

**Red River Cooperative Ltd.**

**DIRECTOR CANDIDATE  
INFORMATION HANDBOOK**

**Approved March 18, 2020**

**(Timelines annually updated by Returning Officer)**

# Director Candidate Information Handbook

The goal of this package is to provide information for any Red River Co-op member-owner interested in seeking nomination for election to the board of directors. The primary responsibility of the board of Red River Cooperative Ltd. is to provide leadership, governance, and stewardship.

There are three vacancies to be filled for a three-year term ending in 2025.

If, after reviewing this document, you decide to proceed with submitting your name as a board candidate, you will be directed to the online Request for Nomination document. Please ensure that you read and complete all areas of these documents and submit online or return them to this address:

## **The Nominations Committee**

**Red River Cooperative Ltd.**

**10 Prairie Way, P.O. Box 339**

**Winnipeg, MB R3C 2H7**

- No later than 4:30 p.m. on November 5, 2021 in order for the candidate to be eligible to participate in the interview process for potential endorsement as a recommended candidate; or
- 4:30 p.m. on November 29, 2021 for candidates who opt not to participate in the interview process for potential endorsement. Candidates who do not participate will not be endorsed.

If further information is required, please do not hesitate to contact the Elections Officer by e-mail, [electionsofficer@rrcoop.com](mailto:electionsofficer@rrcoop.com) or call 204.631.4600.

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# Director Candidate Information Handbook - Part I

## Preface

Red River Co-op is a locally operated co-operative owned by its member-owners. The share you purchase when you join Red River Co-op makes you a member and an owner, and provides you with all the value and benefits of membership in this highly successful co-operative.

As a member-owner, you can participate in the “one member, one vote” democratic process that is unique to co-operatives. This means you have the ability to nominate eligible member-owners as a candidate for the board, vote in director elections and actively participate in meetings of member-owners.

This handbook is comprised of four parts. Part I provides basic information about Red River Co-op and the director election process. Part II details the nomination process, election guidelines and candidacy skills and requirements. Part III contains Red River Co-op’s Code of Business Conduct which all directors must adhere to. Finally, Part IV details the forms that must be completed by a member-owner who desires to be a candidate in the director elections.

## Introduction

The day you purchased your Red River Co-op membership, you became part of a large community and a member-owner with a vested interest in the social, economic and environmental performance of Red River Co-op.

Red River Co-op is one of the largest retail co-operatives in North America. With over 312,000 member-owners, more than 800 employees, and annual sales exceeding \$650 million, Red River Co-op is committed to lead in food, petroleum and pharmacy. Because our continued success depends on the strength of our community, we are committed to bettering the lives of our members and taking initiative in the communities we serve. In 2020, Red River Co-op invested over \$575,000 in community-based organizations. For more information, please visit [www.redriverco-op.crs](http://www.redriverco-op.crs).

## Vision, Mission and Values

Red River Cooperative Ltd. was established in 1937, serving Winnipeg and surrounding communities. We have a distinguished 84-year history of serving local communities, becoming one of Manitoba's most valued and trusted brands – not just by sales or market share, but by reputation.

Red River Co-op offers a variety of services to best serve its communities. Since 1937 we have grown to include numerous gas bars within Winnipeg, and as far out as the communities of Kenora and Dryden in Northwestern Ontario. We have food stores operating in Winnipeg and the communities of Lorette, Selkirk, Stonewall and Gimli; car washes; and bulk fuel/cardlocks.

**Mission:** To capture the hearts and minds of our employees, members and communities to grow our co-operative while returning profits to our member-owners.

**Vision** To be our members' preferred brand along life's journey.

**Values** **Integrity**  
Be honest and trustworthy in everything we do!

**Teamwork**  
We see the value in working together and always striving to do our best.

**Respect**  
For our co-workers, members, and communities.

Our vision, mission and values reflect people, community and performance working together towards success.

## Co-operative Principles

As a co-operative, we are a different kind of business. Red River Co-op has a role to play within the community, and operates differently than our competitors.

### DEFINITION

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

### VALUES

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

The Co-operative principles are guidelines by which co-operatives put their values into practice:

**1. Voluntary and Open Membership**

Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

**2. Democratic Member Control**

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives, members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.

**3. Member Economic Participation**

Members contribute equally to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

**4. Autonomy and Independence**

Co-operatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

**5. Education, Training and Information**

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of co-operation.

**6. Co-operation Among Co-operatives**

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

**7. Concern for Community**

Co-operatives work for the sustainable development of their communities through policies approved by their members.

We recognize that this consumer-owned co-operative has a responsibility to respect, to promote, and to protect the rights of the consumers, and that these rights include: the right to safety, the right to be informed, the right to choose, and the right to be heard.

## Code of Ethical Standards

In support of its responsibility to appreciate the rights of consumers, this co-operative shall aim to observe and apply in all of its activities, the following:

### Ethical Standards

- All claims, statements, information, advice and proposals shall be honest and factual.
- Sufficient disclosure of pertinent facts and information shall be made to enable others to adequately judge the offered product, service, or proposal, and its suitability for the purpose to be served.
- Due regard shall be given to public decency and good taste.
- Unfair exploitation in any form shall be avoided.
- Comparison of co-operative merchandising, products, services, philosophy, principles, or practices, to those of others shall only be made honestly and fairly, and without intent to harmfully disparage.
- The interests of the membership as a whole shall be paramount to the interests of the institution.
- The co-operative shall aim to be equitable in the treatment of its members.
- Knowingly advising or persuading individuals to take action that may not be in their best interests shall be avoided.

