

South Country Co-op Director Election Handbook 2023





Preface

South Country Co-op Limited is a locally operated co-operative owned by its members. The shares that you purchase when you join South Country 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 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 South Country Co-op Board of Directors.



Introduction

South Country Co-op Limited was established in 1956. It has grown from a single location into a major commercial and consumer retailer, fuel supplier, and agricultural service provider across Southern Alberta.

This year marks our 66th year of operations – over six decades of community investment, progress, and community building!

Locally owned and operated, South Country Co-op Ltd employs over 685 employees. At the end of fiscal 2022, South Country Co-op had sales exceeding \$645 million from our 63,000 members and customers. `

South Country Co-op's Corporate office is located in Medicine Hat. We offer a variety of services and products from facilities located in communities across the region, including:

- | | | |
|------------------|---------------------|-----------------|
| • AcadiaValley | • Barons | • Bassano |
| • Bow Island | • Brooks | • Claresholm |
| • Cypress County | • Duchess | • Dunmore |
| • Foremost | • Hays | • High River |
| • Lethbridge | • Lethbridge County | • Lomond |
| • Medicine Hat | • Oyen | • Picture Butte |
| • Redcliff | • Taber | • Vauxhall |

South Country Co-op's trading area encompasses approximately 83,000 km²; Alberta – Montana border to the south; Saskatchewan Highway 21 corridor to the east; Highway 12 to the north and Highway 2 corridor to the west, Calgary and south.

The continued success and service to our members and customers is a priority for the Board of Directors, the management, and team members as we continue through our seventh decade of sales and service in Southern Alberta.



Co-operative Principles

The co-operative principles are guidelines by which co-operatives put their values into practice. South Country 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. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives (such as South Country Co-op), members have equal voting.

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, part of which at least would be indivisible; benefiting 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 co-operation.

