

Supplementary governance disclosures

The Co-operators Board of Directors

Board of Directors composition and independence

The Co-operators 22-member Board of Directors (Board) consists of individuals elected from our 43 member organizations across Canada. All directors are independent from management and unrelated to the day-to-day operations of the business.

Mandate of the Board

The Board is responsible for key governance issues such as:

- > ensuring the financial viability of the Company;
- > participating in developing and giving final approval of the core values and mission of the company and monitoring performance;
- > approving the process for selecting the president and CEO and actually appointing the president and CEO and secretary; and
- > ensuring that the Company maintains a leadership role within the insurance industry and provides a leadership role in the co-operative movement.

Board control of significant decisions

Management is responsible for the day-to-day management and operations of the company. Major decisions, such as significant investment transactions, acquisitions, potential acquisitions, joint ventures, financings, diversitures, or other business arrangements must be submitted to the Board for prior approval. The Board reviews the financial statements, participates actively in developing the strategic business plans for the company each year and monitors the organization's progress in achieving its financial and business plans throughout the year. It also actively participates in the four-year planning process and the monitoring and evaluation of each four-year plan as it unfolds.

Board of Directors

Directors of The Co-operators are elected at the Annual General Meeting held in April each year. The term for directors is three years, which commences at the close of the AGM.

Board demographics

The Co-operators recognizes and values diversity, including gender, age, ethnicity, culture, and geographic and sectoral representation.

BOARD OF DIRECTORS GENDER, MINORITY STATUS, LANGUAGES SPOKEN AND AGE

Gender	Men	17 (77.3%)				
	Women	5 (22.7%)				
Belong to a minority	Overall	1 (4.5%)				
	Gender	Men: 1 (4.5%)		Women: 0 (0.0%)		
Are of Aboriginal origins	Overall	1 (4.5%)				
	Gender	Men: 0 (0.0%)		Women: 1 (4.5%)		
Official languages	English spoken	22 (100.0%)				
	French spoken	8 (36.4%)				
Years of age	45–50	50–54	55–59	60–64	65–69	70+
Number of directors	1 (4.5%)	2 (9.1%)	5 (22.7%)	7 (31.8%)	6 (27.3%)	1 (4.5%)

GEOGRAPHIC REPRESENTATION

Region	AB	ATL	BC	MB	ON	QC	SK
Number of directors	3	3	3	1	8	2	2

DIRECTOR YEARS OF SERVICE AT THE CO-OPERATORS AND IN THE CO-OPERATIVE AND CREDIT UNION/CAISSE POPULAIRE SECTORS

Years	0–3	4–6	7–9	10–12	13–20	21–30	>30	Total
Number of Directors - The Co-operators	8	6	4	3	1	0	0	122
Number of Directors - Co-operative sector	2	3	1	1	5	5	5	436
Number of Directors - Credit union/ Caisse populaire sector	12	1	0	1	2	2	4	238

The Co-operators Group Limited Board committee structure

The **Audit Committee** assists the Board of Directors in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing, and reporting practices of the company, and such other duties as directed by the Board. The committee's purpose is to oversee the accounting and financial reporting processes of the company, the audits of the company's financial statements, the qualifications of the public accounting firm engaged as the company's independent auditor to prepare or issue an audit report on the financial statements of the company, and the performance of the company's internal audit function and independent auditor. The committee reviews and assesses the qualitative aspects of financial reporting to shareholders, and other key stakeholders and compliance with significant applicable legal, ethical, and regulatory requirements. The committee is directly responsible for the appointment (subject to member approval), compensation, retention, and oversight of the independent auditor. Management, on the other hand, is responsible for the preparation, presentation and integrity of the interim and annual financial statements and related disclosure documents. Management is also responsible for maintaining appropriate accounting and financial reporting policies and systems of internal controls and procedures that are in compliance with accounting standards, applicable laws and regulations and that provide reasonable assurances that assets are safeguarded and that transactions are authorized, executed, recorded and reported properly.

The committee serves as the Audit Committee of The Co-operators Group Limited, Co-operators Financial Services Limited, Co-operators General Insurance Company, Co-operators Life Insurance Company, The Sovereign General Insurance Company, COSECO Insurance Company and The Equitable General Insurance Company. It will fulfill a monitoring role with respect to the other subsidiaries and affiliates within The Co-operators Group Limited.

The **Corporate Governance & Conduct Review Committee's** role is to:

- > develop and recommend policies and practices to maintain high standards and best practices in corporate and co-operative governance;
- > serve as a centre of self-reflection to build and enhance governance effectiveness through board and director education and performance management programs;
- > carry out board responsibilities with respect to the Self-Dealing provisions as set out in Part XI of the Insurance Companies Act, the other sections of the Insurance Companies Act which specifically mandate or reference the Conduct Review Committee;
- > carry out board responsibilities with respect to matters involving conflicts of interests and the conduct of related parties to The Co-operators and without limiting the generality of the foregoing responsibilities of the Board concerning those matters as set out in the Appendices; and
- > consider and receive the Chief Compliance Officer reports on Compliance-related matters.

The committee also conducts an annual review of and advises management on the Board of Director's budget.

The **Member & Co-operative Relations Committee** provides oversight to strategic initiatives that ensure The Co-operators delivers on its goal to be the insurance provider of choice for member and co-operative clients and plays a leadership role in the national and international co-operative communities.

The committee oversees membership and reviews strategies to advance The Co-operators co-operative identity with its key stakeholders. The committee also has responsibility for The Co-operators Democratic Structure Review process. The chairperson of the Member & Co-operative Relations Committee also serves as the chairperson of the Resolutions Committee.

The **Risk & Compensation Committee**¹ oversees the Company's Enterprise Risk Management (ERM) Program, including the Company's identification of key risks, risk appetite, risk management policies, risk assessments, risk reporting, and program compliance. The committee provides oversight of the Company's Chief Risk Officer, gives guidance and advice to senior management on strategic issues linked to The Co-operators Top Risk Issues and fulfils the oversight responsibility of the Board of Directors in relation to the Company's lending and investment programs.

The committee develops for the Board's approval and periodically evaluates the Board of Directors' and president and CEO's compensation programs. It administers the performance management programs of the president and CEO and executive vice-president, Member Relations, Governance and Corporate Services. The committee ensures that effective management succession plans are in place and provides oversight of the Sponsor's responsibilities related to The Co-operators Retirement Plan.

