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Mid Island Co-op Director Nomination Form and Director Handbook

This Handbook provides important information for members who may be considering standing for election to the Board of Directors, along with a director nomination form. This booklet is a reference about the democratic structure of the Co-op, and about the required qualifications to fill a position on the Board of Directors. The information provides an outline of the roles, responsibilities and duties of a director, and the commitment that a member will need to make if they are successful in attaining a position on the Board.

Newly elected directors will also find the information in this Handbook a useful reference as they embark on a term on the Mid Island Co-op Board of Directors.

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Mid Island Co-op

Vision

Proudly providing diversity of services and support in every community we serve.

Mission

Delivering exceptional experiences while enriching our communities and returning profits to our members by providing superior service, products and facilities.

Values

Community - Supportive and Giving Back

Respect – Everyday, Everyway

Teamwork – Supporting Each Other

Integrity – Ethical, Honest, Accountable

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**Statement of Willingness to
Stand for Nomination to
The Board of Directors of
Mid Island Consumer Services Co-operative**

Date: _____

I, _____, being a member in good standing of Mid Island Consumer Services Co-operative, do wish my name to stand in nomination for the position of Director, at the next Annual General Meeting of the Association. I have read and understand the rules of the association. I understand and agree to perform the duties and obligations and to uphold and abide by the code of conduct set out in this document. I certify that I am eligible and qualified to serve on the Mid Island Co-op board of directors, and consent to a confidential personal credit check to be performed by Mid Island Co-op as part of the qualification process.

Name: _____

Address: _____

Co-op Membership Number: _____

Telephone Number: _____

E-mail Address: _____

Signature: _____

Nominated By: Name: _____ Member #: _____

Seconded By: Name: _____ Member #: _____

A current Police Information Check (PIC) and a short candidate bio need to be submitted with your nomination form. This bio will be published by the Co-op in any voting materials. We ask that bios are kept to no more than ½ page single spaced (Approx 150 words).

Please return your nomination form along with your bio and PIC to:
Mid Island Co-op #103-2517 Bowen Rd. Nanaimo, BC, V9T 3L2 Attn: Chief Executive Officer
or via e-mail to nominations@midisland.coop.

Every director must be a member of the Association and hold the number of shares necessary to qualify for membership. Complete qualifications for a director are available as part of this nomination package and in the Rules of the Association Part 13 Section 77.

Rules of the Association Part 13 Section 77.

Qualification for Directors

- (1) All directors of the association must be individuals ordinarily residing in the province of British Columbia, in Canada.
- (2) All of the Directors must be members of the Association or representatives of an eligible organization that is a member of the Association.
- (3) One (1) and only one (1) Director of the Association may be an employee of the Association (other than a person involved in the management of the Association), herein after called an "Employee". In the event more than one employee is nominated and does run for election, only that Employee obtaining the greatest number of votes shall take and hold the position of Director of the Association provided that the Employee shall have garnered enough votes to win election as a Director. The Employee who has been elected or appointed in accordance with these rules shall have the right to continue as an employee and receive payment from the Association for his or her work as an employee.
- (4) No individual is entitled to become or act as a Director of the Association if:
 - a) the individual is under the age of 18 years;
 - b) the individual is found by a court in Canada or elsewhere, to be incapable of managing the individual's own affairs;
 - c) the individual is an undischarged bankrupt;
 - d) the individual is convicted in or out of British Columbia of an offence in connection with the promotion, formation or management of a corporation, or an offence involving fraud, unless the events described in the Act have occurred;
 - e) the individual or a member eligible organization of which the individual is a Director has not purchased goods or services, or a combination of both, from the Association during the last financial year of the Association, worth at least \$500.
 - f) the individual or a member eligible organization of which the individual is a director, has an account with the Association that is more than 60 days in arrears.

