



**Mid Island Co-op
Director Election
Handbook
2024**



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Mid Island

Preface

Mid Island Co-op is a locally operated consumer services co-operative owned by its members. The shares that you purchase when you join Mid Island Co-op make you a member-owner and provide you with all the value and benefits of membership in this highly successful co-operative.

As a member in good standing and as an owner, you are eligible to participate in the democratic processes unique to co-operatives. This means that you have the ability to nominate candidates for the Board of Directors, vote in Director elections, stand for election as a Director, and actively participate in the Annual General Meeting.

This handbook provides important information about the Director election process and the role of a Director for members who may be considering standing for election to the Board of Directors. This booklet details the democratic structure, election process, as well as procedures and qualifications for achieving 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.

Instructions about the nomination package and the processes for submitting it can be found on pages 13-17 this handbook.



Background

Mid Island Co-op was incorporated on September 28, 1959 and was created by local citizens as an alternative way to provide themselves with goods and services. The current trading area has grown to span from the Cowichan Valley, including all communities between the Cowichan Valley and Port Hardy.

Mid Island Co-op is a retail consumer goods-focused organization with annual sales in 2023 of over \$280 million. We create local employment for over 350 people in the various communities we serve and we have a total member ownership of approximately 75,000, with over 68,000 of those members being active annually.

Mid Island Co-op currently operates in five business segments:

1. Retail Energy (Gas Bar/C-Stores)
2. Commercial Energy (Cardlocks/Bulk Petroleum/Home Heating)
3. Retail Liquor
4. Food Market
5. Leasing and Real Estate Holdings

Currently, Mid Island Co-op owns and/or operates 17 retail Gas Bars & Convenience Stores, 7 Commercial Cardlocks, and 17 Mid Island Liquor Stores. Additionally, members who use cardlock services can access an 8th cardlock in the Cowichan Valley that is owned and operated by Peninsula Co-op. Mid Island Co-op's real estate holdings include ownership and management of 17 commercial and residential lease properties.



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Vision, Mission, and Values

Everything Mid Island Co-op does is informed by and aligned with our Vision, Mission, and Values:

Vision

Proudly providing a diversity of services and supports 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

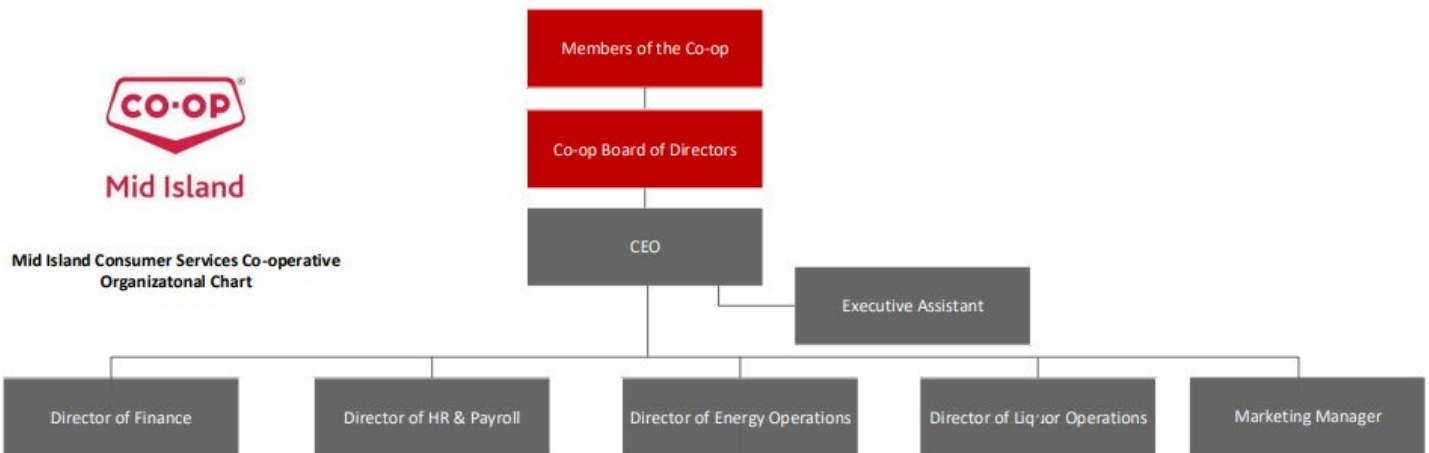
Integrity – ethical, honest, accountable



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Mid Island Co-op Structure

In the co-operative business model to which Mid Island Co-op belongs, it is the Co-op's members who ultimately own the business and who collectively determine the direction of the organization through the co-operative model's democratic processes, including the election of Directors to a governance board tasked with representing the best interests of the entire member-ownership group.