### Application of the Code

Having acknowledged that the consumer has certain rights, and being resolved to conduct our activities in the interests of the consumer, we shall, at all times, when applying this code or interpreting its intent, emphasize ethical human relations and values rather than technicalities or legalisms.

Our test for compliance with this Ethical Code of Standards shall be the effect of communication or action on the ordinary or trusting mind. We recognize that it is not sufficient that a discerning, knowledgeable, or analytical person may derive a correct interpretation if others may be misled.

The Code of Ethical Standards is adopted by the board of directors of Red River Cooperative Ltd.

## The Board of Directors

The board oversees the management of Red River Co-op's business and affairs, subject to the *Cooperatives Act*, regulations, articles, and the Co-operative's bylaws. Directors must be independent and possess a wide range of experience and skills.

The Red River Co-op Board is comprised of seven directors. Two or three are elected each year, although this can vary depending on vacancies. There are three officers on the board: President (Chair), Vice-President (Vice-Chair), and Secretary. Board appointment of officers, committees and representatives takes place each year after the Annual General Meeting. The board is based on a democratic structure and is committed to ensuring good corporate governance within the association. All decisions of the board must be made in the interests of the entire membership.

## Corporate Governance Guidelines

1. The board assumes responsibility for stewardship of the co-operative, and specifically for:
  - a. Adoption of a strategic planning process that includes senior management;
  - b. Identifying principal risks in the co-op by working with the board and management and ensuring a process to manage such risks is in place;
  - c. Succession planning, including oversight of all positions reporting to the Chief Executive Officer;
  - d. Ensuring the co-op has a communications policy; and
  - e. Approving a mandate for an Audit Committee of Directors. The Audit Committee will have direct communication channels with the designated internal staff and the external auditor of reviewing management's internal controls and information systems.
2. The board should consist of independent individuals who are elected by the members and able to act in the best interest of the co-operative and its members.
3. The board assumes responsibility for ensuring members have a slate of candidates in place for director elections, and the appointment of a Nomination Committee to recommend process and details.
4. The board develops a process for assessing the effectiveness of the board itself, the directors, and the committees of the board.
5. The board assumes responsibility for new director orientation programs.
6. The board sets corporate and board objectives and assigns responsibility.
7. The board reviews and approves the Chief Executive Officer's business plan and objectives annually.
8. The board has structures and procedures for ensuring that the board can function independently of management.
9. The board should examine its size in relation to effective decision-making and make any adjustment, if appropriate, to the annual meeting of members.
10. The board appoints a Governance and Compensation committee or assumes direct responsibility to manage governance and compensation issues in consultation with the Committee and to report to the membership on detailed progress.
11. The board will ensure a plan is in place for director training programs.
12. The board establishes committees as necessary by identifying such committees, the terms of reference and a chairperson.
13. The board reviews the adequacy of director compensation in light of the risks and responsibilities involved in being an effective director, and makes a recommendation to the annual meeting of members.
14. The board approves a Code of Business Conduct and Ethics.

## Board Compensation

Remuneration in the form of per diems for meeting attendance, as well as a monthly retainer, is paid to all directors in accordance with the bylaws of Red River Co-op. Directors are also reimbursed for mileage and out-of-pocket expenses incurred while conducting business on behalf of the co-op.



## Responsibilities and Activity Requirements

### Core Responsibilities

- Create and support the vision of Red River Co-op;
- Plan for the future needs of Red River Co-op;
- Provide oversight of the co-op's finances and property;
- Lead a democratic organization;
- Meet the co-op's fiduciary responsibilities;
- Evaluate the performance of the Chief Executive Officer; and
- Support community relations and communications with members.

### Meetings

Directors must be available and prepared to devote approximately 200 hours per year for board, committee, and other meetings and events. These include:

- An average of 14-18 board and committee meetings per year;
- An annual strategic planning session of 1-2 days, held offsite;
- Board/Director training and development sessions;
- The Annual General Meeting of members, held annually on an evening in April;
- Special events (as required); and
- Federated Co-operatives Limited (FCL) district and/or national meetings as required.

Board activities may be held during regular business hours; however, board meetings, committee meetings, and other activities may be conducted during evening hours, before or after regular board meetings, or on rare occasions, weekends.

### Preparation

Directors must devote the time and attention necessary to make informed decisions on issues that come before the board. While management provides directors with information needed to perform their responsibilities, directors must ask for all information they believe necessary to make an informed decision. Directors must respect management's organizational structure and such requests should be directed through the board Chair or Committee Chair.

Directors are expected to:

- Read materials before meetings, analyze the information and do independent research if necessary;
- Attend meetings prepared to discuss the issues;
- Make reasonable inquiries about information provided by management to ensure it is clear and correct; and
- Ensure they have adequate information necessary to make decisions.

# Director Candidate Information Handbook - Part II

## Director Election Process

Each year, Red River Co-op asks its member-owners to nominate fellow Member-owners to stand for election to the board of directors. All who meet the minimum qualifying criteria may go forward on the election ballot. In addition, candidates who possess the knowledge, experience and skills outlined in the Board Profile, and who submit to a third-party interview process, may be endorsed as recommended candidates on the ballot. The goal of this process is to achieve strong and balanced leadership, with the right mix of skills, experience and attributes.

The Nominations Committee oversees the nomination and election process on behalf of the board. The director election process consists of the following steps:

### Board Profile

The board updates the Red River Co-op Board Profile and approves the knowledge, experience, attributes and skills desired.