Additional information may be found in the Rules of the Association available at

www.midisland.coop

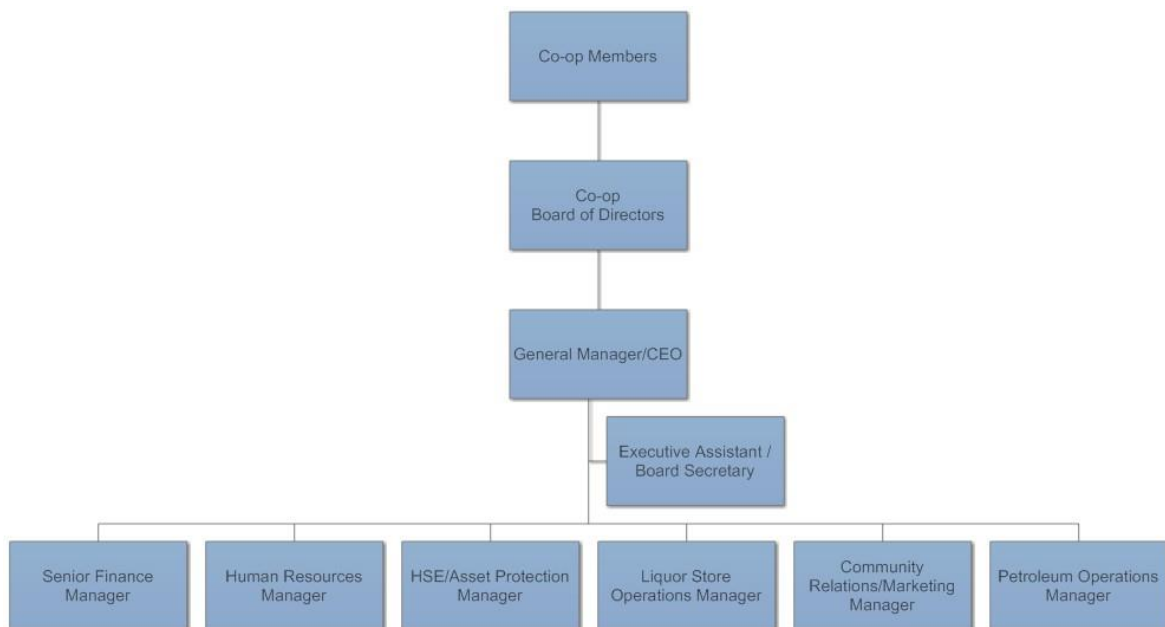
The nominee, by signing and submitting personal and member information required on the director election nomination form, agrees to allow Mid Island Co-op to verify all director eligibility requirements including but not limited to a current criminal record and credit check.

All nominees will be required to attend an interview with the Board Nominations Committee with the date and time TBA.

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Mid Island Co-op 2020 Organizational Chart



Board Member Meeting and Time Commitments

Board meetings are held 11 times per year, typically in the evening of the 3rd Wednesday of each month, with the exception of August. In addition, there are a variety of other commitment requirements that may vary; e.g.:

- Committee meetings;
- Co-op facilities tours;
- Board training;
- Member relations events;
- Mid Island Co-op Annual General Meeting;
- Federated Co-operatives Limited Fall Conference and Annual General Meeting.

Directors will typically need to devote approximately 150 to 200 hours per year to Mid Island Co-op business. This does not include travel time to and from meetings.

ROLE AND RESPONSIBILITIES OF A RETAIL BOARD OF DIRECTORS

The Board of Directors is elected by the membership to lead and guide the co-operative on their behalf. This description of role and responsibilities was developed and validated by over 600 directors in the CRS at the 2013 Fall Conferences.

ROLE

To plan and oversee the business of the co-operative in accordance with the applicable legislation, regulations, bylaws and policies so that it meets the needs of its members and effectively moves the co-operative towards achieving the strategic goals and objectives developed jointly by the board and management.

Both individually and collectively as a Board, directors are responsible for the legal and fiduciary (or acting in trust in the best interest of all of Mid Island Co-op's members) implications of the decisions they make.

CORE RESPONSIBILITIES

Provide Strategic Direction and Monitor for Results

- Establish and annually review the co-operative's mission, vision and values to ensure relevance.
- Work with management to develop long-term business strategies that align with the co-op's mission and vision, and with the overall strategic direction of the Cooperative Retailing System in Western Canada
- Monitor progress towards achievement of objectives identified in the long-term business strategies.

Ensure Effective Board Operations

- Elect the President/Chair of the board and define the position's duties, responsibilities and authority; establish remuneration (if applicable) and evaluate performance.
- Establish the organization of the board, including appointment of officers and committees, and clearly define the responsibilities and authorities for each.
- Establish and regularly review board policies and codes of conduct for the maintenance of an informed, ethical and effective Board of Directors.
- Engage in ongoing learning and training to develop board and individual Director Competencies.
- Establish an appropriate nomination process to attract qualified candidates to the board with the requisite competencies.
- Put in place a process to assess performance of the board.
- Clearly delineate board and management responsibilities in implementing operational and long-term strategic plans.

