



**The Channel Islands Co-operative
Society Limited (“the Society”)**

Member Nominated Director Election Regulations

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1. INTRODUCTION

- 1.1 These Election Regulations are the regulations approved by the Board of The Channel Islands Co-operative Society Limited.
- 1.2 The Election Regulations set out the procedure for nominating and electing member nominated Directors to the Board.
- 1.3 The Election Regulations should be read in conjunction with the following:
 - (a) the Rules;
 - (b) the Board Code of Conduct;
 - (c) any election guidance or other information provided to Members or published by the Society in advance of the election process
- 1.4 The following information is included in the Election Regulations:
 - (a) procedures for making nominations;
 - (b) the shortlisting of candidates; and
 - (c) the procedures for and conduct of elections, including the regulation of canvassing, the issuing and returning of voting papers and the counting of votes.
- 1.5 Meetings shall be held annually in time to fill vacancies arising on retirement.
- 1.6 Voting in elections will ordinarily be conducted by ballot at the Society's Annual Members' Meeting ("**AMM**").

2. INTERPRETATION

- 2.1 In addition to terms outlined elsewhere in these Election Regulations, the words and expressions used throughout the document shall have the meaning given to them in the Rules.
- 2.2 Where there is any conflict or inconsistency between the Election Regulations and the Rules, the Rules shall take precedence.

3. ELIGIBILITY REQUIREMENTS

- 3.1 Eligibility requirements for prospective candidates are set out in Rule 10.19, and these Election Regulations.
- 3.2 In order to stand for election or re-election candidates must:
 - (a) satisfy the Eligibility Criteria set out in the Rules, including (without limitation) the requirement that all Directors are expected to demonstrate the high levels of skill, experience and commercial awareness
 - (b) demonstrate a strong commitment to the Society's Values and Principles, including the International Co-operative Association Values; and
 - (c) satisfy the 'Eligibility to be a Director' section in Rule 10.19 of the Society Rules including being a member for a minimum of 2 years and achieving the minimum spend requirement.

- 3.3 In accordance with the Rules, no person shall be eligible to be elected to the Board if they have been previously dismissed (save for redundancy) from the employment of the Society for a breach of a code of conduct or otherwise or have been previously removed from office as a Director under these rules.
- 3.4 In addition, no person shall be eligible to stand for an election or continue in office if a material conflict of interest is identified. An example of a material conflict of interest could be where an individual is employed by a significant competitor of the Society. The Board will deal with any conflicts of interest in accordance with Rule 10.30 and the Board Code of Conduct.
- 3.5 A professional external Director is eligible to stand for election to the Board as an elected Director. If such person is elected, they will be classed as Director elected by Members in the Island they stand and cease to count as a professional external Director. However, when calculating the consecutive years of service as an elected Director, any years served as a professional external Director shall be included and their maximum period of service as a Director of either kind never exceed a total of 12 years.

4. BOARD COMPOSITION

- 4.1 In accordance with Rule 10.1.1 (B), there shall be up to six elected directors, with three (3) in Guernsey and three (3) in Jersey.

5. NOMINATIONS

- 5.1 Providing the Eligibility to be a Director is met in Rule 10.19 then any member of 2 years or more may be nominated to be director. Nominations are ordinarily submitted online through the Society website and in conjunction with an independent election adjudicator.
- 5.2 Each candidate applying will need a proposer and a seconder, both of which must also be active members of the Society themselves.
- 5.3 The nomination must be completed within the deadline set by the Society in announcing the next round of member elected Director obligations, including completion of the DBS certification.
- 5.4 The Society Secretary ("**Secretary**") will be responsible for approving the design of the nomination forms and associated materials. Amongst other things, candidates will be asked to provide a written election address of a maximum number of words determined by the Secretary. Candidates will be encouraged to include reference in their address to the qualifications and/or experience they possess that are relevant to the Eligibility Criteria and the Membership Criteria (both as defined in the Rules).
- 5.5 In addition to the information supplied by candidates, the Board are entitled (but not obliged) to supplement the statements for incumbent directors seeking re-election with further background information in relation to the incumbent director and/or to indicate their support (or otherwise) for their re-election.

6. SHORTLISTING PROCESSES

- 6.1 Following the closing date for nominations, the Secretary shall review the nomination forms and associated materials and establish a shortlist.
- 6.2 The Secretary is responsible for verifying that shortlisted candidates meet the Membership Criteria and Eligibility Criteria.