The **Sustainability & Citizenship Committee** is responsible for providing oversight of the sustainability performance of The Co-operators group of companies. It reviews and recommends policies, strategies and annual plans to advance the Company towards its sustainability vision and monitors strategy and policy implementation and stakeholder engagement. The committee monitors integration of sustainability risk management across the Company. It advises the Board on the sustainability impact of key decisions and emerging sustainability issues, risks and opportunities.

The committee also provides oversight of the corporate citizenship programs of The Co-operators Group and its group of companies. Corporate citizenship is also referred to as "community investment" and pertains to corporate donations, sponsorships, employee volunteering and other aspects of our community contributions.

The **Resolutions Committee's**² role is:

- > to review resolutions and proposals submitted to the committee by any delegate of a member, a Regional Committee, and the Board of Directors, to be presented to the Annual or Special General Meetings of The Co-operators; to ensure that the resolutions and proposals are in proper form, are in order, comply with the process adopted for resolutions, and are presented to the Annual or Special General Meeting;
- > to consolidate similar motions; to consult with the Sponsor of the motion in so doing;
- > to instruct the secretary or the associate secretary to distribute copies of proposed resolutions to delegates in accordance with the adopted process for resolutions.

1. The committee serves as the Risk & Compensation Committee for The Co-operators Group Limited, Co-operators Financial Services Limited, Co-operators General Insurance Company and Co-operators Life Insurance Company (together "the Company").

2. The Resolutions Committee is comprised of eight (8) members; being one member-delegate elected from each region committee and one director from the Board of Directors. The member of the Board who is appointed as chairperson of the Member and Co-operative Relations Committee also holds the position of chairperson of the Resolutions Committee.

DIRECTORS MEETING ATTENDANCE

The following charts report attendance of directors (who served on the Board as of December 31, 2016) at meetings of The Co-operators.

Directors retired from the Board in April 2016 are not included.

	Board of Directors	Annual	Region Committee
	8 Meetings	1 Meeting	2 Meetings
Don Altman	8	1	2
Phil Baudin	7/8	1	2
Denis Bourdeau	8	1	2
Daniel Burns	7/8	0	1/2
Louis-H. Campagna	7/8	1	2
Johanne Charbonneau	7/8	1	1/2
Gilles Colbert	8	1	2
Hazel Corcoran ¹	6/6	1	1/1
Roger Harrop	8	1	2
John Harvie ²	8	1	7
Geri Kamenz	8	1	2
Réjean Laflamme	8	1	2
Denis Laverdière	8	1	1/2
Jim Laverick	7/8	1	2
Michael Mac Isaac	7/8	1	2
Emmet McGrath	7/8	1	1/2
Bob Petryk ¹	5/6	1	1/1
Collette Robertson	8	1	2
Dave Sitaram	7/8	1	1/2
Jocelyn VanKoughnet	8	1	2
Jack Wilkinson	8	1	2
Alexandra Wilson	8	1	2

1. Elected in April 2016.

2. Chairperson of the Board of Directors.

	Audit	Corporate Governance & Conduct Review	Member & Co-operative Relations	Risk & Compensation	Sustainability & Citizenship
	6 Meetings	5 Meetings	5 Meetings	5 Meetings	4 Meetings
Don Altman			1/1		3/3
Phil Baudin					4
Denis Bourdeau			5		
Daniel Burns	5/6				
Louis-H. Campagna					4
Johanne Charbonneau				4/5	
Gilles Colbert	6				
Hazel Corcoran ¹			4/4		
Roger Harrop				5	
John Harvie ²	3	5	4	5	3
Geri Kamenz	6				
Réjean Laflamme		4/5			
Denis Laverdière			5		
Jim Laverick	5/6				
Michael Mac Isaac		5			
Emmet McGrath	6				
Bob Petryk ¹				4/4	
Collette Robertson		5			
Dave Sitaram		5			
Jocelyn VanKoughnet					4
Jack Wilkinson			5		
Alexandra Wilson				5	

1. Elected in April 2016.

2. John Harvie is the chairperson of the Board of Directors and a member of the Risk & Compensation Committee. He is an ex-officio member of the other committees and regularly attends these meetings to keep current on all Co-operators issues.

Board education

In addition to formal Director Orientation, The Co-operators Board of Directors dedicates two days per annum to board education and also includes regular educational presentations in its meetings throughout the year.

Director Orientation and Orientation II sessions were provided in 2016 to support new director onboarding. As well, new directors were assigned mentors to support their introduction to The Co-operators.

In 2013, the Board launched a Director Development Program (DDP) as a strategic pillar of its approach to overall board effectiveness. The DDP is a customized, competency-based program built for The Co-operators Board, by the Board. Following the DDP Launch Event and Module 1 – Knowledge of the Business: P&C Insurance in 2013, the Knowledge of the Business: Life Insurance and Strategic Thinking and Decision modules were delivered in 2014. In 2015 three additional modules were delivered: Risk Governance; CEO Compensation, Performance Management and Succession; and, Audit, Compliance and Regulatory Frameworks.

In 2016 a module on Financial Governance was delivered along with the program's capstone module, in which the directors participated in a board simulation activity that provided a dynamic opportunity to showcase their skill development as directors since the introduction of the DDP in 2013.

DDP aims & objectives

Aims

- > To raise the level of insurance/industry knowledge, skills and governance performance of directors
- > To support governance oversight and decision making through the co-operative lens
- > To enhance the level of confidence and competence of The Co-operators directors in fulfilling their oversight role and responsibilities
- > To improve the confidence of members/stakeholders in the capability of their elected representatives
- > For The Co-operators to become recognized as an exemplar of professional learning and development within the co-operative movement
- > To demonstrate an ongoing commitment to continuous learning and improvement to our regulatory bodies
- > To raise the level of awareness and importance of director competency with our members as they contemplate potential nominees to The Co-operators Board

Objectives

- > Enhance the skills and competencies necessary for directors of The Co-operators
- > Improve knowledge of The Co-operators business operations and markets
- > Ensure sound understanding of co-operative/corporate business oversight with particular focus within the insurance sectors
- > Provide greater awareness of the issues and trends impacting the financial services/insurance industry
- > Understanding by directors of their own personal strengths and weaknesses
- > Instill a sound understanding and knowledge of co-operative and corporate governance and how it operates within The Co-operators context
- > Improve leadership skills and provide continued personal and professional development

DDP competency framework

- > Audit/Compliance/Regulatory Framework
- > CEO Performance, Compensation and Succession Planning
- > Corporate and Co-operative Governance
- > Financial Governance
- > Knowledge of the Business (P&C, Life & Other Operations)
- > Risk Governance
- > Strategic Thinking & Decision Making

Director training & development

Each director has access to an individual training and development allowance to fund personal performance enhancement training. Up to \$18,000 per three-year term is available to fund participation in individual director skills-based training and development.