Conduct Monitoring and Oversight

- Review and approve capital and operating budgets.
- Review and approve major plans and programs.
- Review and approve organizational policies.
- Ensure that management has in place a rigorous process for identifying, prioritizing, managing and monitoring its critical risks and that the process is improved continuously as the business environment changes.
- Be aware of the most significant risks affecting the co-operative and ensure that management is responding appropriately to these risks in accordance with the co-operative's philosophy and appetite for risk.
- Analyze and assess the co-operative's financial performance against budget, industry benchmarks and cooperative standards where applicable.
- Ensure that both internal and external audits are carried out and analyze results.
- Oversee the appropriate management of the co-operative's assets.
- Preserve the co-operative structure of the organization.

Ensure Organizational Performance

- Appoint the General Manager, define the position's duties, responsibilities and authority, establish remuneration, ensure development of an annual performance plan, monitor and evaluate performance and ensure his or her ongoing learning.
- Establish a succession plan for the General Manager.

Foster Effective Communications and Relations

- Maintain ongoing, open and direct communications with members and bring relevant concerns, perspectives and ideas to the attention of the board.
- Provide for the annual and any special general meetings of members and ensure appropriate and timely reporting on the stewardship of the resources of the co-operative.
- Foster effective relations and co-ordination with other co-operatives serving the area, as appropriate.
- Maintain effective relations with community stakeholders.
- Promote awareness of the co-operative model in the community and encourage the co-operative's participation in community activities.
- Raise members' awareness about the Co-operative Retailing System in Western Canada

DIRECTORS' LEGAL OBLIGATIONS

Duty

The Acts in each province impose a duty on every director and officer that they must, in exercising their powers and performing their duties of office:

- act honestly and in good faith with a view to the best interests of the co-operative; and,
- exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

These duties are owed exclusively to the co-operative and not to any one or more of the members of the co-operative.

Directors cannot place their own private interests in conflict with their duties owed to the co-operative. A director cannot take personal benefit from his/her position and must disclose any conflict or potential conflict to the board in a timely fashion.

Best Interests

When considering the best interests of the co-operative, directors are expected to consider the interests of the cooperative's members/shareholders as a collective whole rather than thinking only of the co-operative as an abstract legal entity. This means taking into account the interest of all the members/shareholders and not allowing one sectional interest to prevail over all the others. In general, directors and officers act in the co-operative's best interests when they act in ways that maximize profits and take into consideration the interests of all the members/shareholders.

Confidentiality

The general principles of director confidentiality are:

- Directors have no obligation to share board minutes or the details of board discussions with anyone outside the board, not even members or employees of the co-operative; and,
- Directors must not share sensitive information from board minutes or board discussions with anyone outside the board, not even members or employees of the co-operative.

As a part of a director's duty of loyalty, they must keep confidential board minutes and the details of board discussions. Any communications from the board should come from the board and not from individual members. Breach of the duty of confidentiality could result in damages to the co-operative for which a director may be found liable.

Statutory Duties

There are a number of legal requirements whereby a director may be found personally liable. These include potential liability to the co-operative's employees for unpaid wages and liability to the co-operative where the directors have voted to issue shares in the co-operative to someone for less than fair value or where the directors have voted to redeem shares contrary to the Act. Be sure to review the Act in your jurisdiction to determine what specific liability is placed on directors. As well, personal liability can be incurred by a director where the co-operative commits an offence under a number of acts including the Canadian Environmental Protection Act.

Good Management

Upon appointment as a director:

- Become familiar with the co-op's policies and the current structure of management;
- Become familiar with the nature and extent of the co-op's articles of incorporation, its bylaws and its organizational objectives;
- Determine the degree to which indemnification of directors is provided through agreement, bylaws and/or through directors' liability insurance.

On an ongoing basis:

- Attend all or at least the vast majority of board meetings;
- Prior to meetings, ensure you have received and reviewed all documents and reports on which voting is anticipated;
- Review in detail all minutes of meetings and ensure that any clarifications and corrections are brought forward prior to approval;
- Review in detail all financial statements and ask questions for clarification;
- Obtain written legal opinions for any action to be taken by the board which is outside the directors' expertise;
- Obtain written professional opinions from specialists on whose advice the board is expected to act;
- Maintain minutes recording any disclosure, dissent or abstention by you or other board members;
- Vote against any expenditures if there is a question about the solvency of the co-operative;
- Inquire on at least an annual basis as to whether the co-operative is up to date on tax payments, EI and CPP remittances;
- Implement controls for the execution of cheques and contracts;
- Comply with the duty of confidentiality;
- Avoid or disclose any conflict of interest in a timely fashion; and,
- Do not leave decision making to other directors; you rely on the other directors and officers at your risk.