Co-operation among Cooperatives

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

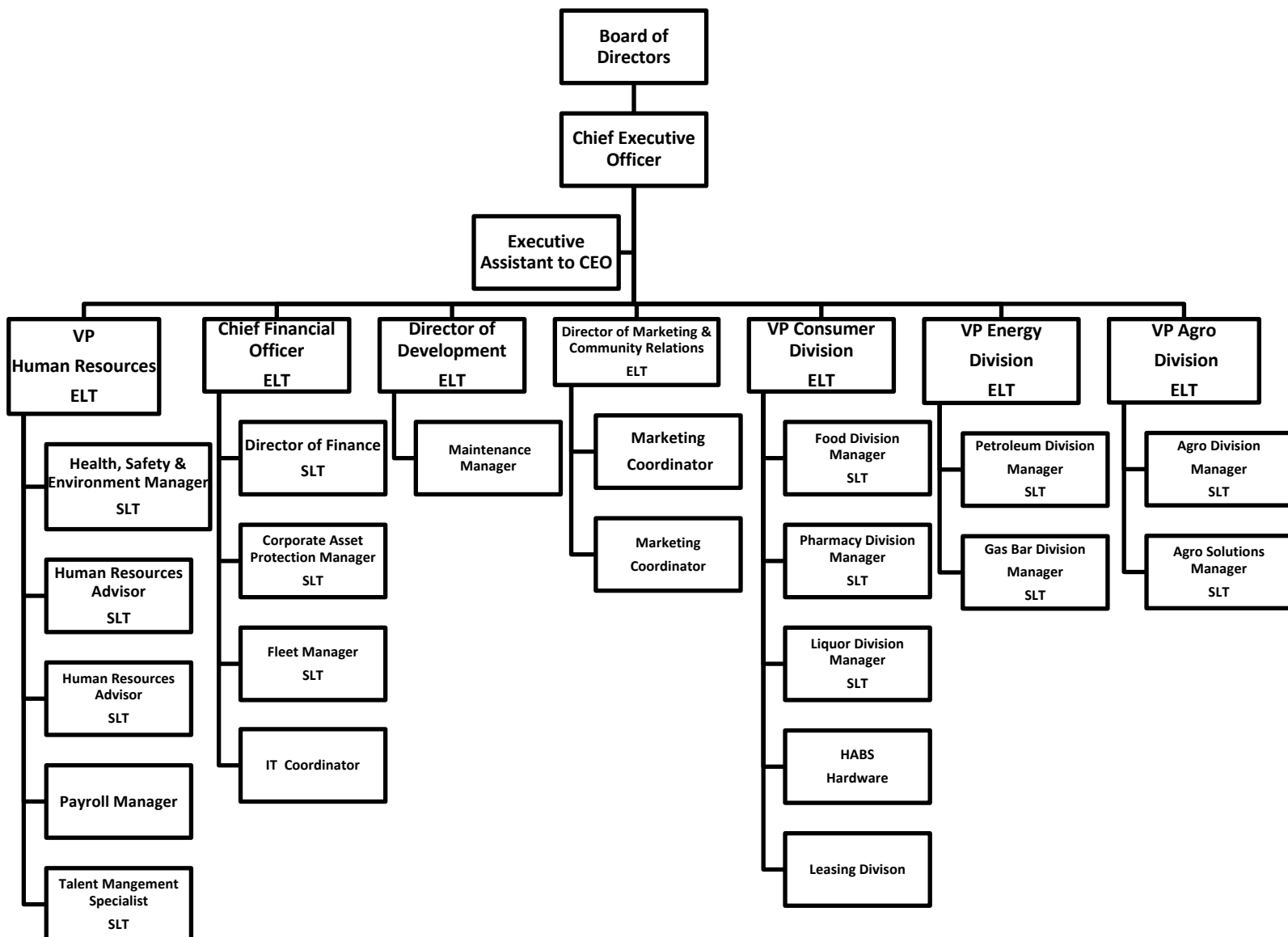


Concern for Community

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

Manchester, United Kingdom September 23, 1995

South Country Co-op Corporate Team Structure





Vision

Building sustainable communities together.

Mission

Building stronger communities with our team while providing our members the ability to share in our profits.

Code of Ethical Standards

South Country Co-op has adopted the International Co-operative Association Code of Ethical Standards for Co-operation because it recognizes that, as a consumer-owned co-operative, it has a responsibility to respect, promote, and protect the rights of consumers and that these rights include the right to safety, to be informed, to choose, and be heard. In support of its responsibility to appreciate the rights of consumers, South Country Co-op and its representatives shall aim to observe and apply in all of its activities the following code of ethical standards:

- All claims, statements, information, advice, and proposals shall be honest and factual.
- Sufficient disclosure of pertinent facts and information shall enable others to adequately judge the offered product, service, or proposal and its suitability for the purpose to be served.
- Due regard shall be given to public decency and good taste.
- Unfair exploitation in any form shall be avoided.
- Comparison of co-operative merchandising, products, services, philosophy, principles, or practices to those of others shall be made honestly and fairly and without intent to harmfully disparage.
- The interests of the membership as a whole shall be paramount to the interests of the Association.
- Members shall be treated equitably.
- Knowingly advising or persuading individuals to take action that may not be in their best interest shall be avoided.



Director Elections

Directors are elected to the South Country Co-op Board of Directors through a formal democratic voting process. Nine members are on the Board of Directors, including a Chair of the Board, a Vice Chair, and a Board Secretary.

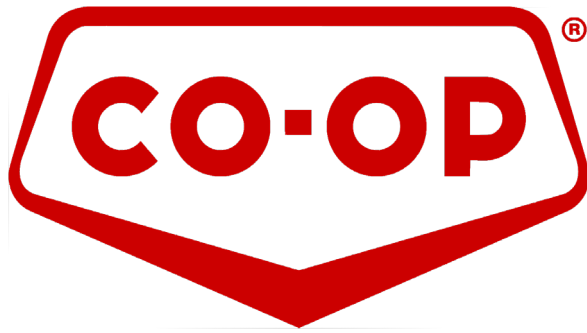
Directors oversee the management of the business and affairs of South Country Co-op, subject to the Alberta Cooperatives Act, Regulations, Articles of Incorporation, and the Co-op's by-laws. Directors may exercise all of the powers of the Co-op that are not required to be exercised by the Co-op in a general members meeting.

Each year, South Country 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.

Voting

The 2023 Annual General Meeting will be held on March 27, 2023, virtually so that all Co-op members can attend. The voting for directors will be done online from March 1 through to March 15, 2023, just before the AGM. The results will be announced at the AGM.