International Co-operative Principles

The international co-operative principles are guidelines by which co-operatives put their values into practice. Mid Island Co-op embraces the fundamental co-operative principles:

Voluntary and Open Membership

Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership without gender, social, racial, political, or religious discrimination.

Democratic Member Control

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. People serving as elected representatives are accountable to the membership. In primary co-operatives like Mid Island Co-op, members have equal voting rights. One member = one vote regardless of number of shares held.

Member Economic Participation

Members contribute equitably to, and democratically control the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: Developing their co-operative, possibly by setting up reserves, at least part of which would be indivisible; benefitting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

Autonomy and Independence

Co-operatives are autonomous, self-help organizations controlled by their members. If they enter agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

Education, Training, and Information

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operative. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of the co-operative.

Co-operation Among Co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional, and international structures.

Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.



Director Role

The Board of Directors is elected by the membership to lead and guide the Co-op on their behalf with governance oversights.

The primary role of a Director of Mid Island Co-op is to plan and oversee the business of the Co-op in accordance with applicable legislation, regulations, bylaws, and policies so that it meets the needs of its members and effectively moves the Co-op towards achieving the strategic goals and objectives developed jointly by the Board and management.

The Co-operative Association Act of BC imposes a duty on every Director 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.
- Exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.

Both individually and collectively as a Board, Directors are responsible for the legal and fiduciary implications of the decisions they make.

Director Responsibilities

Provide Strategic Direction and Monitor for Results

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

Ensure Effective Board Operations

- Establish the organization of the Board, including appointment of officers and committees, and clearly define the responsibilities and authorities of each, and establish remuneration (if applicable).
- Establish and regularly review Board policies and codes of conduct for the maintenance of an informed, ethical, and effective Board of Directors.



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- Clearly delineate Board and management responsibilities in implementing long-term strategic plans.
- Establish an appropriate nomination process to attract qualified candidates with the requisite competencies to the Board and put in place a process to evaluate individual and collective Board performance and effectiveness.
- Engage in ongoing learning and training to develop Board and individual Director competencies.

Conduct Monitoring and Oversight

- Review and approve capital and operating budgets, and major plans and programs.
- Be aware of the most significant risks affecting the Co-op and ensure that management is responding appropriately to these risks in accordance with the Co-op's philosophy and appetite for risk.
- Analyze and assess the Co-op's financial performance against budget, industry benchmarks, and co-operative standards.
- Ensure that external audits are carried out and analyze results.
- Oversee the appropriate management of the Co-op's assets.
- Preserve the co-operative structure of the organization.

Ensure Organizational Performance

- Recruit and hire the CEO, define the position's duties, responsibilities, and authority, establish remuneration, ensure development of an annual performance plan, monitor and evaluate performance, and ensure their ongoing learning.
- Work with the CEO to establish a succession plan.

Foster Effective Communication and Relations

- Maintain ongoing, open communications with the collective membership and bring relevant concerns, perspectives, and ideas to the attention of the Board.
- Participate in the annual and any special general meetings of members and ensure appropriate and timely reporting on the stewardship of the resources of the Co-op.
- Foster effective relations and co-ordination with other co-operatives.
- Maintain effective relations with community stakeholders.
- Promote awareness of the co-operative model in the community and encourage the Co-op's participation in community activities.
- Raise members' awareness of the Co-operative Retailing System (CRS) in Western Canada.



Code of Conduct for Directors

Directors are elected by the members of Mid Island Co-op to represent their interests. Laws of the province of British Columbia and the bylaws or rules of the Co-op define the manner in which the Co-op will conduct its affairs.

Legally, Directors are expected to:

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

With respect to their behaviour, Directors are expected to:

- Demonstrate commitment by purchasing to the fullest extent possible, the goods and services provided by the Co-op.
- Make impartial decisions that are in the interests of the Co-op as a whole, rather than for one's private interests.
- Avoid all conflicts of interest, real or perceived, that could damage the Co-op and immediately report any conflict of interest to the Chair of the Board.
- 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 CEO.
- Develop and maintain a relationship of trust and respect between the CEO and the Board.
- Be aware of and understand the Co-op's vision, mission, and values, and strategic priorities.
- Continue to develop their competencies as Directors by participating in training and other learning activities.
- Represent the Co-op and Federated Co-operatives Ltd. (FCL) in their community by demonstrating the Co-op's values.
- Support FCL and the CRS by actively participating in and supporting the efforts of the federation.



