***Sample Terms of Reference***

Terms of Reference for the Co-operative’s Board

Approved Date

1. **Introduction**

The Co-operative is governed by the *Co-operatives Act, 1999* of Place. The Act sets out the standard code of conduct and responsibilities charged to the Board of a Co-operative. In addition, best practices of directorial duties in the co-op sector and provisions set out in these terms apply to directors of the Co-operative. It is expected that successive Boards will review and update these terms regularly.

1. **Purpose**

The objectives of the board (the Board) shall be to:

1. Provide direction and leadership for the Co-operative that aligns with its mission, vision, and values.
2. Represent the interests of the members of the Co-operative in all decisions that affect the Co-operative.
3. **Structure**
4. The Board shall be elected by the members of the Co-operative at general member’s meetings as set out in the bylaws.
5. The Board shall be comprised of no less than 5 and no more than 10 directors.
6. The CEO shall sit on the Board as an ex-officio director.
7. Each year, following their election, the Board shall appoint its officers including:
   1. President/Chair:
      * Chair all meetings of the directors and members
      * Call meetings of the board and set the agenda
      * Represent the Co-operative in public communication
      * Maintain an ongoing relationship with the management of the Co-operative
      * Other duties as required
   2. Vice-President/Vice-Chair
      * Fill in for the Chair if he/she is unable to fulfill his/her duties
      * Other duties as assigned by the Chair
   3. Secretary-Treasurer
      * Record all minutes of meetings and file documents
      * Oversee the financial data and audit of the Co-operative
      * Present an annual budget to the members
      * Other duties as assigned by the Chair
8. The CEO, or his/her designate, may serve as Secretary-Treasurer.
9. A vacancy on the Board may be filled by the Board in accordance with the bylaws.
10. Rules for who is eligible to serve on the Board are set out in the bylaws.
11. **Duties and Responsibilities**
12. Uphold rules and regulations set out in the Act as well as the incorporating documents of the Co-operative. Create policies and procedures that improve the governance of the Co-operative and the effectiveness of the board.
13. Oversee the staff of the Co-operative and provide direction to management.
14. Monitor and review compensation for management.
15. Monitor the Co-operative’s finances and arrange for an annual audit.
16. Plan for and coordinate the business for an annual meeting of the members.
17. Maintain good records of all interaction of the Board and make decisions in a timely manner.
18. Create an education plan for new members of the Co-operative, committee members, and new board members.
19. Form committees that conduct research and analysis or carry out tasks on behalf of the board.
20. Engage in strategic planning annually to set the direction for the upcoming fiscal year and approve a budget.
21. **Meetings** 
    1. The board shall meet a minimum of four times per year, preferably quarterly.
    2. Additional meetings may be called by the President or by any two of the directors at any time, provided not less than two weeks’ notice is given.
    3. An agenda for the meeting, committee reports, and any other required materials will be provided to directors not less than five days before the meeting.
    4. Rules for quorum for Board meetings and procedures for voting and recording information are set out in the bylaws.
    5. Board meetings may, at the discretion of the directors, be open to members of the Co-operative.
    6. In the event decisions must be made outside of a board meeting, it may take place over e-mail. In this event, directors must clearly state if they are in favour or opposed to the motion. At the following board meeting the Chair will address the motion at which time it will be moved and seconded by directors and recorded in the minutes of that board meeting.
22. **Code of Conduct**
23. Directors shall comply with all legal responsibilities assigned to them in the Act, the bylaws, and provisions set out in these terms.
24. Directors shall uphold the highest standards of honesty and integrity while participating in Board activities including Board meetings, committee meetings, and any other activities of the Co-operative.
25. Directors shall educate themselves on good practices for board governance including, but not limited to, dealing with conflict, rules of order, conflict of interest, and collaborative decision-making.
26. All directors will be assigned tasks, from time to time, by the Chair of the Board. These tasks must be completed in a timely manner and may draw on the assistance of staff.
27. Directors are expected to prepare for Board meetings and review all materials sent to them ahead of all meetings.
28. Decisions made by directors should be made in the best interests of the Co-operative reflecting their fiduciary responsibility.
29. The Chair will enter discussion with any Director failing to meet the requirements assigned to them in the Act, the bylaws, and these terms to determine appropriate action.
30. **Conflict of Interest Procedures**
31. A person will be in a conflict of interest if he/she must make a decision that will impact him/her or his/her family/friends. This impact may be financially, professionally, personally, or otherwise. For example, if a director must decide on who should be awarded a contract to provide painting services and he owns a company that provides such services, that directors has a conflict of interest.
32. The Board shall create and maintain a policy dealing with conflict of interest beyond the provisions set out in these terms.
33. If a director recognizes that he/she faces a conflict of interest, they must raise the conflict to the Chair. If the Chair agrees that the director faces a conflict of interest, the conflict can be disclosed to the Board and discussed or the director may recuse themselves from any discussion or decision on the matter.
34. If a director recognizes that a fellow director faces a conflict of interest and does not bring the conflict before the board, he/she must inform the Chair of the conflict. If the Chair agrees that a conflict exists he/she can discuss the matter with the conflicted Board Member and follow the terms set out above.
35. **Decision Making**
36. The Board will make decisions following procedure set out in the bylaws of the Co-operative. Each director shall have one vote and the Chair of the Board shall not cast a vote unless there is a tie.
37. Voting on a motion shall follow a standard process: a director will make the motion, another director will second the motion, there will be a period for final discussion, and the Chair will call for a vote of those in favour, those opposed, and those choosing to abstain.
38. The Chair may use discretion when determining whether a motion has been accepted or defeated. If this decision is challenged by one director, the votes will be counted.
39. Following the acceptance or defeat of a motion, the Secretary will record the motion in the minutes in italicized font and highlighted. See the example below:

*Motion to increase spending on the project account by $25,000 annually moved by Ms. Smith, seconded by Mr. Miller. Carried.*

1. Motions will be required for decisions regarding new spending, appointments or dismissals, accepting/changing reports, minutes, agendas, or policies, and shifts in strategic direction.
2. Motions are not necessary for decisions regarding spending that has already been allocated in the budget, assigning meeting or event dates, requesting information/a report from a director, committee, or staff, and engaging in discussion on a given topic that might later require a report or policy.
3. **Confidentiality**
4. All discussions at the Board or committee meetings shall be confidential and only disclosed to members or staff if approval has been granted by the body in question. Directors and committee members shall maintain the confidentiality of any records, materials, or discussions and guard against improper access.
5. To determine what material is considered confidential, a director or committee member should raise the concern to the appropriate Chair person.