Individuals wanting to vote in the election of directors must have a membership in their name on or before February 3, 2023. This is in accordance with *By-law 4.05*.



Board of Director Competencies

The competencies noted below are important attributes for Board members. Some of these competencies are learned competencies, however, the majority are developed throughout your career and lifetime. Ideally, the more competencies you possess, the more value you will add to the Board and, in turn, South Country Co-op.

Independent thinking: Maintains convictions despite undue influence, opposition or threat.

Teamwork: Recognizes the importance of thorough consideration and discussion of issues before reaching a consensus and making decisions and/or taking action. Respects the decisions of the group and the confidentiality of those decisions.

Effective communication: Can carefully listen to others to understand and convey key ideas comprehensively and succinctly.

Knowledge of the co-operative model and the CRS: Understands the history of co-operatives, co-operative principles and values, the co-operative business model, and the Co-operative Retailing System in Western Canada.

Knowledge of the business: Has sufficient knowledge of the business lines in which the co-operative is engaged, or may be engaged in the future, to carry out the board's monitoring and oversight role.

Strategic thinking: Applies creativity, a big-picture view, and relevant knowledge of the business environment (both opportunities and challenges) to develop long-term strategic goals and priorities.

Financial literacy and planning: Read and interprets budgets, financial statements, and reports and link these reports to the cooperative's strategic goals and plans.

Risk oversight: Understands the various risks of the co-operative enterprise and ensures systems and processes are in place to mitigate those risks.

Performance assessment: Effectively monitors and assesses the Chief Executive Officer's performance and productivity with certain pre-established criteria and business objectives.

Conflict resolution: Ensures that conflict is resolved with justice, fairness and respect to maintain healthy relationships.

Adaptability to change: Able to recognize the changes occurring in the broader economic, social and internal business environment to make informed decisions about how the co-operative may need to adapt.

Analytical and critical thinking: Able to synthesize large quantities of information from a variety of sources and to evaluate that information to make sound, strategic long-term decisions; able to question management constructively on the direction to ensure the co-operative's best interest.



Director Responsibilities

Within the framework of the South Country Co-op governance model and business structure, directors speak and act on behalf of the Co-op's members.

The Board of Directors has responsibility for the following matters:

- Establishing the overall mission, objectives, and policies for the Co-op's direction.
- Establishing policies, processes, and procedures for the structure and operation of the Board itself.
- Selecting, appointing, monitoring, evaluating, and setting the remuneration of the Chief Executive Officer.
- Approving the organizational structure and salary schedules for the upper levels of the organizational structure.
- Developing and reviewing policies.
- Setting direction and guidelines for planning, budgeting, and monitoring and measuring organizational performance.
- Reviewing and approving business plans, capital, and operating budgets.
- Reviewing and recommending bylaw amendments.
- Reviewing and approving membership applications.
- Reviewing and recommending patronage allocation to members.
- Reviewing and authorizing repayment of member equity.
- Ensuring that risks to the business are identified, and effective systems are in place to manage these risks.
- Participating in succession planning for the Board and Executive Management.
- Reviewing the adequacy and integrity of internal control and management information systems.
- Availing oneself to director training and education opportunities.
- Supporting the Chief Executive Officer in professional development, community participation, developmental meetings and events.
- Demonstrating leadership by personally supporting and promoting South Country Co-op.



Meeting and Time Commitment

Board meetings typically occur every 4 weeks. The tentative 2023 Board schedule has been included below. In addition, there are other commitment requirements; i.e.:

- committee meetings;
- Annual Board and Executive Leadership tour of the Co-op's facilities across the trading area;
- Long-range planning meetings;
- strategic planning meeting;
- Chief Executive Officer performance appraisal meeting;
- Annual General Meeting;
- Federated Co-operatives Limited (FCL) Spring meeting, Fall Leaders Conference and Annual Meeting.

Directors devote approximately 150 to 200 hours annually to South Country Co-op business. This does not include travel time to and from meetings. They are individually and collectively, as a Board, responsible for the legal and fiduciary (or acting in trust in the best interest of all of South Country Co-op's members) implications of the decisions they make.

Below you will find the tentative dates for upcoming board meetings.