Further points on confidentiality:

- Directors should not share Board minutes or the details of Board discussions with anyone outside of the Board.
- Directors must keep Board minutes and the details of Board discussions confidential. 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-op, for which a Director may be found liable.
- Directors must sign an Oath of Office before assuming their term of office. This includes pledging to uphold the duty of confidentiality.

Best Practices for Good Management

Upon election as a Director:

- Become familiar with the Co-op's policies and current structure of management.
- Become familiar with the nature and extent of the Co-op's articles of incorporations, its bylaws, and its organizational objectives.
- Determine the degree to which indemnification of Directors is provided through agreements, bylaws, and/or through Directors' liability insurance.

On an ongoing basis:

- Make every effort to attend all Board and committee 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 or corrections are brought forward prior to approval.



Meeting and Time Commitment

Mid Island Co-op Board meetings normally occur seven times per year, are scheduled ahead for the entire fiscal year, and are typically held on a weekday afternoon/early evening. In addition to regular Board meetings, other regular and ad hoc commitment requirements can include:

- Committee meetings
- Board training both in person and virtually
- Annual Board planning session retreat
- Mid Island Co-op Annual General Meeting
- FCL Fall Conference and Annual General Meeting
- Member relations events

Directors will typically need to devote approximately 100 hours per year to Mid Island Co-op business, not including travel time to and from meetings.

Remuneration

The expectations placed on Directors of the Board of Mid Island Co-op are aligned with the governance requirements of a retail Co-op of significant size with multiple lines of business. As such, the position of Director is remunerated in a manner that reflects the requirements of the role.

Currently, Directors receive a monthly retainer payment as well as per diem pay for approved meetings and training. The rates for retainers and per diems are tied directly to those set for the FCL Board of Directors and are subject to review annually at FCL's AGM.

The current remuneration rates for 2024 are being reviewed and will be disclosed to Mid Island Co-op Board candidates upon request.



Director Elections

Directors are elected to the Mid Island Co-op Board of Directors through a formal democratic voting process. Nine members make up the Board of Directors, including a Chair of the Board, a First Vice-Chair, and a Second Vice-Chair.

Each year, Mid Island Co-op members elect three Directors to the Board of Directors, each for a three-year term. The term of office for each of the nine Director positions expires on a staggered basis; that is, the term of office for three Director positions expires in the current year, three positions in the next year, and three positions in the following year. This transition period provides the Board with continuity and stability and ensures that a certain number of experienced Directors remain on the Board to assist newly elected Directors in learning their roles and responsibilities.

Mid Island Co-op's current Rules of Association limit Directors to three consecutive 3-year terms.

Voting

The Annual General Meeting is held virtually each year during the last week of May. The voting for Directors will be done online ahead of the AGM. The results will be announced at the AGM. Voting dates to be confirmed by the Nominations Committee.



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Qualifications for Directors of Mid Island Co-op

Eligibility to stand for election to the Board of Directors is described in full detail in the Rules of the Association of Mid Island Co-op, Part 13, Section 77. Additional rules as they relate to Directors are also included in the Rules of the Association available online at www.midislandco-op.crs.

Prior to submitting your nomination package, ensure that you meet the qualification requirements set forth in the Rules of Association:

Rules of Association, Part 13, Section 77

- 77 (1) All of the 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) 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 and services, or a combination of both, from the Association during the last financial year of the Association, worth equal to or more than \$1500.
 - (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.
 - (g) the individual cannot meet the required Liquor and Cannabis Regulation Branch (LCRB) regulations.
 - (h) the individual is an employee of the Association or has been an employee of the Association in the past two (2) calendar years.



Submitting your Nomination Paperwork

If you meet the eligibility criteria listed on the previous page, believe you have what it takes to fulfill the requirements of the role of Director and to represent the interests of the collective member-ownership of Mid Island Co-op, we look forward to receiving your nomination paperwork.

The main nomination form can be found on page 17 of this handbook.

Once fully completed and signed, please return your nomination form along with ALL additional supporting documents as outlined in the nomination package checklist via email to: nominations@midisland.crs.

