by member/owners. This information is necessary to plan the activities of the Co-op to ensure that it continues to meet member/owners' needs for goods and services.

Directive:

1.0 General

1.1 For the purposes of this Directive the following definitions shall be applied:

1.1.1 Designated Information Officer: the General Manager is the senior officer responsible for the collection, storage and security of information collected from member/owners.

1.1.2 Personal Information: Information provided by member/owners that is not in the public domain or available through public sources, such as telephone directories. Personal information includes but may not be limited to information on age, gender, personal or household income, number of family members, social insurance numbers, etc.

2.0 Authorities and Accountabilities

2.1 The Designated Information Officer and her/his delegates, will comply with the following provisions in administering this Directive:

2.1.1 The collection of information shall be limited to that which is reasonably necessary for membership in the Co-op, the administration of the Co-op and any information required by law [such as the collection of Social Insurance Numbers for the reporting of patronage payments].

2.1.2 The knowledge and consent of member/owners shall be required for the collection, use or disclosure of personal information.

2.1.3 Information shall not be used or disclosed for any purpose other than the administration of the Co-op, except as consented to by the member, or as required by law.

2.1.4 Personal information shall be retained only as long as necessary for the fulfillment of the purposes for which it was collected, or as required by law.

2.1.5 Information shall be accurate, complete and up to date to the best of the Co-op's ability.

2.1.6 Procedures and practices will be established to protect unauthorized access to this information.

2.1.7 The Co-op shall make readily available to member/owners specific information about its directives, policies and practices relating to the management of information.

2.1.8 Upon request and reasonable notice, a member shall be given access to his or her personal information as set out in the records of the Co-op. A member shall be able to challenge the accuracy and completeness of the information as recorded and have it amended as appropriate.

2.1.9 A member shall be able to address a challenge concerning compliance with the above principles to the Designated Information Officer.

Date Approved by the Board of Directors: December 11, 2013 (motion 13/12/08)

Signature of President: Original signed by Mr. E. Gullberg