### Nomination Package

A Request for Nomination package must be completed with the following:

- Completed Request for Nomination form submitted online or by Canada Post;
- The candidate's signed consent to the nomination indicating that the nominee meets the requirements of director as specified in the Act and the bylaws of Red River Cooperative Ltd.;
- Nomination Endorsement completed by nominators (see Nomination Endorsement);
- The above must be received by mail, courier, or scanned and e-mailed to the Elections Officer, [electionsofficer@rrcoop.com](mailto:electionsofficer@rrcoop.com), no later than:
  - 4:30 p.m. on November 5, 2021 in order for the candidate to be eligible to participate in the interview process for potential endorsement as a recommended candidate; or
  - 4:30 p.m. on November 29, 2021 for candidates who opt not to participate in the interview process for potential endorsement. Candidates who do not participate will not be endorsed.

A recent, high resolution, digital photo in colour, head and shoulders photograph suitable for print is required for publication purposes from all candidates and must be e-mailed (regardless of whether Nomination Package was mailed) to [electionsofficer@rrcoop.com](mailto:electionsofficer@rrcoop.com).

### Nomination Endorsement

Nomination packages must be properly endorsed by any ten (10) persons who are Members\* of Red River Cooperative Ltd. on or before October 30, 2021, and are willing to nominate a candidate for the office of director by providing their name, member number, and signature.

\* A Member is defined as the membership applicant, and/or the name on the annual equity statement you receive.

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### Nominations Close

Nomination packages must be received online or by mail to:

The Nominations Committee  
Red River Cooperative Ltd.  
10 Prairie Way, P.O. Box 339  
Winnipeg, MB R3C 2H7

no later than:

- 4:30 p.m. on November 5, 2021 in order for the candidate to be eligible to participate in the interview process for potential endorsement as a recommended candidate; or
- 4:30 p.m. on November 29, 2021 for candidates who opt not to participate in the interview process for potential endorsement. Candidates who do not participate will not be endorsed.

### Election Form Processing

Within 7 days of receiving a candidate's Nomination Package, Red River Co-op's Elections Officer will review each nomination form to ensure it contains signatures from Member-owners with valid memberships, that candidate packages are complete, and that the Minimum Qualifying Criteria for board candidates are met. The elections officer will advise each nominee of their eligibility status following this review process.

All election related information for candidates not elected to the board will be destroyed when the ballots are destroyed.

All election related information for candidates elected to the board will be retained in the director's file with Red River Co-op. All documents and photos will become the property of Red River Co-op.

### Third-Party Candidate Assessment

The Candidate Assessment Consultant uses the Red River Co-op Board Profile and the board-approved criteria to evaluate candidates. The evaluation process includes a review of candidate materials, an introductory overview of all candidates, and an in-depth interview with the candidates whose qualifications are determined to best match the skills and experience set out in the Red River Co-op Board Profile. Candidates (including incumbents) must participate in this interview process in order to be eligible for recommendation. Incumbents will not automatically receive recommendation for re-election.

The Candidate Assessment Consultant provides a list of recommended candidates to the Nominations Committee. These individuals will be specified on the ballot as recommended candidates. There is no maximum number of candidates who may be endorsed as a recommended candidate.

Candidates are advised as to whether or not they will be a recommended candidate. Candidates who are not recommended may choose to withdraw from the ballot.

## Timeline

The key dates for the 2022 director election are shown below:

Date	Action
September 27 – November 29, 2021	<p>Call for nominations.</p> <p><b>Nominees who plan on going through the interview process for potential recommendation as a recommended candidate must submit their completed nomination package by November 5, 2021 at 4:30 p.m.</b></p> <p>Red River Co-op will advise each candidate of the results of the director minimum qualification screening by e-mail within 7 days of receiving their nomination package. Nominees who meet the minimum director qualifications will become candidates.</p>
October 30, 2021 (Last business day of fiscal year)	<p>Membership record date for the 2022 director election. Individuals who wish to vote in the upcoming director election must have purchased their membership by this date.</p>
November 5, 2021	<p>Deadline for election packages for candidates who wish to go through the interview process for potential recommendation as a recommended candidate. Submissions must be received by the Elections Officer no later than 4:30 p.m. Winnipeg time.</p>
November 8-12, 2021	<p>Candidate Assessment Consultant interviews all candidates by phone to assess against the Red River Co-op Board Profile to determine which candidates may be considered for a 2<sup>nd</sup>, in-person interview.</p>
November 15-19, 2021	<p>Candidate Assessment Consultant conducts in-person interviews with selected candidates.</p>
November 22 – 26, 2021	<p>Candidate Assessment Consultant conducts reference and background checks for select candidates.</p>
November 29, 2021 4:30 p.m.	<p>Deadline for candidates who opt not to participate in the interview process for potential endorsement. Candidates who do not participate will not be endorsed. Submissions must be received by the Elections Officer no later than 4:30 p.m. Winnipeg time.</p>
December 1, 2021	<p>Nominations Committee meet to review Candidate Assessment Consultant's recommended candidates. The board will approve all candidates who have been recommended by the Candidate Assessment Consultant.</p>

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<b>Date</b>	<b>Action</b>
December 2, 2021	All candidates are advised of the outcome of the assessment, including the candidates who are being recommended.
December 6, 2021	Deadline for candidates to provide required changes to statement of fact in platforms.
December 6, 2021	Optional withdrawal date. Any candidate who would like to withdraw their name from the director election must do so by 4:30 p.m. on this date, otherwise their name will appear in communication materials and on the ballot.
February 18, 2021	Final list of candidates is published, including the recommended candidates.
February 18 – April 11, 2022	Election period.
April 21, 2022	Director election results announced at the annual general meeting of members.
TBD	Director orientation. All new directors are expected to attend.
TBD	Board re-organization meeting. All directors are expected to attend.