Annual General Meeting	7:00pm-10:00pm	March 27 2023	Board Meeting	No Meeting in August 2023	
New Director Orientation	8:30am-4:30pm	April 4 2023	Board Meeting	9:00am	September 7 2023
Board Meeting	9:00am	April 6 2023	Board Meeting	9:00am	October 5 2023
Board Meeting	9:00am	May 4 2023	Board Meeting	9:00am	November 2 2023
Board Meeting	9:00am	June 1 2023	Board Meeting	9:00am	December 7 2023
Board Meeting	9:00am	July 6 2023			



Commitment and Conflict of Interest

A director must be committed to the Board, South Country Co-op, and the interests of its members.

A director must avoid conflicts of interest, observe high standards of integrity and ethics, and maintain the confidentiality and security of the boardroom. A director must be diligent in preparing for and attending board meetings, contribute positively to board discussions, and work in harmony with other board members. A director must disclose to South Country Co-op the nature and extent of any real or perceived interest that the director has in a material contract or transaction, or a proposed material contract or transaction, with South Country Co-op, and any material change to any such interest, if the director:

- (a) is a party to the contract or transaction;
- (b) is a director or officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or
- (c) has a material interest in a party to the contract or transaction.

Oath of Confidentiality

Directors must sign an oath of confidentiality before assuming their term of office.

Director Responsibilities

Directors must be available and prepared to devote the time and attention necessary to attend and participate in board, committee, and other meetings and events. More specifically:

A director is expected to:

- attend all Board of Directors meetings;
- serve on and actively participate in at least two of the committees of the Board;
- attend and actively participate in the annual strategic planning sessions;
- attend and actively participate in the annual operating and budget review meetings;
- complete Director Development Program courses online and attend director development in-person sessions;
- attend special events such as South Country Co-op facility openings and community events;
- be seen, known, and visible to South Country Co-op members; and
- represent South Country Co-op at co-op gatherings, such as:
 1. the Federated Co-operatives Limited (FCL) annual meeting in Saskatoon;
 2. FCL District 2 Spring Meeting; and
 3. FCL Leaders Conference.

Board meetings are typically held on Thursdays, starting at 9:00 AM (approximately 3-4 hours, depending on content); however, committee meetings (approximately 1-2 hours, depending on content) and other activities may be conducted during or outside regular business hours and occasionally on weekends.



Director Eligibility

A member seeking nomination for the position of director of South Country Co-operative Limited should ensure that their address and other information on file with South Country Co-op is current. To update your membership information, please contact the South Country Co-op Administration Office by calling 403-528-6600.

Members must also meet the following eligibility requirements in accordance with Bylaw 7.02, Director Qualifications. This Bylaw came into effect as of December 1, 2015, following approval by the Co-op's members;

7.2 Qualifications

(a) No person shall become or continue as a director if that person:

- (i) is not an individual;
- (ii) is under 18 years of age;
- (iii) is an individual who:
 - A. is a dependent adult as defined in the Dependent Adults Act or is the subject of a certificate of incapacity under that act;
 - B. is a formal patient as defined in the Mental Health Act;
 - C. is the subject of an order under the Mentally Incapacitated Persons Act (RSA 1970 c232) appointing a committee of the individual's person or estate or both;
 - D. is a person of unsound mind by a court elsewhere than in Alberta; or
 - E. has been found guilty of an offense under the Criminal Code of Canada or similar legislation in other jurisdictions for which a pardon has not been granted.
- (iv) has the status of bankrupt;
- (v) is an officer or employee of the Cooperative or a commission operator under contract with the Cooperative;
- (vi) is an individual who is related to an employee of the Cooperative in any of the following ways:
 - A. spouse;
 - B. person living with the employee in an arrangement equivalent to spouse;
 - C. sibling;
 - D. parent;
 - E. grandparent; or
 - F. spouse of any of the people listed in (C.) to (F.) inclusive; or
- (vii) has an account with the Cooperative that is more than 60 days in arrears;



(viii) has not been a member in good standing with the Cooperative for the two years before the date of the last annual meeting of members; or

(ix) permanently resides outside of the trading area of the Cooperative.

(b) No person shall be a director unless that person or an entity of which that person is an officer, director, or member:

(i) was a member of the Cooperative at the end of the last financial year of the Cooperative; and

(ii) purchased goods or services, or a combination of both, from the Cooperative during the last financial year of the Cooperative, worth the collective amount of at least three thousand five hundred dollars (\$3,500.00).