All activity supported by this fund requires pre-approval by the chairperson of the Board. Additionally, directors are encouraged to prepare a report summarizing their experience for information sharing with their colleagues. In 2016, directors completed 50 days of individual training and development activities.

DIRECTOR TRAINING AND DEVELOPMENT INVOLVEMENTS – January 1 to December 31, 2016

Name	Event	# of days
Don Altman	LIMRA/LOMA Conference	1
Phil Baudin	LIMRA/LOMA Conference	1
	Audit Committee Education Day	1
Daniel Burns	Director Audit Committee Certification	3
Louis-H. Campagna	Director Orientation II	1
	Audit Committee Education Day	1
	International Summit of Co-operatives	3
Johanne Charbonneau	ICMIF/Americas Conference	3
Gilles Colbert	Director Orientation II	1
	LIMRA/LOMA Conference	1
	IIC P&C Insurance Essentials	1
Hazel Corcoran	Director Orientation	1.5
	International Summit of Co-operatives	3
Roger Harrop	LIMRA/LOMA Conference	1
John Harvie	International Summit of Co-operatives	3
	ICMIF/Americas Conference	3
Geri Kamenz	LOMA Insurance Immersion	3
Réjean Laflamme	ICMIF/Americas Conference	3
Denis Laverdière	Audit Committee Education Day	1
	IIC P&C Insurance Essentials	1
Michael Mac Isaac	International Summit of Co-operatives	3
Bob Petryk	Director Orientation	1.5
Collette Robertson	LIMRA/LOMA Conference	1
Dave Sitaram	International Summit of Co-operatives	3
Jocelyn VanKoughnet	LIMRA/LOMA Conference	1
	ICD CEO Transition Luncheon	1
Jack Wilkinson	International Summit of Co-operatives	3

Director competencies

The Board of Directors believes it is important to articulate and communicate the desired skills, knowledge, experience and attributes of members serving on its board and committees.

A Director Skills Matrix was adopted by the Board in 2013 and is shared with the membership to inform and support The Co-operators nomination and election process as well as the Board's Populating Committee's process.

Desired skills, knowledge, experience and attributes

It is critical that The Co-operators Board of Directors be comprised of individuals that collectively possess a healthy balance of skills, expertise and perspectives to provide effective oversight to The Co-operators group of companies.

While directors are expected to exhibit independence of action and thought, it is also important they have the ability to work as a team in advancing the best interests of The Co-operators.

In addition to the qualifications of directors set out in the board mandate policy, each director is expected to bring to the board table related skills, knowledge, experience and personal attributes to add value to The Co-operators.

[The Institute of Corporate Directors](#) (ICD) identifies '18 Competencies of an Effective Director'. The matrix on page [AP-10](#) was developed utilizing the competencies promoted by the ICD and has been customized to reflect the needs of The Co-operators as a co-operative insurer/financial services provider, member and democratically controlled organization.

DIRECTOR SKILLS MATRIX

	Competencies and attributes	Definition
Knowledge	Board role and responsibilities	Understands director and board responsibilities, accountabilities and liabilities. Experience with and knowledge of co-operative and corporate governance structures, processes and best practices.
	Business	Understands The Co-operators structure, core business and insurance/financial services industry.
	Stakeholder	Understands The Co-operators key stakeholders, member organizations and co-operative sector.
	Technology	Ability to identify and assess technology issues through a risk and strategic lens.
Analytical and technical skills	Financial acumen	Able to read, interpret and assess financial reports.
	Decision making	Able to identify and diminish 'group think' tendencies and recognize decision-making biases in board discussions. Willing to support and promote board decisions.
	Process orientation	Makes decisions and seeks outcomes by consistent application of logical analysis.
Thinking	Strategic	Experience and ability to think strategically by integrating or linking a range of internal and external factors impacting The Co-operators business environment.
	Independent	Maintains own convictions and reaches own conclusions despite undue influence, opposition or threat.
	Open-minded/ Information seeking	Values the diverse opinions of others and builds on the foundation of other people's views.
Personal style	Ambiguity and risk tolerance	Retains a positive outlook when the group is unable to resolve an issue or reach a conclusion. Willing to take a measured risk even when the outcomes are uncertain. Understands and able to balance the relationship between risk and reward.
	Judgement	Applies common sense, measured reasoning, knowledge and experience to reach a conclusion.
	Integrity	Trustworthy and conscientious. Acts and speaks with consistency and honesty.
	Self-aware	Assesses strengths and weaknesses of self and manages them successfully.
	Bias to learn	Invests time learning about the organization, its people, challenges and opportunities and the industry in which The Co-operators operates.
Social Style	Conflict resolution	Works to ensure conflict is resolved respectfully and inclusively in order to maintain/restore healthy relationships.
	Communication	Gives and receives information with clarity, attentiveness, understanding and perception.
	Influence and impact	Ability to influence peers, management and stakeholders.
	Political astuteness	Experienced and adept with board and stakeholder relations.
	Team player	Able and willing to work co-operatively in a team environment.
Commitment	Personal	Demonstrates interest in the long-term success of The Co-operators and ability to be an ambassador for the organization.
	Values	Understands, supports and promotes The Co-operators mission, vision, values and Code of Conduct.

Individual Director Assessment

Directors serving on The Co-operators Board for one full year participate in the annual Individual Director Assessment (IDA) process. Directors along with the senior management regularly in attendance at board meetings contribute to the peer review. The IDA results are shared with each director and the chairperson of the Board. The chairperson conducts a follow-up meeting with each director to debrief their results and discuss their personal action plan.

An annual chairperson evaluation process is also in place to consider the role, responsibilities, desired competencies, personal qualities and behaviours for the position and provide the chairperson with feedback on his/her effectiveness in the role.