- 6.3 The Secretary shall select the shortlist of candidates based on objective and meritocratic criteria. Generally someone will be put forward subject to there not being any significant or material adverse information identified. In particular, they shall have regard to:
- (a) commitment to Values and Principles;
 - (b) any adverse media or reputational concerns;
 - (c) any role or person specifications provided by the Board; and
 - (d) any Board diversity policy.
- 6.4 Within the timeframe agreed by the Secretary the shortlisted candidates shall be required to comply with the requirements and procedures the Secretary has determined (including but not limited to a meeting for the shortlisted candidates to meet the Secretary). No Director who is standing for election or re-election can participate in any discussions relating to his or her eligibility or election/ re-election to the Board or the eligibility or election/ re-election of other candidates standing in the same election.
- 6.5 The decision of the Secretary referred to in this paragraph 6 (in the absence of manifest error) shall be final. In exercising their discretion, the Secretary shall act in the best interests of the Society and its Members as a whole (rather than particular constituencies of Members). Where a candidate can demonstrate to the satisfaction of the Secretary that there has been a manifest error on the part of the Secretary and/or any professional search organisation, the Secretary, in consultation with the Chair of the Recruitment & Remuneration Committee and the Society CEO, will take appropriate steps to ensure that the relevant decisions are reviewed.

7. INTERNAL SCREENING PROCESS

- 7.1 In addition to the eligibility requirements in paragraph 3 above, all candidates shortlisted by the Secretary in accordance with paragraph 6 above will be required to undertake a screening process similar to the Society's employee policy for senior colleagues. This process will be carried out by the Society's Human Resources department and may include (but is not limited to), the following:
- (a) proof of name and address;
 - (b) Resident in Jersey or Guernsey
 - (c) references (going back five years) and a statement covering any gaps (references may include all periods of employment, education, unemployment (this includes making a claim for benefit), self-employment and any professional qualifications or memberships;
 - (d) Risk Intelligence Database;
 - (e) Disclosure and Barring Service - standard check (a standard level certificate contains details of all spent and unspent convictions, cautions, reprimands and final warnings from the Police National Computer which have not been filtered in line with legislation); and
 - (f) media check.

The results of the pre-screening check carried out by the Society's Human Resources department will be considered by the Secretary, who will have the ability, in an appropriate case, to decide that a candidate may not proceed in the election process. In exercising their judgement, the Secretary shall apply the same standards that are applied to pre-screening checks carried out on Independent Non-Executive Directors and shall act in the best interests of the Society and its Members as a whole.

8. CANVASSING

- 8.1 In accordance with Rule 10.20 candidates are not permitted to solicit votes, whether in person, by post, email or other electronic means, including social media. This applies not only to the candidate but to any other person, organisation, company, Society or corporation on the candidate's behalf.
- 8.2 An infringement of Rule stated in point 8.1 above, by or on behalf of the candidate shall make that candidate liable to disqualification by the Secretary from the election in question or; where the election has been completed, from the Membership of the Board.
- 8.3 The Secretary will provide any relevant material and guidance for candidates related to their standing for election and permitted means of canvassing including for social media posts.

9. ENTITLEMENT TO VOTE IN DIRECTOR ELECTIONS

- 9.1 Individual and Organisation Society Members are entitled to vote in Director elections if he, she (or in the case of an Organisation Society Member, it):
 - (a) has been a Member on the date of the relevant Society Members' Meeting (i.e. the date of the meeting to elect the Director) for 6 months or more. The relevant Society meeting will be the meeting to be held at or around the same time as the election and will usually be the Society's AMM.
 - (b) In the event of members jointly holding a share they shall have 1 vote between them which shall be exercised by the member whose name first appears on the Register of Members, unless the joint members together appoint in writing another joint member, and the appointment is delivered to the Registered office not less than 24 hours before the meeting.
 - (c) The Board may make arrangements for Members to vote at a meeting by post, in the Society's places of business or by using electronic communications.
- 9.2 Unless the Board agree otherwise, the Director nomination and election process will be conducted in parallel with the Society's AMM timeline. In these circumstances, the eligibility to vote in the Director election shall be the same as the eligibility to vote at the AMM.

10. METHOD OF ELECTION

- 10.1 The Secretary shall determine which of the shortlisted candidates are entered onto the ballot form to stand for election or re-election as a Director at the following AMM
- 10.2 Voting in Director elections will ordinarily be conducted by online voting via an independent election adjudicator or by ballot at the Society's AMM.
- 10.3 If a Director election is uncontested (i.e. the number of candidates standing is the same as the number of vacancies to be filled), those candidates if duly qualified in all other respects shall be deemed elected unopposed without formal ballot.
- 10.4 If a Director election is contested (i.e. the number of candidates standing is greater than the number of vacancies to be filled) the election will be conducted on the basis of one share number one vote. For the avoidance of doubt, only one ballot shall be conducted.
- 10.5 Rule 9.9 shall apply to the sending of a notice of the Director election as they apply to the sending of a notice of a Society AMM. The notice of ballot and any other accompanying

documents shall be sent (or otherwise made available) not less than 8 days (or such other period as determined by the Secretary) before the date which the Society specifies of the AMM