## Minimum Qualifying Criteria for Board Candidates

Any individual who is a member of the Co-operative on or before October 30, 2021 may be a director of the Co-operative if that person:

- Is an individual;
- Is at least 18 years of age;
- Is of sound mind;
- Is not bankrupt;
- Successfully completes a criminal record check or QB litigation search, if requested (the Committee reserves the right to require a criminal record check or other search, in its sole discretion);
- Is not employed by or is a director of a business or other organization which competes or otherwise might present a conflict with the Co-operative, as determined by the board;
- Is sufficiently free of conflicts of interest (real or perceived) to be able to participate fully in director-related activities;
- Is not an Employee or Agency Operator under contract with the Co-operative; and
- Does not have an account with the Co-operative more than 60 days in arrears.

In addition, each person must:

- Have purchased at least \$250 worth of goods and services, or combination of both, from the Co-operative in the fiscal year ending October 30, 2021; and
- Support the affairs and comply with the by-laws of the Co-operative.

## Preferred Competencies / Attributes

- Basic knowledge of the co-operative sector;
- Able to uphold the co-op's core values and democratic principles;
- Proven leadership and board governance skills and experience;
- Understanding of members in both rural and urban markets;
- Strategic thinking and long-term planning skills;
- Flexibility and independent thinking;
- Ability to understand cash flow and financial statements;
- Experience in risk assessment and management;
- Knowledge of issues, trends and matters affecting any or all of Red River Co-op's retail businesses;
- Comfortable in a team approach to decision making and problem solving;
- Good interpersonal skills;
- Willing to participate in mandatory training requirements; and
- Willing to accept a significant time commitment.

## Red River Co-op Board Profile

### Knowledge, Experience and Skills

Ideally, the Red River Co-op Board of Directors is comprised of member-owners who are leaders in the co-operative and business community. Directors uphold Red River Co-op values in both word and action, exercised with strong interpersonal skills. Directors are always willing to listen and learn.

Directors are effective communicators and independent thinkers. These independent directors exhibit exceptional ethical integrity as they act in the best interests of Red River Co-op. Together, they speak with one voice, unified and solidly standing behind their joint decisions. They are integrative thinkers that are collaborative in approach, constructive in tone, and respectful to each other, the management team, Employees, Members and other stakeholders of Red River Co-op.

Individually and collectively, directors apply their knowledge to Red River Co-op as they proactively use sound judgment to make balanced strategic decisions based on observable facts.

Red River Co-op seeks to maintain a board comprised of talented and dedicated directors. Ideally, Red River Co-op Directors:

- Possess backgrounds that reflect the diverse nature of the business and societal environment in which Red River Co-op operates. We welcome a diverse balance of age, business experience, cultural heritage, disability, ethnicity, gender, and LGBTQ2;
- Possess strengths in governance, strategic planning, analytical skills, and financial acumen, interpreting and applying understanding of key financial indicators to make better business decisions;
- Demonstrate leadership by personally supporting and promoting Red River Co-op to the best of their abilities;
- Have the ability to challenge Red River Co-op Senior Management and other members of the board in a manner that is constructive and appropriate in their duties and responsibilities as a board member;
- Employ a strategic mindset, seeing ahead to future possibilities and translating them into business strategy;
- Demonstrate interpersonal savvy by relating openly and comfortably with diverse groups of people;
- Drive vision and purpose by painting a compelling picture of the vision and strategy that motivates others to action; and
- Meet and maintain the criterion for independence as outlined in the Red River Co-op bylaws and Code of Business Conduct.

In addition to the above, in the 2022 election, Red River Co-op is looking for Member-owners with knowledge, experience, and skills acquired in a co-operative, private company or public corporation of similar size and scope of operations to Red River Co-op, in one or more of the following areas:

- **Senior Executive Experience and Leadership:** this includes holding a C-suite position that includes reporting to a board of directors, or equivalent leadership experience.

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- **Retail Experience and Leadership:** this includes holding a General Manager position, or senior executive experience in fresh food, petroleum, marketing and merchandising, communications and branding (including social media), e-commerce, consumer experience, and change management.
- **Co-op Leadership:** this includes previous experience with Federated Co-operatives Limited or another retail co-operative, producers or manufacturing entities and co-op membership organizations.
- **Board Governance Experience:** this includes board oversight experience in co-operative, private or public corporations, board corporate/commercial legal experience, board corporate strategy/strategic planning, and board enterprise risk management.
- **Financial:** this includes financial literacy and/or oversight, investment analysis, audit committee/internal controls, corporate development or growth transactions, and corporate finance.
- **Human Resources:** this includes people, culture and employee engagement, change management, executive performance management, succession planning and talent development.
- **Digital Economy/Technology:** this includes digital/e-commerce, enterprise resource planning, blockchain and enterprise security/structure.
- **Social Responsibility:** this includes community leadership and engagement, environmental sustainability and health and safety.

## Candidate Endorsement Policy

The purpose of this Policy is to:

1. Clarify the expectations and standards by which candidates will be selected for possible inclusion in the co-op's recommended slate of candidates during the elections process; and
2. Promote transparency and ensure consistency in the process followed to determine whether a candidate should be endorsed.