A Board Committee Effectiveness evaluation process was introduced in 2014 and includes both committee self-assessment as well as board assessment of committee performance.

The Corporate Governance & Conduct Review Committee of the Board reviews the aggregate results of the IDA as well as meets with the chair of the Board to discuss the results of his/her assessment.

Board of Directors budget

The Board of Directors budget includes the costs associated with director remuneration and expenses; board/committee meetings and communication; training & development; and board-sponsored initiatives.

The 2016 board budget expenses totaled \$3,743,780, compared to \$2,804,361 in 2015. The change in year-over-year costs reflect the CEO Search and selection activities, external consulting fees, and additional meeting and travel expenses.

Board/Director compensation

Board of Directors compensation philosophy

A skilled and dedicated board is essential to the effective governance of The Co-operators group of companies. In compensating the chairperson and members of the Board for their service, the company wishes to:

- > Offer a compensation package that, taken as a whole, is competitive within the Canadian marketplace for multi-line insurance companies and co-operatives of similar size and scope of business to that of The Co-operators;
- > Maintain consistency with the company's philosophy for the compensation of its executives and other employees.

Principles

The following principles guide the development of the Director Compensation Plan:

- > Our compensation practices should motivate directors to keep the long-term interests of the company in the forefront at all times;
- > Compensation should put service before personal gain, while being sufficient to attract directors of appropriate skill and experience;
- > Compensation should vary with the responsibility, expected time commitment and potential risk associated with different positions within the Board. Accordingly, the chair of the Board and chairs of board committees will receive additional compensation;
- > Compensation should promote full attendance at board and committee meetings, while recognizing that the core responsibilities of a director and risks assumed do not vary directly with the time spent attending meetings. Accordingly, cash compensation will take the form of a fixed retainer, supplemented by a per diem fee for attendance at meetings and other approved activities;
- > Compensation should recognize that directors come from widely varying distances to attend meetings. Accordingly, fees will be paid for travel time;
- > Directors should be fully reimbursed for reasonable out-of-pocket expenses incurred in the performance of their duties as directors;
- > Members of the Board should be encouraged to higher performance through continuous learning and development. Accordingly, financial support will be available for approved activities.

Current compensation

- > The chairperson receives an annual retainer of \$90,000;
- > All other directors receive an annual retainer of \$28,000;
- > The chairperson of the Audit Committee receives an additional annual retainer of \$12,000 to recognize the additional time commitment/responsibilities of this role;
- > The chairperson of the Risk & Compensation Committee receives an additional annual retainer of \$10,000 to recognize the additional time commitment/responsibilities of this role;
- > The chairperson(s) of other standing board committees (Corporate Governance & Conduct Review; Member & Co-operative Relations, and Sustainability & Citizenship) receive an additional annual retainer of \$8,000; and
- > All directors receive a per diem of \$750 a day, for attendance at board meetings, board committee meetings, or other functions attended by the director on behalf of CGL or its subsidiaries.

Governance policies

The Co-operators Board of Directors maintains a fulsome Board Policy Monograph that details its oversight functions to help achieve the Board Mandate. The monograph includes policies pertaining to regulatory activities and governance best practices which are reviewed by the standing committees and Board of Directors at scheduled intervals to maintain their relevance and accuracy. Although there is a diverse and robust suite of policies included in the monograph, policies identified in the Integrated Annual Report are detailed below.

Conflict of Interest Policy

Background: The Insurance Companies Act, Canada, as amended governs the activities of most of the insurance companies within The Co-operators group of companies. This Act has specific statutory requirements related to acts or policies which the Board of Directors is required to establish or identify. One such requirement is the requirement to ensure that procedures have been established to resolve conflicts of interest, including techniques for the identification of potential conflict situations and for restricting the use of confidential information. This includes the requirement for the Board or a board committee to exercise oversight over this process.

By motion of the Board as at November 13, 1992, the Board approved a "Conflict of Interest" policy to comply with the requirements of the Insurance Companies Act. Since that time a number of other policies have been adopted both by the Board and by the Company with respect to Conflicts of Interest, a Code of Ethics and Director Conduct. In reviewing the company's various policies in this regard it has been determined that it is desirable to update and consolidate references herein to those various policies. The Acts governing the four primary companies to which this policy applies also have specific provisions with respect to conflicts of interests by officers or directors.

Policy: The Co-operators endorses business activity, premised on professional ethics, in a working environment free from real, perceived or potential conflicts of interest. Activity which compromises objective business decisions and/or results in inappropriate personal gain is prohibited.

A high standard of conduct is also expected with respect to the use and disclosure of information which is confidential to the company, to directors or employees of the company, to policyholders or to any other person where by agreement or the operation of law the information is required to be maintained in a confidential manner.

Procedure:

The following procedures are provided for clarification purposes only and in no way limit the scope of the general rules established by this policy.

