

## **Terms of Reference: Board of Directors:**

*Approved by the Board on June 20, 2019*

### **Purpose & Authority**

The Board of Directors are elected stewards of the Cooperative and, as such, govern MEC on behalf of its members on the terms and conditions approved by the membership and set out in MEC's Rules of Cooperation. The Board is ultimately responsible for ensuring all material conditions or issues that may affect the Cooperative's ability to accomplish its purpose are given proper consideration.

While the BC Cooperative Act allocates overall responsibility to "manage or supervise the management of the business of the association" to the Board, the Board reserves certain powers and authorities for itself and delegates responsibility for day-to-day leadership and management of the Cooperative to the Chief Executive Officer. The Board retains responsibility for:

- exercising all the powers of the Co-operative as established in the BC Cooperative Act and MEC Rules of Cooperation;
- supervising the management of the business of the Co-operative;
- setting governance policies and providing related direction to the management of the Co-operative;
- appointing a director for the remainder of a Board year in the event of a vacancy that may occur after an election of directors.

The Board has established the following committees to assist in discharging its duties: the Finance & Audit Committee, the Governance Committee, the Human Resources & Compensation Committee, the Nominations Committee and the Technology Committee. Each committee has binding terms of reference established by the Board and the Board is responsible for overseeing the duties delegated to each. The Board may change its committee structure or establish additional committees as required.

### **Composition**

The Board consists of nine Directors elected by the membership of the Co-operative, or appointed by the Board as necessary in accordance with MEC's Rules of Cooperation. Each year an election is held to fill three, three-year vacancies.

### **Meetings**

The Board must meet a minimum of four times per year, and has authority to convene additional meetings as required. Directors are expected to attend all meetings in person or by teleconference. The Board Chair sets the agenda and works with other Directors, the CEO and CGO to ensure agendas and appropriate materials are circulated one week in advance of a meeting. The CEO attends all regular Board meetings and the CGO serves as secretary and advisor to the Board, ensuring minutes are taken and procedural matters are addressed.

## **Responsibilities**

### **Governance**

- Create and periodically review governance-level policies to support the effective direction and leadership of the Cooperative, delegating ongoing oversight of such policies to Board Committees as appropriate.
- Annually elect the Chair, Finance & Audit Committee Chair and other Committee Chairs from among the Directors at the first meeting following the annual election of directors;
- In collaboration with the Governance Committee and CGO, annually review the performance of the Board, its Committees and/or individual Directors; and
- Supported by the Board Chair, ensure that all Directors are aware of and fulfill their duties and have access to the materials needed to carry out those duties.

### **Strategic Planning**

- In collaboration with the Chief Executive Officer, periodically engage in a longer-term (5-10-years+) strategic planning process that culminates in establishing or confirming the Cooperative's long term strategic direction and/or goals;
- Requiring the Chief Executive Officer, in collaboration with the Board and in light of MEC's overall strategic direction, to develop and present to the Board for approval the Cooperative's annual Strategic Plan; and
- Regularly monitor MEC's progress towards the goals, objectives and milestones set out in the Strategic Plan and, in collaboration with the Chief Executive Officer, revise or alter direction in light of changing circumstances as necessary.

### **Financial & Operational Performance**

- Regularly oversee the Co-operative's financial performance, receiving interim and annual reports from the Finance & Audit Committee and CFO on financial results, conditions and material developments;
- Receive periodic reports from the Human Resources & Compensation Committee on the frameworks and metrics used to gauge MEC's operational performance over time;
- Review and approve the Cooperative's annual Audited Financial Statements for presentation to the membership, ensuring MEC's financial performance is reported fairly and in accordance with applicable audit, accounting and reporting requirements;
- Approve the annual budget for the Co-operative and regularly monitor performance over the course of the year; and
- Approve all major expenditures that exceed the delegated authorization level of the Chief Executive Officer.