### Policy Statements

1. Red River Co-op believes in the value of endorsement as a governance practice which supports board effectiveness, board relevancy and board renewal;
2. Red River Co-op believes that governance practices such as endorsement provide members with assurance that a candidate's values, interests, experience and qualifications are those that would enhance the board's current composition;
3. Red River Co-op believes that a board elected democratically is consistent with its values and will ensure that its election processes, including endorsement are fair, transparent and aligned with the democratic process;
4. Red River Co-op welcomes and values applications to become a board member from all members who meet the minimum qualifying criteria for board candidates as set out in its bylaws, and the skills and competencies published to the membership annually;
5. Red River Co-op seeks and encourages diversity on its board and may use endorsement as a mechanism for achieving this. Through its approach to actively encourage diversity, the board will



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reflect the need to provide good governance and ensure board members have the required governance skills, as well as complementary perspectives;

6. Red River Co-op strives to ensure that the board as a whole possesses the skills and experience relevant to the co-op's needs, which evolve to accommodate changes to Red River Co-op's operating environment, risk appetite and/or external opportunities or challenges; and
7. Red River Co-op is committed to demonstrating transparency and accountability to all stakeholders and as such this Policy will be published for all to access on the Red River Co-op website.

### Guidelines

1. Annually, the Governance and Compensation Committee will review and assess the board composition based on a board skills and competencies matrix and determine where there are any potential gaps in skills and experience. Additionally, in reviewing the board's composition, the committee will consider diversity, with the goal of maintaining an appropriate mix and balance of diversity of representation.
2. The outcomes of this review are used to provide guidance to the Nominations Committee and forms the proposed recruitment criteria that are published to the membership as part of the call for nominations for candidates for the annual board elections.
3. To avoid possible conflict of interest The Nominations Committee is made up of board members whose terms do not expire in the current election year. The Nominations Committee's mandate is to identify qualified candidates for election, and to oversee a fair and transparent elections process.
4. The Nominations Committee will ensure a reputable third-party Candidate Assessment Consultant is in place.
5. Incumbent directors will also be required to participate in the interview process in order to be considered as a recommended candidate. There will be no limit on the number of endorsements.
6. All candidates (whether or not they have been endorsed) will have equal opportunity to represent their candidacy to members.
7. The third-party Candidate Assessment Consultant is responsible for conducting a structured interview with all candidates to gather consistent data and to objectively assess (using a scoring matrix) how candidates meet, or do not meet, the published recruitment criteria. The board will accept the recommendations from the third-party Candidate Assessment Consultant on which candidates will be endorsed.
8. As part of the endorsement process and assessment of whether a candidate is qualified under the bylaws and Cooperatives Act, a background check will be conducted once the candidate has provided their consent. Candidates whose background check indicates that they are disqualified, based on the results of the criminal record check, credit inquiry, or other checks, will not be interviewed.
9. In conducting interviews of proposed candidates, the third-party Candidate Assessment Consultant shall generally use the same or similar questions for each proposed candidate in order to elicit responses to the same areas of review. However, supplementary and probing questions may be asked in order to clarify the experience, skills, qualifications, attributes and behaviours of the candidates.
10. After interviewing each candidate, the third-party Candidate Assessment Consultant interviewers collectively discuss their assessment of the candidate. Based on the committee's overall assessment of

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director candidates and requirements of bylaws, they will identify candidates that, in the committee's view, would best fill the available seats and strengthen the board (the "endorsed" candidates).

11. During the interview process, information may be gleaned that would cause an application to be invalid and therefore determined not acceptable. The committee may need to seek counsel on such matters and, if the application is deemed invalid, the applicant will be so advised by the Nominations Committee Chair in writing by e-mail.
12. Prior to the ballot being printed, the Elections Officer will connect with all eligible board candidates, confirm that they have been placed into candidacy and advise whether they have, or have not, been endorsed. At that time, all eligible board candidates are given the opportunity to confirm, or withdraw, their candidacy.
13. The co-op's decisions regarding candidate eligibility under the bylaws and Cooperatives Act and candidate endorsement are final.

### **Monitoring and Reporting**

The Governance and Compensation Committee will review this policy and its effectiveness annually and recommend any necessary revisions to the board for approval.

The Nominations Committee will provide a report to the membership on the director elections at the AGM.

## **Campaign Policy**

Once a candidate is accepted, they may wish to tell others about their candidacy and ask for their vote. To assist candidates with this, Red River Co-op has developed a set of principles and guidelines to ensure campaigning is conducted fairly and equally by all candidates.

As a general statement, please note that campaigning for a board seat is not the same as running for political office. There are no rallies, no attack ads, no individual advertising including posters, print or paid advertising, no telephone soliciting and no lawn signs. It is a genteel process conducted individually and professionally. Red River Co-op wants to help each candidate to ensure all candidates are known to member-owners when it is time to vote.

Please note that Red River Cooperative Ltd. has a board policy (50.7) stating that, "The individual nominees for the board of director positions are not allowed to solicit or campaign in any form at any Red River Co-op location."

### **Non-adherence to Campaign Policy**

A candidate may be disqualified from the election by a vote of directors not seeking re-election, if the candidate breaches or violates the campaigning policy or guidelines identified.

## **Campaign Guidelines**

How Red River Co-op will assist campaigns:

- Red River Co-op will print and distribute election materials to promote candidates to member-owners. Portions of the information in the Request for Nomination form and the photograph will be included on the Red River Co-op website, in a brochure accompanying the voting ballot, and made available to member-owners on the Red River Co-op website. This will help Members in deciding on whom to vote for in the election.
- Red River Co-op will assign candidates a temporary Red River Co-op e-mail address to be published with campaign materials.
- Red River Co-op will post election notices in all Red River Co-op food stores, gas bars, and on all employee notice boards directing them to the website to review all candidates' platforms, temporary Red River Co-op e-mail addresses and photographs.
- Red River Co-op will monitor candidates' campaign activities and will advise candidates of any concerns or suggestions.