OR hand deliver to:

Mid Island Co-op Administration Office at #106-2517 Bowen Rd., Nanaimo
Attention: Chief Executive Officer

- Nominations packages will **ONLY** be accepted via email or hand delivery.
- If you have questions about the process, please submit these in writing to Ian Anderson, Mid Island Co-op CEO, using the nominatons@midisland.crs email address. Questions must be received on or before **5:00pm on Tuesday, April 2, 2024**. Questions received after this date will not be answered.
- Nomination packages **will not** be reviewed until after the close of the nomination period. At that time, each nomination submission will be reviewed to ensure that all requested documents and information have been provided. Any submission that is found to be incomplete or that does not meet all eligibility requirements will be disqualified. The Nominations Committee Chair or a designate will inform each individual about their eligibility status.
- Nomination package submissions must be received in their entirety by no later than 5:00pm Pacific time on Thursday, April 4, 2024.



Privacy of Information Waiver

The nominee, by signing and submitting personal and member information required as part of the Director election nomination process, agrees to allow Mid Island Co-op to publish any of the information, including photograph and candidate biography, to communicate the Director information to members and the public. This waiver will remain in effect for the duration of the Director's term of office.

In addition, in compliance with privacy legislation, candidates elected to the Board of Directors agree to allow Mid Island Co-op to retain the nomination information and police information check on file during their term in office. This information will be provided to Mid Island Co-op's Executive Assistant for retention in the individual Directors' confidential files with Mid Island Co-op.

Mid Island Co-op will retain nomination application information on all candidates for a period of three months from the date of the Annual General Meeting, after which time the information will be destroyed.



Nomination Package Checklist

Your completed nomination submission **must** contain the following:

- Nomination Form – Statement of Willingness to Stand
 - You must have a Mid Island Co-op membership in good standing which is in your name only.
 - You are responsible to ensure your nominators possess a Mid Island Co-op membership in good standing in their own name.
- Current Police Information (PIC) Check
 - Contact your local RCMP detachment or municipal police service
- Completed BC Liquor & Cannabis Regulation Board (LCRB) Personal History Summary (see last attachment in this handbook)
- Candidate biography
 - Must be between 200 and 250 words in length
 - Must be written in the third person
 - Should focus on the skills, attributes, and experience that demonstrate the nominee’s ability to make a positive contribution as a Director of the Co-op
 - Submissions exceeding 250 words will be edited for size at the Co-op’s discretion
 - The Co-op will not edit submissions for spelling or grammatical errors
- Candidate photo (head and shoulders) in high resolution .jpg or .png file format
- Written responses to the following questions. Note that responses to these questions are voluntary and do not form part of the eligibility requirements to stand for a directorship. They are meant for internal use by the Executive and Nominations Committee to gain a better understanding of the nominee’s experience, strengths, and interests for consideration in committee assignments and Board diversity and succession planning.
 1. Why are you interested in a directorship with Mid Island Co-op?
 2. What current and/or past involvement do you have with Mid Island Co-op or other Co-operatives?
 3. Please tell us about any previous board related experience, skills and/or qualifications.
 4. Please tell us about any community or volunteer participation you are/have been involved in.



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

I, _____, being a member in good standing of Mid Island Consumer Services Co-operative on this ____ day of _____, 2024, 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 understood the Rules of the Association, in particular as they set out the required qualifications for Directors.

I understand the responsibilities of the role and agree to perform the duties and abide by the Code of Conduct included in the foregoing handbook.

I certify that I am eligible and qualified to serve on the Mid Island Co-op Board of Directors, and I consent to a confidential personal credit check to be performed by Mid Island Co-op as part of the qualification process.

Candidate's Name: _____

Candidate's Address: _____

Candidate's Mid Island Co-op Membership #*: _____

(*Membership # of candidate must meet the qualifications for Directors as outlined in the Rules of Association, Part 13, Section 77, on page 13 of this handbook).

Telephone #: _____ Email Address: _____

Candidate's Signature: _____

Nominated by: Name: _____ Membership # _____

Nominator's Signature: _____

Seconded by: Name: _____ Membership # _____

Secunder's Signature: _____



Before you apply:

You must obtain your Criminal Record Check (completed within the last 4 months) from your local RCMP detachment or police department. Your completed criminal record check and Personal History Summary (PHS) form must be submitted with your liquor licensing application(s). If you live/have lived outside of Canada, provide the alternate documentation as directed on page 2.

Note: At any time, the LCRB may require you to consent to subsequent criminal record checks.

Instructions:

- Ensure you answer all questions; question(s) left blank will result in the form being considered incomplete which will cause delays
• Read then sign the Declaration on page 2
• Attach all supporting documentation as directed
• Form may be completed electronically and saved to your computer
• Upload completed form to the application in the liquor and cannabis licensing portal

Note: Having a criminal record does not cause your LCRB application to automatically be denied. LCRB will carefully review the circumstances of the individual case; severity and date of the offence for example, and how the type of offence relates to the responsibility of holding a liquor licence.