### **Enterprise Risk Management**

- In collaboration with Management and supported by the Finance & Audit Committee, provide governance-level oversight for MEC's enterprise risk management program and compliance with that program, ensuring
  - Adequate processes are in place to identify material risks to MEC's business and operations; and
  - Appropriate management systems are in place to effectively monitor and mitigate such risks.

## **Executive Human Resources**

- With support from the Human Resources & Compensation Committee, oversee the recruitment of MEC's Chief Executive Officer as required;
- Supervise and review at least annually the performance of the CEO, establishing performance and salary considerations as appropriate;
- Monitor MEC's long-term people planning efforts in collaboration with the CEO, ensuring senior compensation frameworks, succession plans and other human resource strategies are aligned with Board policy and remain effective;
- Monitor overall organizational performance against established, annual indicators; and
- Through the CEO, provide input at least annually on the performance of the CGO.

## **Sustainability**

- Ensure MEC upholds exemplary ethical, environmental and social standards in delivering its services and products to members including:
  - receiving from management periodic updates on MEC's operations, structure, internal communications and training in relation to sustainability policies and programs;
  - receiving the results of any material internal/external audit or equivalent assessment as relating to MEC's sustainability programs.
  - at least annually, providing oversight of development and consideration of MEC materiality matrix.

## **Compliance**

- Semi-annually monitor compliance with applicable policies, regulation, laws and MEC's Rules of Co-operation;
- Periodically ensures systems are in place for maintaining the integrity of MEC's internal controls and management information systems.

## **Communications**

- Ensure the Cooperative appropriately and effectively engages with its members, providing organizational direction through communications policy to guide disclosure of material information about MEC; and
- Ensure the membership is regularly informed on Board and governance matters and/or material operational developments on a timely basis.

# Terms of Reference: Individual Directors

## Purpose & Authority

A Director, as a member of the MEC Board, is responsible for engaging in the work of the Board for the benefit of MEC. A Director serves as one voice in all Board deliberations, discussions and decisions. An individual Director, with the exception of those Directors appointed to serve in a specific officer capacity, holds no authority to make decisions, enter into commitments or instruct staff unless authority for engaging in such an act has been delegated in advance by Board resolution.

## Responsibilities

Legal duties are imposed on the Cooperative's Directors, as established in the BC Cooperative Act and under MEC's Rules of Cooperation. Directors bear these and other legally established duties to MEC and must carry out these duties honestly and in good faith, in the best interests of MEC and with the care, diligence and skill of a reasonably prudent person. Each director is required to fulfill the following responsibilities to the best of his or her ability:

- To be familiar with and carry out the director obligations and duties set out in MEC Board Policy, Rules of Cooperation and the BC Cooperative Act;
- To ensure that his or her conduct always reflects well on MEC and on the Board, acting at all times in a manner consistent with the MEC Charter and MEC's Code of Conduct;
- To uphold the best interests of MEC in all Board decision making;
- To study and analyze all reports and recommendations made to the Board, and to be prepared to discuss them during proceedings;
- To contribute thoughtful, respectful and constructive input brought before the Board or its Committees;
- To support the process that leads to any and all Board decisions, maintaining the integrity and confidentiality of such processes throughout his or her term and beyond;
- To help ensure that the Board considers all aspects of an issue before making a decision, asking questions, sharing perspectives and requiring information as appropriate.
- To lead by example, fostering a positive environment of support and respect for the contributions of Board colleagues and management;
- To declare promptly all conflicts of interest to the Board, Board Chair and CGO for documenting and monitoring;
- To participate in Board Committees and/or officer positions at the discretion of the Board;
- To attend all meetings of the Board and any Committees of which the Director is a member, either in person or by telephone;
- If unable to attend a meeting, to provide advance notice if possible, or, failing advance notice, to provide reasons as soon as possible;
- To participate respectfully and thoughtfully in performance evaluations involving either the CEO or the Board;
- To keep strictly confidential all matters discussed in camera;
- To monitor incoming MEC communications between meetings and respond as appropriate.
- Ideally, to serve on the Finance and Audit Committee in their first and/or second year as a director;

- Other than the Chair, not to attend or audit meetings of Committees of which the Director is not a member, unless this has been identified as a development opportunity by the Chair;

## Terms of Reference: Board leadership and officer roles

### Purpose & Authority

Appointed by the Board of Directors, different appointed officers and board leadership positions support the Board's ability to carry out its mandate over the course of a given year. Officer positions on the Board include the **Chair**, and **Finance & Audit Committee Chair**, each of whom holds a form of delegated authority from the Board. Other Board members, in serving as Committee Chairs, will also hold specific leadership and oversight duties at the discretion of the Board.

