

Terms of Reference for the Board of Directors

*(*Amended and accepted by the membership, at our AGM, held on February 26th, 2017)*

As volunteer leaders, board members play an important role in the success of the organization. Boards have significant legal and ethical responsibilities to their constituents, staff, and communities. Strong, knowledgeable boards' help organizations gain credibility, provide important access to the community, and serve as effective advocates.

The Board of Directors of the Canadian Fair Trade Network will work to provide leadership and support the growth and development of the Fair Trade movement in Canada.

Definition and Legal Responsibility

The Board of Directors is a duly constituted body governing the society on behalf of the membership. Board members have a collective responsibility to run the affairs of the organization in accordance with the Not for Profit Corporations Act (NFP) and the bylaws of the organization. Federal legislation establishes the authority of the Board of Directors (BOD) as a collective entity and holds board members legally responsible to act in the best interest of the membership.

The Organization will always have directors and officer's liability insurance in place.

Whereas, directors and officer's liability insurance (often called "D&O") is liability insurance payable to the directors and officers of an organization itself, as indemnification (reimbursement) for losses or advancement of defense costs in the event an insured suffers such a loss because of a legal action brought for alleged wrongful acts in their capacity as directors and officers. Such coverage will extend to defense costs arising out of criminal and regulatory investigations/trials as well; civil and criminal actions brought against directors/officers simultaneously.

Commitment to the Membership

As a registered Canadian Non-profit organization, the Canadian Fair Trade Network will seek an active and engaged membership, which will be open to the public. Board members must be active members of the organization. The Board will invite all members to the Annual General Meeting; vacancies and opportunities must be communicated to all members.

The Annual General Meeting

An Annual General Meeting (AGM) will be held each year to:

- Present the Annual Report
- Present the financials
- Elect new directors to the board

Nominations and elections will be held every year in order to maintain the board of directors of the organization. Appointments may also occur in off periods if a position has been left vacant. The person who was appointed will need to stand for election at the next AGM.

The Annual General Meeting will be held alongside the organizations national conference; the date and location will be decided by the directors based on the best interests of the organization and its stakeholders. The directors will seek consistency and work to plan the AGM for the same period each year.

The Board of Directors shall (Operationally)

- Understand and fulfill the commitments of being a member of the board
- Commit to a two year term
- Complete and maintain the requirements of the NFP Act, including filling and appointing amongst the board the positions of officers including:
 - President or Chair
 - Vice President or Vice Chair
 - Secretary
 - Treasurer
- Appoint an Executive Director to see to the day-to-day operations of the society
- Appoint directors for regional stakeholder leads
- Work to extend and expand the reach of the network, acting as a hub for all stakeholders
- Take part in monthly conference call
- Attend a bi-annual meeting
- Attend the Annual General Meeting

The Board of Directors shall (Strategically)

- Ensure the Vision and Mission statements reflect the current values and circumstances of the movement and Network.
- Develop plans for the future development of the Network and movement
- Actively engage with the strategic plan of the organization; to be presented annually at the AGM
- Build and maintain relationships with the advisory council and other strategic partners

The Board of Directors shall (Administratively)

- Ensure current Terms of References are maintained and met by all board members
- Ensure board member turnover is completed and adequate time is allotted for transition
- Ensure the completion of an Annual report
- Ensure the planning and execution of the Annual General Meeting
- Maintain the membership base of the organization
 - As a mechanism to connect with individuals
 - To ensure the organization is kept in good standing with the Not-for-profit (NFP) Act

The Board Shall Not (Restrictions)

- Directors must not have direct interest in the commercial selling or certifying of Fair Trade products.
- In the case of selling, profit must not exceed a maximum of \$5,000 annually. All sales must be made transparent to the board. Relevant financial details from the prior twelve months and expectations for the upcoming twelve months must be disclosed to the board (at the AGM) and will subsequently be made available to any member upon request.
- The chair, the executive and remaining board members hold the right to question or dismiss a director if the director in question violates this stipulation. The decision to remove must be agreed upon by a majority of board members, before any such action can be taken.

Board turnover

The board will work to ensure regional seats remained filled at all times, by:

- Staying connected to the wider movement;
- Publicly promoting nomination and election periods when open; and
- Promoting vacancies when they occur

Board member departure:

- Upon the departure of any director it is expected that the director in question work with remaining and incoming board member(s) to ensure transition and knowledge transfer

Code of conduct

The board shall:

- Uphold and oversee all fiduciary concerns of the organization
- Maintain ethics and adhere to proper process to ensure all activities of the organization are carried out in a clear and transparent manner
- Deal with any and all issues of mismanagement at board, member and staff levels in a prompt, effective, transparent and fair manner, while being in compliance with the bylaws and associated articles of the organization

Officers:

President

- The chair of the board shall preside at all meetings of the board of directors and of the members. The chair shall have such other duties and powers as the board may specify.