CODE OF CONDUCT FOR DIRECTORS

Directors are elected by the members of a retail co-operative to represent their interests. Laws of the province of incorporation and the bylaws or rules of the co-operative define the manner in which the co-operative will conduct its affairs.

Legally, directors are expected to:

- Comply with all provincial government legislation and regulations, as well as the co-operative's bylaws/rules;
- Understand the co-operative model and principles;
- Effectively represent the interests of the members and report back to them; and,
- Abide by good governance practices.

This Code of Conduct reflects the co-operative's expectations and intentions with respect to the behavior of its directors. All directors are expected to:

- Demonstrate commitment by purchasing the goods and services provided by the co-operative to the fullest extent possible.
- Make impartial decisions that are in the interests of the co-operative as a whole, rather than for one's private interests.
- Avoid all conflicts of interest, real or perceived, that could damage the co-operative.
- Respect and abide by board decisions on all issues.
- Maintain confidentiality with regard to boardroom discussions and privileged information (including verbal information), documents and reports.
- Recognize and respect lines of authority and responsibility delegated to the General Manager.
- Develop and maintain a relationship of trust and respect between the General Manager and the board.
- Be aware of and understand the co-operative's mission, vision, values and strategic priorities.
- Continue to develop their competencies as directors by participating in learning activities.
- Represent the co-operative and FCL in their community by demonstrating the core values of integrity, excellence and responsibility.
- Support FCL and the CRS by actively participating and supporting the efforts of the federation.

Director Duties

Title: Director

Accountable to: Members of the Mid Island Consumer Services Co-operative

Core Function: To participate with the other directors in planning and controlling the affairs of the co-operative, guided by the Articles of Incorporation or Memorandum of Association, bylaws/rules and policies, so that it effectively moves toward achieving the objectives of the organization.

Relationships

Members: Leadership role, providing an example and interpreting views and needs of members.

Directors: Acts of a team with other directors. Has authority as a director only in board meetings and as delegated by the board, for example, on committees.

General Manager: The General Manager is a key resource and part of the overall management team in board meetings. Between board meetings, relationship is same as for other members.

Staff: No special status beyond that of an informed member

Duties and Responsibilities: To participate jointly with other members of the Board of Directors in carrying out the following responsibilities of the board:

1. The establishment of overall mission, objectives and policies for the direction of the co-operative.
2. Establish the organization of the board, including appointment of committees, and clearly define the responsibilities and the authority assigned.
3. Determine the job description, establish the salary range, appoint the general manager, set the salary, develop annual performance plan and appraise the performance.
4. Approve the organization structure, salary schedules for the upper levels of the structure, and human resources policies and programs for the co-operative.
5. Set direction and guidelines for planning and budgeting, evaluate the development of major plans and programs, and approve capital and operating budgets.
6. Analyze and appraise progress in achieving objectives and goals.
7. Authorize changes in the assets of the co-operative.
8. Recommend any bylaw/rule amendments.
9. Deal with applications for membership.
10. Recommend schedule of patronage refunds in accordance with the bylaws/rules.
11. Authorize repayment of member equities.
12. Establish and monitor controls and regulations for the protection of members and creditors (eg: insurance, bonding).
13. Provide for effective communications and member and public relations for the organization.

14. Provide for the appointment of a delegate or delegates for the Co-operative Retailing System, including representing the co-operative at FCL District, Regional and Annual Meetings.
15. Create and avail oneself of opportunities for self-development to enhance their contribution as a member of the Board of Directors and as co-operative leaders.
16. Provide for effective relations and co-ordination with other co-operatives serving the area.
17. Demonstrate leadership by personally supporting and promoting the co-operative to the best of their ability.
18. Encourage and ensure General Manager training through attendance at development meetings such as the annual General Manager's Conference, attendance at seminars and clinics and meeting needs outlined during the work plan review.
19. Encourage General Manager participation in community activities that enhance the image of the co-operative, providing the financial health of the retail permits this time allocation.