## **Conducting a Campaign**

Directors elected to Red River Co-op's Board are expected to act with maturity, tact and wisdom on behalf of member-owners. This applies to campaigning as well. The following guidelines have been developed to ensure campaigns are conducted appropriately:

- Campaign with maturity and decorum;
  - Only election materials endorsed and printed by Red River Co-op may be used by a candidate for promoting their candidacy in any forum.
- Campaign as an individual;
- Share with Red River Co-op;
  - If a candidate campaigns using a blog, website or social media account, please submit the link to the elections officer at [electionsofficer@rrcoop.com](mailto:electionsofficer@rrcoop.com) so Red River Co-op can monitor.
- Speak for yourself;
  - If a candidate wants to share specific ideas about Red River Co-op's future, they must make it clear that these are their ideas alone and they have not been endorsed by Red River Co-op, its board or management.
- Be positive;
  - Candidates should speak positively about why they would be a good director and how their competencies, skills and experience can enhance the board's role in overseeing Red River Co-op on the members' behalf.
  - Negative campaigning/comments about Red River Co-op, other candidates, management, Employees, or the board are not appropriate.
- Avoid conducting campaign related activities on Red River Co-op premises and/or with employees;
  - Campaigning on Red River Co-op premises is not allowed, including stores, gas bars, parking lots and offices.

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- Red River Co-op employees cannot be approached to assist with any campaign; this includes developing materials, writing candidate statements, taking photographs or campaigning.

**The campaigning period runs from** February 18 to April 11, 2022.

## Election Results

The ballots cast by member-owners electronically or by mail will be tabulated once the voting period ends. The chief scrutineer appointed by the board of directors will announce the election results with member-owners at our annual general meeting of members on April 21, 2022 at the Victoria Inn in Winnipeg. All candidates are encouraged to attend the annual general meeting. Election results will be posted on our website on April 22, 2022.

## Director Candidate Information Handbook - Part III

### Code of Business Conduct

Every director of Red River Cooperative Limited (“Red River Co-op”) occupies a position of trust. Such individuals represent Red River Co-op in their relations with others – whether with customers, suppliers, employees, members, competitors, governments, or the general public. Such persons are expected to act in a manner that will enhance Red River Co-op’s reputation for honesty, integrity and the faithful performance of undertakings and obligations.

Every director of Red River Co-op has the responsibility to obey the law and act ethically. To that end, this Code of Business Conduct (“Code”) is a guide that is intended to sensitize such individuals to significant legal and ethical issues that arise frequently and to the mechanisms available to report illegal or unethical conduct. It is not, however, a comprehensive document that addresses every legal or ethical issue that a director may confront, nor is it a summary of all laws and policies that may apply. Ultimately, no code of business conduct can replace the thoughtful behaviour of an ethical person.

If you have any questions about this Code, or are unclear about a particular course of action, you should consult with the board chair or the chief executive officer. You can also call the Ethics Hotline at 1-866-529-9589; text to 587-435-9589; or e-mail [ethics.alert@mnp.ca](mailto:ethics.alert@mnp.ca) to report your concerns in complete confidence.

#### Scope

The Red River Co-op Board of Directors and the Executive Management have established this Code. It applies to every director of Red River Co-op.

The provisions of this Code, as set forth in Sections I to XIII, are mandatory and full compliance is expected under all circumstances. This Code affirms the commitment of Red River Co-op to uphold high ethical standards and to specify the basic norms of behavior for all directors.

Failure to comply with this Code can have severe consequences. Conduct that violates this Code may violate federal, provincial or municipal law and can subject Red River Co-op and its directors to prosecution and legal sanctions. Offenders will be appropriately disciplined, which may include discharge from office, for violations of this Code.

#### I. Compliance with the Law

Red River Co-op and all directors shall comply with all lawful requirements, both domestically and foreign, applicable to the business of Red River Co-op.

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Wherever there is doubt about the application or interpretation of any legal requirement, the director should seek the advice of the board chair or the chief executive officer. Ignorance of the law is not, in general, a defense should such laws be contravened.

Accordingly, every director must diligently ensure that they are aware of, and that their conduct cannot be interpreted as being in contravention of, laws governing the affairs of Red River Co-op in the jurisdictions where Red River Co-op carries on business.

### **II. Gifts and Entertainment**

Directors shall not furnish, directly or indirectly, on behalf of Red River Co-op, expensive gifts or provide excessive entertainment or benefits to other persons.

Those individuals whose duties permit them to do so may furnish modest gifts, favours and entertainment to persons, other than public officials, if all the following tests are met:

1. They are not in cash or other negotiable instruments;
2. They cannot reasonably be interpreted as an improper payment or inducement and are of modest value;
3. They are made as a matter of general and accepted business practice;
4. They do not contravene any law and in addition are made in accordance with generally accepted local business practices; and
5. If subsequently disclosed to the public, their provision would not in any way embarrass Red River Co-op or the recipients.

For example, reasonable expenses for the entertainment of suppliers, prospective employees or business associates are permissible on the part of those individuals whose duties involve the provision of such entertainment, provided proper accounting is made in accordance with the applicable policies of Red River Co-op and such form of business development does not, to the knowledge of the individual, contravene the policies of the recipient's employer.

### **III. Personal Gain**

Directors shall not use their position with Red River Co-op to obtain personal gain from those doing or seeking to do business with Red River Co-op.

Except as hereinafter provided, directors should neither seek nor accept gifts, payments, services, fees, special privileges, vacations, accommodations or loans from any person (except, in the case of loans, from persons in the business of lending and then only on conventional terms) or from any organization or group that does or is seeking to do business with Red River Co-op, or from a competitor of Red River Co-op. However, directors may accept modest gifts, favours or entertainment provided that in so doing, standards consistent with the tests

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relating to the furnishing of gifts as set out in Section II are met and do not violate the applicable policies of Red River Co-op.