- 10.6 The accidental omission to give a notice of a ballot or to send a ballot form or any accompanying document to any Member entitled to receive it shall not invalidate the ballot.
- 10.7 The Secretary shall be responsible for approving the design and contents of the election documents, including but not limited to notices, guidance and ballot forms. The order in which candidates' names will appear on the ballot form will be randomised in the manner the Secretary determines.
- 10.8 The decision of an election shall come into effect as from the time at which the counting of votes is completed and declared by the Secretary (or any person nominated by them). The result of the election shall be announced in such manner and at such time as determined by the Secretary.
- 10.9 If on an election any votes are counted that ought not to have been counted or any votes are not counted that ought to have been counted, the error shall not invalidate the decision arrived at unless it has been in the opinion of the Secretary of sufficient magnitude to do so.
- 10.10 Candidates may withdraw themselves from the election at any time up until the time when their name is entered on the ballot paper which for the avoidance of doubt shall be when the Secretary makes its decision under paragraph 11.1. If a candidate is withdrawn from a ballot, any order of preference indicated on the ballot forms will be appropriately adjusted by the Secretary.
- 10.11 Save in the case of an uncontested Director election, the requisite number of candidates who receive the highest number of votes shall be elected to fill vacancies. If two or more candidates receive the same number of votes for a particular seat, there shall be a further ballot of those candidates with an equal number of votes. If after the further ballot 2 or more candidates receive the same number of votes, the candidates to be elected shall be decided by the drawing of lots.

11. REGULATORY REQUIREMENTS AND APPOINTMENT TO THE BOARD

- 11.1 Subject to the paragraph 12.1 below, successful candidates will take office as Directors at the time specified by the Secretary when announcing the result of the election in accordance with paragraph 10.8 above. Ordinarily, the time specified by the Secretary will be the conclusion of the relevant AMM.
- 11.2 Directors do not need to submit questionnaires with the relevant regulatory bodies for their appointment as Director for the Society, however Directors will be caught under the Jersey Financial Services Commission ("**JFSC**") Senior Managers regime, such that where the Society is found not to be compliant with the relevant Anti-money Laundering, Terrorist and Proliferation Financing legal regulatory regime as it applies to supervised businesses in Jersey, the Directors could face personal fine and sanction (the Society's Money Laundering Compliance Officer ("**MLCO**") will liaise with each Director to provide guidance in this respect).
- 11.3 The MLCO will be responsible for monitoring regulatory requirements from time to time and will advise the Secretary as appropriate.

12. TERM OF OFFICE

- 12.1 Any Director elected shall serve for a term of 3 years. Such Directors shall serve no more than 4 consecutive terms, or 12 years in total, and at this point should stand down for a period of at least 3 years before becoming eligible for election for a further term.

13. CASUAL VACANCIES

- 13.1 Where a vacancy arises on the Board otherwise than on the completion of a term of office, at the discretion of the Board it may be filled either by an election, or by appointment by the Board. In either case the person filling the vacancy shall retire at the end of the vacancy that they are filling.

14. ROLE OF THE SOCIETY SECRETARY

- 14.1 In accordance with Rule 8.6 (e) the Secretary will act as returning officer for elections.
- 14.2 The Secretary's decision on procedural matters not covered by the Rules or these Directors Election Regulations, or on any disputes as to the interpretation of or arising out of these Regulations, shall be final.

15. BOARD EDUCATION AND TRAINING

- 15.1 At the point of nomination each Director candidate must agree to take part in any training during his or her first term of office and otherwise as deemed appropriate by the Secretary if elected.
- 15.2 Newly elected Directors must complete the formal induction programme developed by the Board. This includes the signing and acceptance of a Letter of Appointment which has commitments to training where needed.
- 15.3 Failure to complete points 15.1 & 15.2 above without good reason is a breach of the Director Code of Conduct.

16. BOARD CODE OF CONDUCT

- 16.1 At the time of nomination, each candidate must agree to abide by the Board Code of Conduct (**"the Code"**). As part of this they will be required to sign a declaration stating that they have received and read the Code, have understood the duties and responsibilities required and expected of Directors and agree to comply with the Code at all times.

17. CHANGES

- 19.1 The Secretary shall evaluate the adequacy of the Election Regulations from time to time and shall be responsible for updating them.
- 19.2 No changes should be made to the Election Regulations that would make them inconsistent with the Rules, the Statutes or any guidance published by the Registration Authority.
- 19.3 Subject to paragraph 19.2 above, any changes to the Election Regulations must be agreed by the Board.