

**EVERGREEN CO-OPERATIVE ASSOCIATION
RETAIL OPERATIONS AND POLICY MANUAL**

NO: 545.10.01

DATE ISSUED: DEC. 03/18

SUBJECT:
EQUITY

ISSUED BY: BOARD OF DIRECTORS

1. MEMBERSHIP

The minimum shares required to be a member is 5 at \$1.00 each.

2. DISTRIBUTION OF ANNUAL NET SAVINGS

The patronage allocation rates and the portion to be paid in cash will be recommended by management for approval by the Board.

3. GENERAL RESERVE

The allocation to General Reserve to be recommended by management for approval by the Board. Non-member earnings to be the minimum amount allocated to General Reserve.

4. GENERAL CASH REPAYMENTS

General cash repayments will be calculated as a percentage of the current year's allocation. The percentage paid and the equity levels will be established by the Board of Directors. The minimum cheque on general cash repayment shall be \$10.00.

5. REDEMPTION OF SHARES WILL BE PRIORITIZED AS FOLLOWS:

- a. Memberships that have been terminated by the Board;
- b. Estates;
- c. Over age 65;(Only for individual memberships)
- d. Moved away from the trading area;
- e. Equity Cap;
- f. Not-for Profit Organizations;
- g. Special requests.

6. REPAYMENT WILL BE AS FOLLOWS;

- a. Termination of membership as per the Co-operative Act.
- b. Estates will be considered for payout as directed by the estate representative;
 - i. Paid to the estate of the member or;
 - ii. Pay all but \$5.00 to the estate of the member and transfer the membership to another family member or;
 - iii. Retain the equity and transfer the membership to another family member.
 - iv. All applications for estate payout must be accompanied by sufficient proof of death and proof of the applicant's status.

- c. Over age applications (*individuals*) will be considered for payout. Members may withdraw their accumulated equity at age 65 and every 5 years thereafter. In the years between payouts, they are treated like any other member. Acceptable proof of age documentation must be presented at the time of application, and includes birth certificate, driver's license, and senior's card.
- d. Members that move away from the trading area are considered for payout at the next Board meeting upon receipt of a sworn Statutory Declaration in form satisfactory to the Co-op and subsequent Board approval or:
 - i. Once approved by the Board of Directors, the moved away payment will be forwarded to the member in 6 months' time.
 - ii. Anyone living outside of the trading area when they purchased a membership must apply under the "special request" section of the policy when applying for withdrawal of equity.
 - iii. Proof of residency outside of the trading area must accompany all applications for moved away. Proof of residency will be accepted as utility bills, telephone bills, insurance certificates, or legal documents for the purchase or rental of a home that bear the name of the member (or spouse) and the new address. Driver's License will not be accepted as proof of residency.
- e. Members that have equity above the equity cap, as determined by the Board of Directors on an annual basis, will be paid to the level of the equity cap on an annual basis.
- f. Not-for Profit organizations will be considered for payout annually. Registered Not-for Profit organizations will be paid all but \$100.00.
- g. Special requests are considered for payout based on the following;
 - i. Compassionate reasons – each application requires Board review and approval, and documentation shall include a sworn Statutory Declaration in form satisfactory to the Co-op.
 - ii. Members who maintain their principal residence outside of the trading area when membership is purchased must state reason for request. Each application requires Board review and approval.
 - iii. Business closed or sold – Applications must be accompanied by proof of closure or sale. In form satisfactory to the Co-op.
 - iv. All special request applications require Board review and approval.

GENERAL COMMENTS:

Any monies owed to the Co-operative will have first claim against any members' shares or any other investment in the Co-operative. It is also to be clearly understood that all share repayments are in fact a repurchase of a member's shares in the Co-operative. Share redemption will be limited when, in the opinion of the Board of Directors, such redemption will impair the financial stability of the Co-operative.