(c) A person who is elected or appointed as a director is not a director unless:

(i) that person was present at the meeting when the election was held, or appointment was made and did not refuse to act as a director; or

(ii) if that person was not present at the meeting when the election was held or appointment was made;

A. the person, before the election or appointment or within 10 days after it, consented in writing to act as a director; or

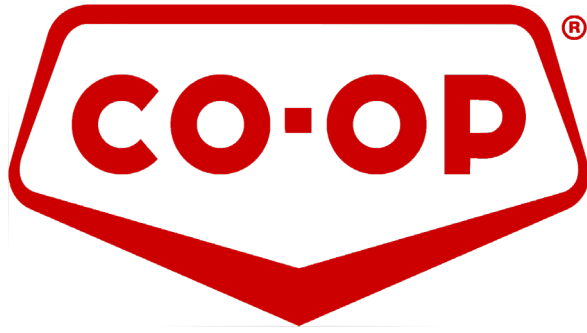
B. the person has acted as a director pursuant to the election or appointment.

To ensure eligibility under the Alberta Co-operatives Act and By-law 7.04, every candidate for the Board of Directors must complete and submit their nomination papers fifty (50) days before the Annual Meeting.

7.04 Nominating Procedure

A candidate for a director must be nominated in writing in a form determined by the board from time to time. Nominations must be signed by a minimum of five members in good standing and be received by the Co-operative in a manner designated by the Board no later than 4:30 P.M. fifty (50) days before the annual meeting.

All candidates must include a criminal record check dated after January 1, 2023, with their nomination package. Contact your local police department or RCMP office for more information on obtaining the report. It is the responsibility of each candidate to request and include the criminal record check with the nomination form. A “vulnerable sector” check is not required.



It may take some time to receive the police criminal record check. Therefore, it is the responsibility of each nominee to ensure that you have the required report to submit with your completed nomination papers by the nomination submission deadline noted above.

The criminal record check report shall not be considered if it is submitted to the Co-op by a third party, and the candidate shall be declared ineligible.

All information on the report must be provided in its original form: clear, legible, and unaltered, or the report will be deemed unacceptable and disqualify the potential candidate for director.

Incumbent Directors seeking re-election are not required to submit a criminal record report.

Director Compensation

Director compensation has been based upon per diem rates for delegates as adopted by Federated Co-operatives Limited. The 2022 Director compensation consists of a monthly retainer (\$379.50) for services rendered outside of formal Board and Committee Meetings, along with a per diem allowance for each meeting attended. Per diem rates are pro-rated based upon time requirements as a percentage of the FCL Delegate Rate (\$547.00), ranging from 25%-150%.

Reimbursement for out-of-pocket expenses for travel, accommodations, and associated costs for out-of-town meetings, conferences, training, and education and development sessions is also provided.



Nomination Forms and Materials

Director candidates are required to:

- Complete the nomination form.
- Include a current criminal record check report from the local police service. The candidate must submit the current criminal record check report with their completed nomination package. A vulnerable sector check is not required.
- Complete all of the information for a minimum of five individuals who are supporting your nomination and ensure that they include their signature, mailing address, and membership number. The information on the form must be legible; Candidates should ensure nominators have a valid South Country Co-op membership in his or her name (not the name of a family member) as of November 30, 2021.
- Provide a biography, **no more than 350 words**, along with an image of yourself via email, to k.unger@sccoop.ca
(A hard copy of this will be available in limited quantities at various South Country Co-op locations)
- In addition, to support the biography, nominees will be contacted to schedule a time with the Director of Marketing to prepare a short (1 - 2 minute) video. Both the biography and the video will be posted on our voting site.

Nominations received before January 27, 2023, will be verified by South Country Co-op representatives. If there is an issue with the nomination, South Country Co-op representatives will contact the candidate and request that they submit a revised nomination form. Revised forms must be returned by the submission deadline of February 3, 2023.

All documents become the property of South Country Co-op and shall not be returned to the nominee or candidate unless the nominee or candidate specifically requests that they be returned in writing addressed to the Nominations Committee Chair.



