

Franklin D. Roosevelt stated that, “Competition has been shown to be useful up to a certain point and no further, but cooperation, which is the thing we must strive for today, begins where competition leaves off.” Co-operatives are formed by the members they serve, and cooperatives do business for their members. The benefits of belonging to a co-operative are many. We sell quality products with excellent service, we co-operate with other co-operatives and we return equity to our members. Co-ops genuinely make a difference in people’s lives.

The work we do at Sherwood with the Member & Community Engagement Committee is significantly making a difference in member’s lives. Since its inception in 2012 Sherwood Co-op’s Community Fund has returned over \$778,000 to many worthwhile organizations. For example, in 2018, we donated \$10,000 to Big Brothers which included staff participation, \$5,000 was donated for school playground equipment and \$5,000 was donated to a music festival in Montmartre. In 2018 we donated a total of \$420,000 to organizations in Regina and area – we are making a difference in the lives of our members who utilize these organizations.

Sherwood Co-op has partnered with the Co-op Refinery Complex since 2015 to pump fuel for some of Regina’s major generous organizations. Together in 2018, we donated 20 cents per litre for Soul’s Harbour Rescue Mission, raising over \$68,000, the Regina Foodbank was provided with over \$72,000 and Sherwood Co-op and the Co-op

Refinery Complex recently provided the Neo-Natal Intensive Care Unit at the General Hospital with a donation in excess of \$81,000. By co-operating with other co-operatives, we have made a difference in the lives of our members and to those in our community who use these facilities.

Staff members at Sherwood Co-op hold a key role in making a difference with our members. Their interactions at the gas pump, lumberyard or deli continue to influence all of us. Whether they are working in -40-degree temperatures, loading 2 x 4's into your vehicle, delivering oil and fuels, or moving inventories to accommodate a facility renovation, their dedication and loyalty to Sherwood is above all others. The board is sincerely proud of and appreciative of our team. At this time, the Board would like to thank Troy Verboom for his leadership skills, his vision for growth, and the strategic direction he has set to strengthen Sherwood into the future.

We are growing to make a difference in our member's lives. We now have a network of ten gas-bars within Regina, and five in our surrounding communities. In 2018 we opened two new petroleum outlets; Horizon's Way in Westerra and Chuka Drive in the Greens on Gardner subdivision and in February of this year we opened our newest location on the corner of Argyle and Rochdale.

We added to our fleet this year with an oil delivery truck to supply our farm and commercial members with their bulk oil and grease requirements.

We are currently in the process of upgrading our food infrastructure in Regina as we will open a new location in Harbour Landing this fall, Rochdale Crossing is currently under major renovations and we plan to renovate our Quance facility in 2020. In the next month or so we will commence construction of a new facility in Southey that will have a complete food offering as well as a c-store and gas bar. By building these new facilities and maintaining the sites we have, we offer bright, clean stores for our members to shop or fill their tanks.

Your board of directors is a professional, dedicated team working together for Sherwood Co-op. This group meets ten times per year for regular board meetings, they perform the CEO appraisal, they attend semi-annual planning sessions, they tour all facilities in the summer months and they attend Federated Cooperatives' meetings and seminars. This group is very dedicated to their education and most directors have achieved levels in the FCL Director Development Program. This year Kaleen Baulin, Kerry Gray and Bill Schroeder completed level 2, and John Stevenson achieved level 1.

With good governance practices, Sherwood's board is strategically using the committee structure to bring focus to all business areas. The Finance Audit & Risk Management Committee has been very diligent working with the management team regarding the budget, audit and long-term planning. The Governance Committee has worked very hard in creating an election handbook, determining board agendas and director

competencies. The Nominations Committee has ensured we have a range of worthy candidates for the role of director. I would like to thank those committees for their hard work, their dedication and their attention, which is beneficial to our retail. The work of the board and the committees add value to our member's lives as they represent our members around the table.

Making a difference in member's lives, through supplying top quality products – fuels, groceries, oil or lumber is key, however, as a co-operative, we make a difference by returning cash to our members. 2018 was a record year for Sherwood (largely in part to the excellent financial results of our wholesaler, FCL). Our total sales for 2018 were in excess of 264 million dollars and the net savings exceeded a record 17 million dollars. Further details will be provided by Ken Krug, our Controller with the financial statement presentation.

At this time, I am pleased to announce the allocations rates for 2018, as approved by the Board of Directors on March 25, 2019. They are:

Pumps and Bulk Fuel: 5%

Lumber/Hardware/Farm Supply: 2%

Food & Confections: 2%

Farm Diesel: 8%

Prescriptions: 5%

Over 46,000 cash repayment cheques totaling more than 4 million dollars were placed in the mail May 7, 2019.

In 2018, we made a difference in the lives of our member's by returning \$3,676,000 of member's equity in **CASH**. Unlike our big box competitors our profits stay right here in our local communities. As a Co-op we are different, our business model is different, our ethics are different, and our people are different. We operate locally for our local members and our head office is right here in Regina. At our Annual Meeting we hear reports from local people who care about Sherwood Co-op and the members they serve.

Co-operatives make differences in their member's lives daily and when we work together, we are a symphony. Our retail (and all retails across western Canada) provide the orchestra – the petroleum department is the percussion, food - the strings, lumber – the brass, and ag supplies – the woodwinds. We the members and staff are the voice and together, from where I'm standing, we sound pretty good.

Sherwood Co-operative Association Limited

Board of Directors