Name of (proposed) licensed establishment, liquor manufacturer or liquor agent:

Legal Entity Name:

Licence or Job #:

(i.e. sole proprietor, partnership, private corporation, society)

(not applicable if application is not already in progress)

Full name:

(last / first / middle)

Gender (Please check): M F Other

Birthdate:

(year / month / day)

Last name at birth:

First and middle names at birth:

Other names used:

Current residence address:

Street

City

Contact telephone #'s (business/home/cell):

Province / Country

Postal Code

E-mail address:

For questions 1-4, any required documentation is identified by letters A, B and C which correspond to the lettered list of documents in the box below on the next page.

1. Do you currently live in Canada? Yes No

If Yes - Lived in Canada for more than the past 5 years, attach the following document(s) from the next page: A
Lived in Canada for less than the past 5 years, attached the following document(s) from the next page: A & B

2. Do you currently live outside of Canada? Yes No

If Yes - Never lived in Canada, attach document(s) from the next page: B
Lived in Canada at any time, attach document(s) from the next page: A & B

3. Have you ever been charged with, or convicted of, a criminal or drug/alcohol related offence under the laws of any country outside of Canada, or the laws or bylaws of any provincial, state or local government? Yes No

If Yes - Attach the following document(s) from the next page: B(ii)

4. Have you received any alcohol/drug related driving infractions in the past 5 years in Canada or under the laws of any other country or jurisdiction? Yes No

If Yes - Attach the following document(s) from the next page: B(iii) and/or C as applicable

If you answered YES to questions 1, 2, 3 or 4 above, attach the document(s) with the corresponding letter as applicable:

- A.** Your completed Canadian Criminal Record Check obtained (within the last 4 months) by contacting your local RCMP detachment or police department.
- B.** A statutory declaration, signed by a lawyer, Notary Public or Commissioner for Taking Affidavits:
- i)** stating you have not been charged with, or convicted of a criminal or drug/alcohol-related offence under the laws of any country or the laws/bylaws of any provincial, state or local government; **OR**
 - ii)** providing details (date, disposition, sentence or fine) of any charges/convictions/sentences; **AND/OR**
 - iii)** providing details of any alcohol/drug related driving infractions in the past 5 years.
- C.** A copy of your driver's abstract for the past 5 years, if you have held a Canadian drivers licence in that time. For BC driver's abstracts contact ICBC <http://www.icbc.com/driver-licensing/getting-licensed/Pages/Your-driving-record.aspx> or 1-800-663-3051; otherwise contact the applicable Canadian jurisdiction(s).

5. Have you ever held, or do you or your immediate family members currently hold, any ownership or interest in a B.C. liquor licence?
Yes No If yes, provide details of licence(s) or application(s):

(Attach a separate sheet to this application if additional space is required.)

Note: If you are submitting an application for an agent's or manufacturer's licence, please select "N/A" for questions 6 and 7. All other applicants must answer "Yes" or "No" for questions 6 and 7.
All applicants must answer "Yes" or "No" for question 8.

6. Have you agreed with anyone to sell the liquor of a manufacturer to the exclusion of another liquor manufacturer?
Yes No N/A If yes, provide details:

7. Do you or your immediate family members have any association with, or financial interest in, a B.C. liquor manufacturer, a liquor importer, or the agent of a liquor manufacturer/importer? Yes No N/A If yes, provide details:

8. Have you entered into a Shareholder Agreement, Profit Sharing Agreement or other similar agreement with anyone not named in the licence application? Yes No If yes, provide details (including percentage of interest shared with others):

Declaration

Section 57(1)(c) of the *Liquor Control and Licensing Act* states: "A person commits an offence if the person (c) provides false or misleading information in the following circumstances: (i) when making an application referred to in section 12; (ii) when making a report or when required and as specified by the general manager under section 59".

Signature of Individual: _____ Date: _____
(Year/Month/Day)

The information requested on this form is collected by the Liquor and Cannabis Regulation Branch under Section 26 (a) and (c) of the *Freedom of Information and Protection of Privacy Act* and will be used for the purpose of liquor licensing and compliance and enforcement matters in accordance with the *Liquor Control and Licensing Act*. Should you have any questions about the collection, use, or disclosure of personal information, please contact the Freedom of Information Officer at PO Box 9292 STN PROV GVT, Victoria, BC, V8W 9J8 or by phone toll free at 1-866-209-2111.