Vice President

- Carries out the duties of the president during the president's absence.
- Ensures nominations for the Officers of the Board of Directors are presented to the Annual Meeting
- Monitors and initiates appropriate changes and updates to the Constitution, by-laws and terms of reference

Secretary

- Conducts the correspondence of the society
- Issues notices of meetings of the society and directors
- Keeps minutes of all meetings of the society and directors
- Oversees all records and documents of the society except those required to be kept by the treasurer
 - Electronic records - To be kept on Drop box and on the CFTN website where applicable
 - Paper records - To be housed at the Network office where applicable
- Has custody of the common seal of the society
- Maintains the register of members

Treasurer

- Keeps the financial records, including books of account, necessary to comply with the NFP Act
- Renders financial statements to the directors at each board meeting and to members and others when required
- Seeks auditor for financial statements when needed and presents them to the board at the AGM for approval
- Alerts board and staff of risk or financial mismanagement

Signing Authority

- Signing authority and banking business or any part of it shall be transacted by an officer or officers of the Corporation and/or other persons as the board of directors may by resolution from time to time designate, direct or authorize. (See bylaw 6 – Pg. 2 of CFTN Bylaws)
- All financial decisions will be handled by the Executive Director and Treasurer of the board, though final decision and approval will lie with the entire board.

Description of Additional Positions

Director-at-Large

- Participates in board meetings, discusses objectives, offers critical feedback to members and is a voting member of the board

Executive Director (Appointed by Board)

- Serves as the primary spokesperson for the Canadian Fair Trade Network and translates vision, approach and evaluation into action and operations; is a non-voting member of the board.

Ex-Officio Board Members

Ex-officio members of the board are individuals who are neither elected nor appointed to directorships but are given a seat at Board meetings. An ex-officio is a member of the board in every sense except s/he does not have voting privileges. An ex-officio usually represents a special expertise/insight in a consulting capacity. The Executive Director is an example of an “ex-officio” member of the Board of Directors.

- Time as an ex-officio director does not count as time against term or consecutive term stipulations

Board makeup and structure

- The board must constitute a minimum of 3 and a maximum 12 directors at all times
- The board will constitute nine (9) regional members who are actively engaged in the movement
 - Elected by the members
- The board will constitute up to three (3) additional directors for strategic skill postings
 - Elected by the members
 - The board can also choose to bring on additional regional directors instead of expertise based seats

Stakeholder seats and representation

The Canadian Fair Trade Network works to connect, coordinate and communicate on a national level; regional representation is of key importance.

One stakeholder seat will be held for each provincial region defined as:

- British Columbia/Yukon Territory
- Alberta/Northwest Territories
- Saskatchewan
- Manitoba/Nunavut Territory
- Ontario
- Quebec

- Prince Edward Island/New Brunswick/Nova Scotia/Newfoundland

To be elected, directors must run for a regional or expertise based seat. A minimum of one seat will be held for each region. In the event that a director of a select region cannot be found, the seat will be left vacant until it can be filled. All elected directors must specify the region in which they intend to run for. Any region can have up to three regional seats.

The board shall determine to bring on additional elected directors or appoint directors based on skill and strategic importance; appointed positions are limited to three.

Length of service:

All terms for directors will be two (2) years.

- All terms come with the obligation for an additional two months of service as an ex-officio board member immediately post-term. This two months post term is meant as a transition period – a director in this period is no longer a director of the society. They are therefore without voting privilege - effectively becoming an ex-officio director
- Directors are limited to a maximum of six consecutive years (three consecutive terms).
- After one term in absence a person may then re-run for a position on the board

Meetings:

Regular meetings shall be held monthly via conference calls

- Agenda is to be set in advance and is informed by the board members. At all meetings:
 - The agenda will be presented for approval
 - The minutes will be presented for approval
 - A date for the next meeting will be established
- All documentation will be distributed five business days in advance
 - All directors will take part in these calls and review the agenda and all documentation prior to the meeting
- Minutes will be taken and posted to the Canadian Fair Trade Network website as public upon the acceptance of those minutes at the start of the next meeting

Quorum:

At all duly called meetings the participation of half of the sitting directors plus one will constitute a quorum.

Decision Making

The board of directors will work toward consensus through discussion; voting will dictate final decisions where a majority decision will carry the floor.

Advisory council

The Advisory Council is appointed by and operates at the discretion of the board of directors. It is open to anyone interested in advising and supporting the growth and development of the network, There are no benefits or privileges accorded to members of the Advisory Council. Current council members will be listed on the organization website.