1. The Compliance Officer shall prepare and distribute annually a conflict of interest declaration form for officers and directors of the Company to be distributed no later than January of each year;
2. That the Compliance Officer annually prepares a summary of the number of officers and directors who have or who have not completed a conflict of interest form, and with respect to those who have completed the form, notes any conflicts which had been identified and how they had been resolved;
3. That the Compliance Officer's report noted in 2 hereof shall be presented to the meeting of the Corporate Governance & Conduct Review Committee following the collection of the information in each year;
4. The senior vice-president, Human Resources of the Company and his or her designate(s) are responsible for ensuring that staff members are aware of and understand policies relating to ethical conduct, in particular the Company's Code of Ethics which includes the Conflict of Interest Policy for staff and the Corporate Opportunities for Senior Management Policy. The appropriate level of Management is also responsible to ensure that those policies are complied with, that appropriate 'sign-offs' are obtained as required by those policies, and that conflict of interest situations are appropriately resolved in accordance with those policies.
5. A director or officer of the Company shall not participate in discussions or vote on matters which relate to any person or entity in which they have a material interest. A director or officer shall declare the potential conflict as soon as is practicable before the matter is discussed and absent him or herself from the board meeting which is dealing with such a matter.
6. Directors appointed to the Board of Directors of a subsidiary company of The Co-operators pursuant to Board Policy No. 20 (Subsidiary Board Governance) shall absent him or herself from any discussion at the board of the parent company related to the subsidiary company where his or her duty as a fiduciary of the parent company and the subsidiary may conflict, or where the appropriateness of a course of action of the subsidiary with respect to any action or transaction is being questioned by the parent board, or where a corporate opportunity has or is being proposed to be presented to the parent board by the subsidiary company.
7. Directors or officers attending board meetings who believe they may have a conflict of interest on matters before the Board shall disclose its existence to the Board at the time they realize that they have a conflict of interest or as soon as is reasonably practicable thereafter and request that the declaration of the conflict of interest be entered into the minutes of the meeting.
8. Disclosure by a director or officer as provided herein shall be made:
 - (a) at a meeting at which an issue related to his or her potential conflict of interest is first considered;
 - (b) where a director's interest is in an issue which did not put him or her into a potential conflict of interest position at the first meeting at which it was discussed, at the first meeting after he or she becomes so interested;
 - (c) where a director's interest is in an issue which puts him or her in a potential conflict of interest situation after the issue is discussed, at the first meeting after he or she becomes so interested; or,
 - (d) if a person who has an interest in an issue, which puts him or her in a potential conflict of interest, later becomes a director, at the first meeting after he or she becomes a director.
9. Every director and officer shall keep confidential all information respecting the business or transactions of the company, particularly information with respect to clients of the company, staff and company proprietary interests, including lawsuits in which the company is either the plaintiff or a defendant and shall disclose such information only in the following circumstances and only if in such circumstance it is not otherwise prohibited by the operation of law:
 - (a) to a person acting in a confidential or professional relationship with the Company;
 - (b) to a financial institution with which the Company has transactions which may involve confidential matters;
 - (c) to a credit granting or to a reporting agency, on a confidential basis and where permitted by law;
 - (d) to the Office of the Superintendent of Financial Institutions for Canada or to any other regulatory authority where permitted or required by applicable law;
 - (e) to protect the interests of the Company, where permitted by law;
 - (f) with the prior written consent of the person to whom the confidential information relates and where it is otherwise permitted by law;
 - (g) to any other person entitled to the information by the operation of law.

10. To the extent information at board or other meetings of the Company is intended to be confidential, the chair or the appropriate management person will indicate the items to be discussed which are to be kept as confidential by the Board and management.
11. Where confidential information is disclosed by a director or officer, the person disclosing the information has the obligation to forthwith advise the chairperson of the Board (in the case of directors and the chief executive officer) or the appropriate CEO, senior vice-president or vice-presidents in the case of management.

Code of Conduct Policy

Background: The Board of Directors of The Co-operators oversees the management of the Company. It ensures that management operates in accordance with codes of conduct and procedures to ensure that staff and the Company discharge their fiduciary duties with the utmost good faith, to the highest standard and with a view to the best interests of the Company. Given the different roles played by the Board, directors and staff, codes of conduct must be in place and appropriate for each. As fiduciaries of The Co-operators the Board of Directors and each director collectively and individually commit ourselves to upholding the highest standards of conduct in serving the best interests of The Co-operators. That is the purpose and background to this policy.

Policy: The Board of Directors and each director of The Co-operators commits him or herself to:

1. Discharge his or her duty in good faith, competently, diligently, in accordance with best practices applicable to directors and with a view to the best interests of the Company;
2. Hold the highest level of integrity as our standard of conduct;
3. Ensure that the Company complies both with the spirit and the intent of applicable laws, including those intended to promote good corporate citizenship and accountability;
4. Ensure that the Company complies both with the spirit and the intent of the principles of the International Cooperative Alliance;
5. Ensure that the Company conducts itself in the communities it serves as a good corporate citizen;
6. Promote, support and encourage by example management practices which reinforce our mission and core values, equitable employment practices, anti-harassment policies, ethical practices and dealings;
7. Conduct our dealings with and on behalf of the company observing the highest standard of ethics and in a manner to avoid possible conflicts of interests;
8. Participate fully in the democratic structure of The Co-operators including attending all or substantially all of meetings of the Board of Directors of the Company as well as the region committee meetings in the regions from which the director was nominated or who he or she represents as well as the Annual General Meeting or any Special General Meetings of the Company.

Procedure:

1. Any allegations of conduct unbecoming a director of The Co-operators pursuant to this policy may be referred to the Board of Directors for appropriate action;
2. Any allegation made under 1 shall be considered by the Corporate Governance & Conduct Review Committee;
3. The Corporate Governance & Conduct Review Committee shall meet in-camera, shall hear any evidence which it deems appropriate, including the evidence of any advisors it chooses to consult and shall give the affected director the opportunity to be heard and to examine evidence produced before it prior to making any decision or rendering any judgment;

4. The Corporate Governance & Conduct Review Committee may make any recommendation it deems to be reasonable in the circumstances up to and including dismissal from the Board;
5. The Board of Directors shall consider any recommendations of the Corporate Governance & Conduct Review Committee in camera and may make a decision with respect to disciplinary action where appropriate;
6. Any director against whom a finding may be made is entitled to a hearing before the full Board before any finding is made;
7. Where The Corporate Governance & Conduct Review Committee proposes in its recommendation to dismiss the director from the Board, the proposal of the committee must be unanimous and must be made in the context of a recommendation to be endorsed by the Board of Directors, having given the director the opportunity to be heard as required by relevant legislation, to have the members under section 88 (1) of the Canada Cooperatives Act, the shareholder under section 109 (1) of the Canada Business Corporations Act and the shareholder or policyholders as the case may be, under section 181 of the Insurance Companies Act remove the director from office at a meeting specially called for the purpose or at the next regularly scheduled meeting of members, shareholders or policyholders as the case may be, which meeting shall be deemed to be a special meeting called for the purpose;
8. Nothing herein restricts the ability of the Board at its own instance to make a recommendation to the members or shareholders as the case may be to dismiss a director from the Board as the result of behaviour unbecoming a director.

Board of Directors: Profiles



Don Altman
Ontario

Don Altman joined The Co-operators Board in April 2013. He is a member of the Sustainability & Citizenship Committee and formerly served on the Member & Co-operative Relations Committee. Previously, Don was a delegate to The Co-operators representing Ontario Natural Food Co-operative from June 2007 to April 2013.

Don is a director on the board of Ontario Natural Food Co-operative, where he holds the position of treasurer and also serves on the boards of Home Ownership Alternatives and the Church-Isabella Residents Co-operative.