Questions from Candidates

- Questions from candidates about the Director Election can be submitted to the Nominations Committee Chair Wayne Brost in writing no later than **Friday, January 27, 2023, at 4:30 PM.**
- Questions are to be addressed to Wayne Brost, Wayne.Brost@outlook.com
- **Only e-mail questions shall be accepted.** Questions in other formats, such as telephone calls, text messages, or postal mail, shall not be considered.

Responses to all questions shall be provided in writing to all candidates by the Chair of the Nominations Committee within 48 hours.

Only information provided by Nominations Committee Chair in writing shall be considered valid. Information from other sources, including other members of the Board of Directors, the Co-op's management and staff, and any other sources, shall not be considered valid or binding.

Nomination Submission Deadline

Send or hand deliver your completed Director Candidate Nomination Form, declaration form, and other required reports, information, and materials marked **CONFIDENTIAL**, **no later than 4:30 P.M. MST on February 3, 2023**, to:

South Country Co-op Limited
Attn: Wayne Brost, Nominations Committee Chair
969 16 Street SW
Medicine Hat, AB,
T1A 4X5

South Country Co-op shall not accept late applications, information, required reports, or other election materials. All required material must be in one complete package, marked **CONFIDENTIAL!**



Candidate Nomination Information

After the close of nominations, the Nominations Committee will review each nomination application to ensure that all of the requested information has been provided with the nomination form to validate each nominee's eligibility. The Nominations Committee Chair, or designate, will inform each individual who has submitted a nomination form of his or her eligibility status.

Privacy of Information Waiver

The nominee, by signing and submitting personal and member information required on the director election nomination forms, agrees to allow South Country Co-op to publish any of the information, including photograph and bio, 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 South Country Co-op Ltd. to retain the nomination information and criminal record check report on file during their term of office. This information will be provided to the Board Secretary for retention in the individual director's files with South Country Co-op Ltd.

In the event of a dispute over the election result, South Country Co-op Ltd will retain nomination application information on all other candidates for a period of three months from the date of the annual meeting. After that time, the information will be destroyed or returned to the individual upon request within the three-month time frame.



**SOUTH
COUNTRY**

AT A GLANCE

1

ADMIN/CORPORATE OFFICE

Once the site of the original Medicine Hat Agro Centre, the building was renovated and opened in 2017 to bring the entire Admin and Executive Teams together at one location.

3

PHARMACIES

Download our app "**South Country Co-op Pharmacy**" & visit our NEW site cooprx.ca! Ask about the benefits of being a Co-op member at our pharmacies.

4

FOOD STORES

Co-op food centres carry community-specific products at competitive prices; employ **professional meat cutters**; stock local produce, and have our own superb quality Private Label brand items.

5

BULK PETROLEUM SITES

Co-op offers bulk delivery of fuel, DEF, and lubricants, and can supply any type of agricultural, commercial, or industrial business.

8

LIQUOR STORES

☐Superior customer service and a wide selection of beers, wines, & spirits, including many from LOCAL brewers and distillers which offer our guests a pleasant experience each visit.

11

AGRO/FERTILIZER SITES

Our Agro centres carry a surprising range of products, from home & building supplies, farm supplies, bins & augers, agronomy services, fertilizer, and so much more to ensure our members' needs are met.

12

GAS BARS

We offer 24-hour pay-at-the-pump access at almost all of our clean, sanitized gas bars. Try Co-operative Coffee, voted #2 in Canadian gas station coffees in 2019!

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CARDLOCKS

South Country's cardlocks are part of a network of over 280 card lock fuel stops, with various amenities for your convenience.

COMMUNITIES

South Country Co-op is in 19 communities across southern Alberta, each being served in different ways, depending on the needs of the members there. However, the products and services we provide serve many more in surrounding areas. But it doesn't matter where you're from, because at South Country Co-op "**You're at Home Here**".

19

ACADIA VALLEY

BARONS

BASSANO

BOW ISLAND

BROOKS

CLARESHOLM

DUCHESS

DUNMORE

FOREMOST

HAYS

HIGH RIVER

LETHBRIDGE

LOMOND

MEDICINE HAT

OYEN

PICTURE BUTTE

REDCLIFF

TABER

VAUXHALL



LOCALLY INVESTED

COMMUNITY MINDED

LIFETIME MEMBERSHIP

BENEFITS



@SouthCountryCoop



@SthCntryCoop



@SthCntryCoopAB