



R2. REMUNERATION

Board of Directors
Ordinary Resolution
Majority - 50%+

In accordance with Section 111 of the Rules of the Hornby Island Co-operative:

(1) Directors are entitled to receive remuneration for their services at rates determined from time to time by ordinary resolution of the members at a general meeting,

And Section 75 of the Co-operative Act of BC:

(75) Remuneration of directors

The association in general meeting must determine the remuneration of the directors,

It is the membership's responsibility to determine the director remuneration at an AGM. After looking at policies set at other Co-op Boards, we have prepared this background and resolution for your approval.

BACKGROUND

Hornby Island Co-op is one of the few remaining Co-operatives that does not provide remuneration for Directors. Modest compensation for board meeting attendance is not meant to provide significant economic reward, but instead it acknowledges the significant contributions of time made by board members to the governance of the Co-op, and can enable young and working people to be represented on the board. It would also assist those who need to give up some of their employment to have time to take on the more demanding roles of the board.

What we are proposing is not an hourly wage for the board, and does not equal the amount of time put in on a monthly basis. We are proposing a flat fee per meeting, which does not include meeting prep time, and committee or board work done between meetings. Board members may decide to donate their remuneration back to the Co-op, and we know that some certainly will.

We recognize that Hornby has been built on volunteerism, and we have great respect and appreciation for all of those people who have come before us, and who continue on. That spirit remains on this board as well, but we must also recognize that some things have changed in the last 30 years. Land and housing costs have dramatically increased, and families are spread thin.

As a business, the Co-op can afford to remunerate its directors, and would thereby stay aligned with island-wide changes supporting unions, living wage, and payment for specific board work.

The Co-op Board should reflect the diverse nature of the Co-op's business environment, and also be representative of the community it serves. Having a diversity of ideas and opinions at the board table is key to good governance. In our current economic climate, it is difficult for boards to attract anyone other than retired people.

Many Co-op boards in the Federated Co-op system base their remuneration on the FCL director rate for scale. Based on our size and annual sales, we're proposing ¼ of the FCL Director rate. Currently the FCL rate is \$525; ¼ would be \$131.25. The offices of President and Secretary carry a larger workload and time requirement, so we propose ½ the FCL rate for those positions (\$262.50).

We estimate that this remuneration policy will cost the Co-op roughly \$23,000 annually, representing 0.3% of forecast sales in any of the last few years.

WHEREAS:

A. Section 75 of the Cooperative Association Act and section 111 of the Rules of the Hornby Island Co-operative state:

- (1) Directors are entitled to receive remuneration for their services at rates determined from time to time by ordinary resolution of the members at a general meeting, and
- (2) Directors are entitled to be reimbursed for travelling and other expenses properly incurred by them for attending board or committee meetings.

B. The Governance Committee has made a recommendation, which has been endorsed by the directors and is being recommended for adoption by the members;

RESOLVED

The following remuneration of the directors of Hornby Island Co-operative be approved:

- 1. Remuneration for attendance at meetings, either in person or by electronic means;
 - a. Any scheduled Board or committee meeting -- Director will receive ¼ of the FCL Director rate (\$131.25)
 - b. In recognition of the added workload of the position of President and Secretary, those offices will receive ½ the FCL Director daily rate (\$262.50)

Fee will maintain same index to the Federated Co-op rate and automatically adjusted whenever Federated Co-op changes its rate.