### **IV. Dealings with Public Officials**

All dealings between directors of Red River Co-op and public officials are to be conducted in a manner that will not compromise the integrity or impugn the reputation of any public official or Red River Co-op.

Even the appearance of impropriety in dealing with public officials is improper and unacceptable. Any participation, whether directly or indirectly, in any improper profit-sharing arrangement, illegal gratuities, indirect contributions, improper inducements or similar payments is not permitted, notwithstanding that they might further the business interests of Red River Co-op. Maintenance of a high standard of integrity is of the utmost importance to Red River Co-op.

Since the furnishing of even inexpensive gifts or modest entertainment or benefits to a public official may be open to the interpretation that it was furnished illegally to secure their influence as a public official, no such gift, entertainment or benefit may be furnished by a director of Red River Co-op unless they comply with the following conditions:

1. A director may from time to time and in appropriate circumstances furnish inexpensive gifts or modest entertainment or benefits to a public official in accordance with the applicable policies of Red River Co-op; and
2. An expense account disclosing the expenditure is submitted for approval to the individual from whom authorization was first obtained (where applicable).

### **V. Political Contributions**

The use of any funds, goods or services of Red River Co-op as contributions to political parties, candidates or communications is not permitted.

Contributions include money or anything having value, such as loans, services, excessive entertainment, trips and the use of facilities or assets of Red River Co-op. Further, no director is to be reimbursed for any contributions that they might make.

Red River Co-op encourages political activity and political involvement by individuals acting on their own behalf, but not as representatives of Red River Co-op.

### **VI. Conflict of Interest**

Directors must avoid all situations in which their personal interests conflict with or might conflict with their duties to Red River Co-op.

**Individuals should seek to avoid acquiring any interests or participating in any activities that tend to:**

1. Deprive Red River Co-op of the time or attention required to perform their duties properly, or
2. Create an obligation or distraction that would affect their judgment or ability to act in the best interest of Red River Co-op.

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In certain instances, ownership or other participation in a competing or complimentary business enterprise, or employment with or association with another organization, might create or appear to create such a conflict.

Directors are required to disclose in writing to Red River Co-op all business, commercial or financial interests, or activities that might reasonably be regarded as creating an actual or potential conflict with their duties.

Directors are prohibited from: a) taking for themselves personally, opportunities that properly belong to Red River Co-op; b) using Red River Co-op property, information or position for personal gain, or to advance the gain of another organization; and c) competing with Red River Co-op. All such individuals owe a duty to advance the legitimate interests of Red River Co-op when the opportunity to do so arises.

The law provides that if personal financial benefit is improperly gained by a director directly, or indirectly through a spouse, child or relative sharing the same residence as the individual, as a result of their position or by the use or misuse of property of Red River Co-op or of information that is confidential to the business of Red River Co-op, then the individual must account to Red River Co-op for any benefit received. Directors must do more than merely act within the law. They must act in such a manner that their conduct will bear the closest scrutiny should circumstances demand that it be examined. Not only actual conflicts of interest but also the very appearance of conflict should be avoided.

### **VII. Disclosure of Confidential Information**

Unless previously published in the public domain, records, reports, papers, devices, processes, plans, methods, trade secrets, inventions and apparatus of Red River Co-op or to which any director of Red River Co-op has been permitted access are considered by Red River Co-op, or the party who has permitted access thereto, to be secret and confidential, and such individuals are prohibited from revealing, reproducing, processing or using information concerning such matters without proper authorization.

Red River Co-op participates in highly competitive industries where new technology, processes and services, and state-of-the-art advances are required on an ongoing basis. This provides an opportunity for Red River Co-op to survive and prosper in these competitive environments and provides jobs and security for its employees. This requires a constant effort to ensure that trade secrets, research and development, and business techniques are protected and secure.

It is important that all individuals know and understand the responsibilities that they have to preserve confidentiality so that Red River Co-op can continue to operate and protect its business interests. As a result, directors and employees will not disclose information to the public which might impair Red River Co-op's competitive effectiveness or which might violate the private rights of individuals, enterprises or institutions and are prohibited from discussing or disclosing to the public any secret or confidential information about Red River Co-op without authorization. Disclosure of confidential information may be authorized for legitimate purposes such as full and complete reporting to regulatory agencies, the performance of duties to Red River Co-op or the provision of information to customers, employees, members and the public as may be necessary to allow them to judge adequately Red River Co-op and its activities.

The policy of Red River Co-op is to cooperate with every reasonable request of government investigators for information. At the same time, Red River Co-op is entitled to all the safeguards provided by law for the benefit



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of persons under investigation or accused of wrongdoing, including legal representation. If a representative of any government or government agency seeks an interview with you or requests access to data or documents for the purposes of an investigation, you should refer the representative to the Chief Executive Officer.

### **VIII. Recording of Transactions and Disclosure of Funds and Assets**

Directors must protect the assets of Red River Co-op and ensure their efficient use. Such assets include, without limitation, intellectual property such as corporate or business names, logos, trademarks, patents, copyrights, confidential information, ideas, plans and strategies. Theft, fraud, carelessness and waste have a direct impact on profitability and are unacceptable. All assets of Red River Co-op should be used only for legitimate business purposes. Any misuse or infringement of assets of Red River Co-op should be reported to the Chief Executive Officer.

The books and records of Red River Co-op must fully and fairly disclose, in an accurate, timely and understandable manner, all transactions and dispositions of the assets of Red River Co-op.