During Don's 35-year career with the City of Toronto, he held several positions in the finance department and retired from the position of manager of Corporate Financial Strategies in the spring of 2016.

Don holds a Bachelor of Arts in Geography from the University of Toronto and a Master of Science in Geography from Northwestern University. He is a graduate of the Credit Union Director Achievement Program.

Don received a Co-operative Lifetime Achievement Award from the Ontario Co-operative Association; the Gary Gillam Award for Social Responsibility; and is an Honorary Lifetime Member of the Co-operative Housing Federation of Toronto.



Phil Baudin
British Columbia

Phil Baudin joined The Co-operators Board in April 2013. He is the chairperson of the Sustainability & Citizenship Committee and formerly served on the Member & Co-operative Relations Committee. Previously, Phil was a delegate to The Co-operators representing Modo The Car Co-op from August 2009 to April 2013.

Phil is active in the area of co-operatives and community service and has led a variety of sustainability-driven organizations, including Modo The Car Co-op, as past chair of the International Car Sharing Association, past chair of the Environment Advisory Committee for the Municipality of West Vancouver, and as a director of the Vancouver Area Cycling Association.

Over the course of his business career, Phil held senior management positions at IBM, executive leadership positions in professional service firms, and has extensive experience as a business consultant to large national service organizations. Phil retired as director of finance at Modo The Car Co-op in October 2016.

He has a Bachelor of Commerce from the University of Manitoba.



Denis Bourdeau
Ontario

Denis Bourdeau joined The Co-operators Board in April 2009. He serves on the Member & Co-operative Relations Committee and was formerly a member of the Investment Policy Committee. Previously, Denis served as a delegate to The Co-operators representing GROWMARK, Inc. from February 2008 to June 2009.

Denis has participated on several boards and has been a director on the board of GROWMARK, Inc. since 2007 and has completed their Director Certification Program. He has been a director of La Coopérative agricole d'Embrun for 27 years, holding the position of president for 14 years. He is also an elected township counselor.

Denis owns and operates a dairy and cash crop farm as well as a bed and breakfast. He received an Ontario Co-operative Association Lifetime Achievement Spirit Award in 2006 and in April of 2008 he received the Agricultural Merit Award from the Russell County Soil & Crop Association for exceptional contribution to the well-being of agriculture in the county. In 2013 Denis was awarded a Lifetime Achievement Award for service to the co-operative sector at the Conseil de la coopération de l'Ontario 50th anniversary gala.



Daniel Burns
British Columbia

Daniel Burns joined The Co-operators Board in April 2007. He is a member of the Audit Committee and also served on the recent CEO Search Committee in 2016. He was formerly the chairperson of the Sustainability and Conduct Review Committees and also served as a member of the Executive Committee. Previously, Daniel was a delegate to The Co-operators representing Central 1 Credit Union from May 2005 to April 2007.

Daniel serves as director of the Canadian Co-operative Association and is chairperson of the World Council of Credit Unions. He is also chair of Canadian Central's National Legislative Affairs Committee. Daniel is the former chairperson of Central 1 Credit Union and Credit Union Central of Canada.

Daniel is a lawyer, accountant and entrepreneur. He is the CEO of BNW Travel Management Ltd. He is a member of the Law Society of British Columbia and the Certified Management Accountants and Chartered Professional Accountants of Ontario.

Daniel is a graduate of the University of Western Ontario, receiving a Bachelor of Arts in Economics degree; University of British Columbia, Juris Doctor (Law); the University of Toronto, Master of Business Administration; and the University of St. Gallen, Switzerland, Executive Master of Business Administration. He also holds the Certified Director Designation from the Institute of Corporate Directors.



**Louis-H.
Campagna**
Québec

Louis-H. Campagna joined The Co-operators Board in April 2015 and is a member of the Sustainability & Citizenship Committee. Previously, Louis served as a delegate to The Co-operators representing The Co-operative Housing Federation of Canada from April 2013 to April 2015, where he is currently a director.

Louis has extensive involvement in the co-operative movement including serving as treasurer of the Confédération québécoise des coopératives d'habitation, president of the technical resources group of the Société d'aide et de services aux coopératives and chairman of the Cooperative d'habitation L'îlot fleuri.

Louis is a career firefighter and a lieutenant fire service instructor with Québec City's fire and fire prevention department since 2010.



**Johanne
Charbonneau**
Ontario

Johanne Charbonneau joined The Co-operators Board in April 2013 and serves as the vice-chairperson of the board. Johanne is also a member of the Risk & Compensation Committee and served on the recent CEO Search Committee in 2016. She formerly served on the Corporate Governance & Conduct Review Committee. Previously, Johanne served as a delegate to The Co-operators representing Central 1 Credit Union from May 2011 to April 2012; she was then an alternate delegate until April 2013.

Johanne is a director on The Sovereign General Insurance Company, a subsidiary of Co-operators General Insurance Company; she is also a member of the board of Alterna Savings and Credit Union and chair of the Chartered Professional Accountants of Ontario (CPAO) Council.

Johanne is a retired financial executive who now devotes her professional time to governance activities. Her career as a chief financial officer included roles with the Canada Deposit Insurance Corporation, the International Development Research Centre and most recently CBC/Radio-Canada.

Johanne has her Master of Business Administration from Queen's University and is a Chartered Professional Accountant (CPA), Certified General Accountant (CGA). In 2013 she was awarded the CPA, CGA Fellowship designation and is an accredited Chartered Director from The Director's College.



Gilles Colbert
Saskatchewan

Gilles Colbert joined The Co-operators Board in April 2015 and is a member of the Audit Committee. Previously, Gilles served as a delegate to The Co-operators representing Credit Union Central of Saskatchewan (SaskCentral) from September 2012 to April 2015.

Gilles is currently on the board of directors of SaskCentral where he chairs the Audit and Risk Committee and is a delegate for Unity Credit Union.

Gilles was in the credit union system for 30 years. He was the general manager at Unity Credit Union for 16 years prior to retirement in 2000.



Hazel Corcoran
Alberta

Hazel Corcoran joined The Co-operators Board in April 2016 and serves on the Member & Co-operative Relations Committee. Previously, Hazel served as a delegate to The Co-operators representing the Canadian Worker Co-operative Federation (CWCF) since January 2008.