### Responsibilities

#### Chair of Board

- To assist the Board of Directors in fulfilling its responsibilities by ensuring Board meetings are effective;
- Acting as the liaison between the Board, the CEO and senior management;
- Represents the Board and MEC to members, staff and the public and may attend internal and external events for this purpose;
- In the absence of MEC's appointed executive signing officers (CEO and CFO), may sign official documents and agreements on behalf of MEC and holds unlimited cheque signing authority;
- May invite to a general meeting a person who is not normally entitled to be present;
- Has no other authority except as specifically authorized by board resolution;
- Serves as a non-voting ex-officio member of all Board committees;
- Must preside over every annual general meeting, ensuring adherence to rules of order and securing the services of a parliamentarian as required;
- With support from the CEO and CGO, drafts agendas for Board meetings and directs the preparation of information and materials for the meetings, ensuring such items are delivered one week in advance to Board members;
- Chairs all board meetings unless necessarily absent, in which case the Governance Committee chair will chair the meeting;
- In consultation with the Governance Committee, provides leadership support in annual board, committee and director evaluation processes and ensures that outcomes and learnings from evaluations are addressed going forward;
- In consultation with Board members and with advice from the CGO as required, ensures appropriate plans are in place and executed to support effective board transition over time and, to the degree possible, that the Board has bench strength to carry out its mandate.
- Receives compliance reports from the CGO on various director disclosures including Conflict of Interest forms and Criminal Record Checks, providing notice to the Board of any potential matters requiring attention;

- In collaboration with the Human Resources & Compensation Committee and full Board, contributes to annual CEO performance review processes and on behalf of the Board, delivers outcomes of the review to the CEO;
- Provides regular communications to the Board on material information acquired as a result of the Chair's broader responsibilities.

#### **Finance & Audit Committee Chair**

- The Chair of the Finance & Audit Committee oversees implementation of the Committee's terms of reference and work plan, ensuring the Committee effectively discharges its duties;
- With support from the CFO and CGO, and in collaboration with the Board Chair, supports the overall Board in the execution of fiduciary, risk and financial oversight duties, overseeing the development of ongoing financial training for the Board as required;
- Meets periodically with the CEO, CFO, External Auditor and CGO to consider the effectiveness of Board and Committee financial reporting and materials, making recommendations to the Committee and Board as applicable.

#### **Committee Chairs**

- Responsible for chairing committee meetings and fostering a collaborative setting for Directors and Management;
- Overseeing implementation of the Committee's terms of reference over the course of a given year;
- Building direct, effective relationships with the Committee's key management contacts;
- In collaboration with the CGO, ensuring the meeting agenda and relevant materials are provided to Committee members one week in advance of proceedings;
- Responsible for regularly submitting written and/or verbal reports to the Board of Directors on
- committee proceedings and key findings or observations,
- committee decisions and recommendation;
- Preparing annual committees reports to the Board that identify annual accomplishments, lessons learned and potential adjustments for following years;
- Responsible for acting as Committee spokesperson as required which may include presentations to the membership at the Annual General Meeting;
- Using information collected through the annual board evaluation or other means, ensure feedback, recommendations and potential actions specific to the Committee's terms of reference, work plan or processes are considered and advanced to the Board for approval as appropriate;
- The Governance Committee chair is responsible for collating and transmitting to the Chair feedback received through the annual board chair evaluation process.
- Ensuring that each Committee completes a review of all Board policies assigned to it, advancing any recommendations to the Board for approval.