All funds and assets are to be recorded and disclosed. The use of the funds or assets of Red River Co-op for any unlawful or improper purpose (including for unauthorized personal gain) is strictly prohibited, and those responsible for accounting and record-keeping functions are expected to be vigilant in ensuring enforcement of this prohibition.

### **IX. Competition and Trade Practice Standards**

Red River Co-op competes vigorously and creatively in our business activities, but our efforts in the marketplace shall be conducted in a fair and ethical manner in strict compliance with applicable competition and trade practice laws and regulations.

Under no circumstances shall any director be a party to any collusion or concerted effort of any type involving any competitor, vendor, supplier, customer or other party, which is in violation of competition laws and regulations designed to foster fair competition.

Because competition laws are complex, questions about compliance should be referred to the chief executive officer.

### **X. Computing Technology**

Red River Co-op may provide computer hardware, software, Internet, email and external data communications to its directors. The use of computers and telecommunications technology has become a prevalent and standard business practice, and all directors must exercise the same discretion as when using other business tools such as office telephones and facilities. Users are expected to efficiently and securely utilize these tools for business purposes, while protecting corporate data and information and exercising appropriate business conduct at all times.

Red River Co-op computing technology is for business purposes, and personal use is not allowed. Users will not create or transmit any unsolicited commercial, advertising or recreational material, or use any system

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resources for political activities or to advance the commercial interests of any party other than Red River Co-op.

Red River Co-op's computers and internet connections are intended to be used for business purposes. Users will not create, access or transmit any material, data, text, audio, images, or material that is capable of being converted, which is offensive, obscene, indecent, libelous, slanderous, harassing, annoying or defamatory. Users are expected to discourage others from transmitting such information to their internet address. Users must comply with all laws including those with respect to all forms of intellectual property rights, trademarks, copyrights, criminal activity and harassment.

Non-compliance with the policies will be referred to the board chair.

### **XI. Improper Influence on Conduct of Audits**

No director shall fraudulently influence, coerce, manipulate or mislead any internal auditor or independent public or certified accountant engaged in the performance of an audit of the financial statements for the purpose of rendering such financial statements materially misleading.

The honesty and integrity of those who represent Red River Co-op must underlie all of Red River Co-op's relationships, including those with members, customers, suppliers, governments, regulators, professional service providers and others. The integrity of Red River Co-op's financial reporting is of particular importance as Red River Co-op members rely on Red River Co-op to provide complete, accurate and timely information. The dissemination of financial statements that contain materially misleading information can have serious legal consequences for Red River Co-op and individuals involved.

### **XII. Duty to Report**

Every director has a duty to adhere to this Code and all applicable policies and to immediately report to the board Chair any suspected violations. If individuals wish to remain anonymous, they may call the Red River Co-op Ethics Hotline at 1-866-529-9589; text to 587-435-9589; or e-mail [ethics.alert@mnp.ca](mailto:ethics.alert@mnp.ca).

The Ethics Hotline is designed to supplement, not replace, existing reporting channels. An independent third-party staff the Ethics Hotline to protect the anonymity of any caller.

It is the responsibility of all individuals to promptly report any misconduct, including any violation of law, the Code, other Red River Co-op policies, or other improper activities at Red River Co-op.

Anyone may report questionable accounting or auditing matters on an anonymous basis by addressing a written submission to the chair of the Audit Committee of Red River Co-op.

Red River Co-op will not permit any form of intimidation, retaliation, harassment or retribution against an individual who has truthfully and in good faith:

1. Reported violations in accordance with this section;
2. Lawfully provided information or assistance in an investigation regarding any conduct which the individual reasonably believes constitutes a violation of applicable laws when the information or assistance is conducted by a regulatory or law enforcement agency or a person with management

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authority over employees or other persons working for Red River Co-op with authority to investigate, discover or terminate for misconduct;

3. Filed, caused to be filed, testified, participated in or otherwise assisted in a proceeding related to a violation of applicable laws; or
4. Provided a law enforcement officer with truthful information regarding the commission or possible commission of an offence, unless the individual reporting is one of the violators.

### **XIII. Distribution of the Code**

Every director will be provided with a copy of this Code. To ensure a proper understanding of this Code, the board chair or a third-party advisor will answer any questions pertaining to its application to the area of responsibility of the director.

At commencement of term of office and annually thereafter, each director shall complete the prescribed acknowledgement, which will be retained by Red River Co-op and which shall confirm that each such individual has read or reread, as the case may be, the current version of this Code.

Although the various matters dealt with in this Code do not cover the full spectrum of activities associated with Red River Co-op's business, they are indicative of Red River Co-op's commitment to the maintenance of high standards of conduct and are to be considered descriptive of the type of behaviour expected from directors in all circumstances.

This Code and the policy manual are statements of goals and expectations for individual and business conduct. They are not intended to, and do not in any way constitute, an employment contract.

This Code does not supersede, change, alter, or replace the existing policies and procedures already in place as stated in the policy manual and communicated to officers and employees. Certain policies referred to in the Code are contained in their entirety in the policy manual, and reference should be made to the policy manual for a copy of those policies and required reporting procedures. The Red River Co-op Policy Manual contains information that is proprietary and confidential, and Red River Co-op hereby expressly denies waiving any right to assert claims that the contents of the Red River Co-op Policy Manual are not proprietary and/or confidential.

This Code may be amended, modified or waived by the board; however, waivers of the Code for Financial Matters shall not be permitted.

## Director Candidate Information Handbook - Part IV

### Request for Nomination Application

(electronic version available on the Red River Co-op website

<https://www.redriverco-op.crs>