Hazel is a former director on the board of Co-operatives and Mutuals Canada (CMC), where she served as vice-chair.

Hazel has been the executive director of the Canadian Worker Co-operative Federation (CWCF) since 1995. She has been admitted to the Bar of Ontario and of Alberta.

Hazel received an Honours Bachelor of Arts degree from the University of Alberta in French, Spanish and Romance Linguistics; a Master of Arts in Linguistics from the University of California, Berkeley; and a Juris Doctor (Law) from Dalhousie University.



Roger Harrop
Ontario

Roger Harrop joined The Co-operators Board in April 2012. He is a member of the Risk & Compensation Committee and formerly served on the Corporate Governance & Conduct Review Committee. Previously, he served as a delegate to The Co-operators representing Gay Lea Foods from February 2008 to April 2012.

Roger has been a board member of Gay Lea Foods since 2007 and serves on the Audit Committee. Roger is also a director for Progressive Dairy Operators.

Roger retired in 2016 from his dairy farm operation. He is presently a cash crop farmer. He also holds a diploma in agriculture.



John Harvie
New Brunswick

John Harvie joined The Co-operators Board in April 2011; he became chairperson of the board in 2014 and is a member of the Risk & Compensation Committee and was the chairperson of the recent CEO Search Committee in 2016. He is the former chairperson of the Audit Committee. Previously, John served in the capacities of alternate delegate and delegate to The Co-operators representing Co-op Atlantic from 2006 – 2009 and from January to April 2011 respectively.

John retired from Co-op Atlantic in late spring 2011 where he held the position of CEO. He finished his formal education with a Bachelor of Science degree in Agriculture from Macdonald College of McGill University.

In August 2012, John was appointed to the NS Co-operative Council Board of Directors representing The Co-operators. In June 2014 he received the Global Co-operator Award from the Co-operative Development Foundation (CDF) of Canada.



Geri Kamenz
Ontario

Geri Kamenz joined The Co-operators Board in April 2014. He is a member of the Audit Committee and former member of the Sustainability & Citizenship Committee. Previously, Geri served in the capacities of alternate delegate and delegate to The Co-operators representing the Ontario Federation of Agriculture from June 2007 to April 2014.

Geri stepped down as chairperson of the Ontario Farm Products Marketing Commission effective December 31, 2016, having served in the position for over eight years as the longest serving chairperson in the history of the Commission. Prior to that, he served as president of the Ontario Federation of Agriculture from 2006 – 2008.

Geri owns and operates a first-generation, multiple-enterprise farm business. Geri was formally educated as an Aviation Engineering Technologist and pilot, having served in the Canadian Armed Forces and in commercial flying before pursuing a career in agriculture.



Réjean Laflamme
Québec

Réjean Laflamme joined The Co-operators Board in April 2010 and is currently the chairperson of the Corporate Governance & Conduct Review Committee. He is also a member of the Community Economic Development Funds Board and its investment subcommittee. He previously served as a member of the Investment Policy Committee. Prior to joining The Co-operators Board, Réjean served as a delegate to The Co-operators representing the Fédération des coopératives funéraires du Québec from May 2007 to April 2010.

Réjean's involvement in the co-operative movement includes: serving as chairman of the Coopérative funéraire Brunet and treasurer of the Fédération des coopératives funéraires du Québec.

An economist by profession, Réjean is a consultant for Tango RJ Consultant Inc. In May 2011, on a contract basis with his consulting firm, he was named interim executive director of the Conseil canadien de la coopération et de la mutualité (CCCM).

Réjean has a Bachelor of Arts in Economics with a co-operative specialization and a Master of Arts in Economics from Université de Sherbrooke.



Denis Laverdière
New Brunswick

Denis Laverdière joined The Co-operators Board in November 2008 and serves on the Member & Co-operative Relations Committee, having formerly been a member of the Audit Committee. Previously, Denis served as a delegate to The Co-operators representing UNI coopération financière (formerly La Fédération des caisses populaires acadiennes limitée) from May 2002 to October 2008.

Denis is also chairperson of the board of Acadia General Insurance.

Denis is presently the executive vice-president of distribution at UNI coopération financière, working to support and encourage profitable business growth of the caisses populaires. Denis has been employed with UNI coopération financière since 1987.

Denis holds a Bachelor's Degree in Administrative Sciences from Université Laval, as well as the Chartered Professional Accountant, Certified General Accountant designation.



Jim Laverick
Alberta

Jim Laverick joined The Co-operators Board in April 2011. He is a member of the Audit Committee and also served on the recent CEO Search Committee in 2016. He formerly served as a member of the Risk & Compensation, Executive and Investment Policy committees. Previously, Jim served as a delegate to The Co-operators representing United Farmers of Alberta (UFA) Co-operative Limited from May 2008 to April 2011.

Jim is on the board of Addenda Capital Inc., a subsidiary of The Co-operators. Jim has been a member of the UFA Board of Directors since 2008 and was chairperson from 2010 – 2014. He has also served as a director of the Canadian Co-operative Association along with several other co-operative boards.

Jim joined The Co-operators in 1970 and over a 38-year career held a variety of positions of increasing responsibility, retiring in June 2007 as vice-president, Western Region. Jim holds a Chartered Life Underwriter designation.



**Michael
Mac Isaac**
Nova Scotia

Michael Mac Isaac joined The Co-operators Board in April 2014 and is a member of the Corporate Governance & Conduct Review Committee. Previously, he served in the capacities of alternate delegate and delegate to The Co-operators representing Atlantic Central from March 2010 to April 2014.

Michael is a director of Atlantic Central and was a director of Credit Union Central of Nova Scotia prior to the Atlantic Central amalgamation in 2007. He also previously served as a director to East Coast Credit Union for over 20 years.

Michael is a retired health care manager and respected community advocate where he has been involved in some aspect of the co-operative movement for most of his life. He is also a graduate of the Credit Union Director Achievement Program.



Emmet McGrath
British Columbia

Emmet McGrath joined The Co-operators Board in April 2013. He is the chairperson of the Audit Committee and also served on the recent CEO Search Committee in 2016. Previously, he served in the capacities of alternate delegate and delegate to The Co-operators representing Central 1 Credit Union from May 2011 to April 2013.

Emmet is currently a member of the board of Westminster Savings Credit Union and chairperson of their Risk and Audit Committee. He is also on the board of Central 1 Credit Union and is a member of the Audit and Finance Committee and chair of the Risk Review and Investment & Loan Committee. Emmet is a director of UEX Corporation where he is chair of the Audit Committee.

Emmet is a Chartered Professional Accountant, Chartered Accountant; he has completed the Certified Director Designation from the Institute of Corporate Directors and the Credit Union Director Achievement Program.

Emmet held a career in public accounting for over 30 years and was a partner at KPMG for over 20 years; his most recent position was chief financial officer at Lincoln Mining Corporation.



Bob Petryk
Alberta

Bob Petryk joined The Co-operators Board in April 2016 and is a member of the Risk & Compensation Committee. Previously, Bob served as a delegate to The Co-operators representing Credit Union Central of Alberta since April 2013 and was the regional chair.

Bob is on the board of Credit Union Central of Alberta and serves as second vice-chair. He is also a director of First Calgary Financial Credit Union Limited.

Bob has Commerce and Law degrees from the University of Calgary and a Master of Business Administration from the University of Western Ontario. He is currently enrolled in the Certified Director Designation from the Institute of Corporate Directors and has completed several courses through the Credit Union Director Achievement Program.

Bob is the Managing Director of Petwin Bancorp Inc. where he has served for over 15 years.



Collette Robertson
Saskatchewan

Collette Robertson joined The Co-operators Board in April 2014 and is a member of the Corporate Governance & Conduct Review Committee and chairperson of the Community Economic Development Funds Board. Previously, she served as a delegate to The Co-operators representing the Regina Community Clinic from June 2009 to April 2014.

Collette is currently a director of the Gabriel Dumont Institute of Native Studies and Applied Research and is The Co-operators representative on the Saskatchewan Co-operative Association.

For more than 25 years, Collette served in a number of capacities with the Provincial Government of Saskatchewan in the areas of Advanced Education, Economic Development, and First Nations and Métis Affairs.



Dave Sitaram
Ontario

Dave Sitaram joined The Co-operators Board in April 2007 and is a member of the Corporate Governance & Conduct Review Committee. He is also a member of the Community Economic Development Funds Board and its investment subcommittee. He is a former member of the Sustainability & Citizenship Committee and former chairperson of the Corporate Governance Committee. Previously, Dave served as a delegate to The Co-operators representing Credit Union Central of Ontario from October 2004 to May 2006.

Dave served on the board of the Ontario Co-operative Association until June 2016 and is a former director of the Credit Union Central of Ontario, where he was vice-chair and a member of the Audit and Conduct Review Committee. He served on the board of the Canadian Co-operative Association for nine years, of which he was president for five. Dave was Canada's representative on the International Co-operative Alliance America's board from 2005 to 2010. Dave has completed the Credit Union Director Achievement Program.

In 2013 the Ontario Co-operative Association presented Dave with a Long-term Service Award which is given to those who have achieved 25 or more years of volunteer service to one or more Ontario credit unions.



Jocelyn VanKoughnet
Manitoba

Jocelyn VanKoughnet joined The Co-operators Board in April 2014 and is a member of the Sustainability & Citizenship Committee. Previously, Jocelyn served as a delegate representing Federated Co-operatives Limited (FCL) from November 2012 to April 2014.

Jocelyn was elected to the board of directors of FCL in 2012 and is chair of the Human Resources Committee. She previously served as chair of the Social Responsibility Committee; a member of the Governance Committee; and as the Winnipeg region chair. Since 2015 she has been the president of the Manitoba Co-operative Association.

Jocelyn obtained a degree in Human Ecology from the University of Manitoba. She was previously a partner and manager of a general insurance brokerage, and is presently a partner in a family-operated grain business.



Jack Wilkinson
Ontario

Jack Wilkinson joined The Co-operators Board in April 2007. He serves as chairperson of both the Member & Co-operative Relations and Resolutions committees, and was a member of the recent CEO Search Committee in 2016. During his tenure on the Board, Jack has been a member of the Sustainability and Executive committees, and was chairperson of the Democratic Structure Review¹ Committee. Previously, Jack served as a delegate to The Co-operators representing the Ontario Federation of Agriculture (OFA) from May 2002 to April 2007.

Jack serves as chair of the Nipissing-Sudbury Co-op and is also The Co-operators representative to the Co-operatives and Mutuals Canada (CMC) Board, where he was formerly the chair. Jack served as president of OFA from 1999 – 2001 and was previously president of both the International Federation of Agriculture Producers and the Canadian Federation of Agriculture.

Jack is a retired Captain from the Canadian Armed Forces and the recipient of an Honours Doctorate of Laws from the University of Guelph. He is currently self-employed as a grain and oilseed producer on his family farm.



Alexandra Wilson
Ontario

Alexandra Wilson joined The Co-operators Board in 2000. She is the chairperson of the Risk & Compensation Committee and served on the recent CEO Search Committee in 2016. Alexandra is formerly a member of the Democratic Structure Review¹ and Executive committees; chairperson of the Sustainability and Audit committees; and vice-chair of the board. Previously, she served as delegate to The Co-operators representing Co-operative Housing Federation of Canada for 11 years.

Alexandra also serves as director on the board of The CUMIS Group Limited, a subsidiary of The Co-operators, and is a member of the Board of Directors of the Funeral Co-operative of Ottawa. She is a long-time member of Alterna Savings Credit Union, where she chaired the Credit Committee from 2000 to 2007. From 2002 to 2010, she served as a director for Citizens Bank of Canada and Citizens Trust Company, chairing the Audit Committee and participating in the Corporate Governance and Executive Compensation, Conduct Review, and Credit committees.

After 15 years as executive director of the Co-operative Housing Federation of Canada, Alexandra led the start-up of The Agency for Co-operative Housing. She has served as the Agency's CEO since 2005.

Alexandra holds a Distinguished Co-operator Award from the Ontario Co-operative Association and was named an Honorary Life Associate of the Co-operative Housing Federation of Canada in 2008. In December 2012, Alexandra received the Queen Elizabeth II Diamond Jubilee Medal.

1. **Democratic Structure Review Committee** - to ensure the current and emerging needs of The Co-operators and our members are met, The Co-operators conducts a review of our democratic structure at least every 10 years.