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Appendices

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| Policy Type: | Ends |
| Policy Title: | A – Global End |
| Last Revised: | CBLD Template: June 23, 2009 |

Until ends policies are developed, the Cooperative’s purpose and priorities will remain as previously stated explicitly by the Board or as found implicitly in previously adopted Board documents.

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| Policy Type: | Executive Limitations |
| Policy Title: | B – Global Executive Constraint |
| Last Revised: | June 19, 2017 |

The General Manager (GM) must not cause or allow any practice, activity, decision, omission, or organizational circumstance that is unlawful, imprudent, in violation of commonly accepted business and professional ethics and practices, or in violation of the Cooperative Principles.

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| Policy Type: | Executive Limitations |
| Policy Title: | B1 – Financial Condition and Activities |
| Last Revised: | June 19, 2017 |

With respect to the actual, ongoing financial conditions and activities, the General Manager (GM) must not cause or allow fiscal jeopardy to develop, key operational indicators to be below average for our industry, or the Cooperative to be financially unprepared for future opportunities.

Accordingly, the GM must not cause or allow:

1. Sales growth to be inadequate.
2. Operations to generate an inadequate net income.
3. Liquidity (the ability to meet cash needs in a timely and efficient fashion) to be insufficient.
4. Solvency (the relationship of debt to equity) to be insufficient.
5. Growth in Membership and/or Member paid-in equity to be insufficient.
6. The default on any terms that are part of the Cooperative's loans.
7. Late payment of contracts, payroll, loans or other financial obligations.
8. The incurrence of debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.
9. The acquisition, encumbrance or disposal of real estate.
10. Tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
11. The use of restricted funds for any purpose other than that required by the restriction.
12. Financial record keeping systems to be inadequate or out of conformity with Generally Accepted Accounting Principles (GAAP).

13. The failure to report to the Board at least quarterly on financial condition, net income, sales growth, and member equity with the context of industry benchmarks and/or operating plan targets.

This policy will be monitored quarterly by internal report and biennially by external report (review, audit or financial analysis).

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| Policy Type: | Executive Limitations |
| Policy Title: | B2 – Budgeting and Financial Planning |
| Last Revised: | June 19, 2017 |

Financial planning for any fiscal year (or for the remaining part of any fiscal year) must not deviate materially from the Board’s Ends priorities, risk fiscal jeopardy, or fail to be derived from a multi-year plan. Accordingly, the General Manager (GM) must not create, cause, or allow plans that:

1. Risk incurring those situations or conditions described as unacceptable in the Board policies “Financial Condition and Activities” (B1) or “Asset Protection” (B3).
2. Omit credible projection of revenues and expenses, member investment and return, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
3. Contain insufficient details to support assumptions.
4. Do not address industry benchmarks, excellence in business systems and operations, or otherwise do not provide context.
5. Have not been tested for feasibility.
6. Are not updated annually.
7. Provide less for Board prerogatives during the year than is set forth in the Board budget.

This policy will be monitored annually by internal report.

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|---------------|------------------------------|
| Policy Type: | Executive Limitations |
| Policy Title: | B3 – Asset Protection |
| Last Revised: | June 19, 2017 |

The General Manager (GM) must not cause or allow assets to be unprotected, unreasonably risked, or inadequately maintained.

Accordingly, the GM must not cause or allow:

1. Equipment, facilities, and inventory to be inadequately insured, or otherwise unable to be replaced if damaged or destroyed, including coverage for any losses incurred due to business interruption.
2. Unnecessary exposure of the Cooperative, staff or Directors to liability or lack of insurance protection from claims of liability.
3. Inadequate security and maintenance of premises and property.
4. Data, intellectual property, or files to be unprotected from loss, theft or significant damage.
5. Improper usage of Members' and customers' personal information.
6. Uncontrolled purchasing or purchasing subject to conflicts of interest.
7. Lack of due diligence in contracts and real estate acquisitions.
8. Deposits or investments to be unreasonably risked.
9. An absence of, and/or less than strict compliance with, written procedures established by the GM for the handling of cash.
10. Funds to be received, processed or disbursed under controls insufficient to meet the Board-appointed auditor's standards.
11. Damage to the Cooperative's public image.

This policy will be monitored annually by internal report, and by external report (review or audit) as needed, as determined by the Board.

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| Policy Type: | Executive Limitations |
| Policy Title: | B4 – Membership Rights and Responsibilities |
| Last Revised: | June 19, 2017 |

The General Manager (GM) must not cause or allow Members to be uninformed or misinformed of their financial investment in the Cooperative, or of their rights and responsibilities as Members.

Accordingly, the GM must not:

1. Create or implement a Member equity system without the following qualities:
 - a. The required Member equity, or fair share, is determined by the Board.
 - b. Members are informed that equity investments are a) at risk, and b) generally refundable, though the Board retains the right to withhold refunds when necessary to protect the Cooperative's financial health.
 - c. Equity will not be refunded if such refunds would lead to a net decrease in total member paid-in equity, or would risk, cause or exacerbate non-compliance with any Financial Condition policy.
2. Implement a patronage dividend system that does not:
 - a. Qualify distributions as patronage dividends consistent with applicable state and federal laws, Generally Accepted Accounting Principles, and Cooperative Principles.
 - b. Allow the Board to examine a range of options and implications, so the Board can make a timely determination each year concerning how much, if any, of the Cooperative's net profits will be allocated and distributed to Members.
3. Fail to ensure maintenance of accurate and current Member records, including name, address, equity payments, and eligibility for benefits and voting.
4. Operate without a Membership program that:

- a. Ensures regular recruitment of new Members.
- b. Recruits a diverse Membership which reflects the diversity of the community.
- c. Engages Members through education and outreach, and solicits Member input on significant Membership benefits changes.
- d. Provides Members with prompt and reasonable access to the Cooperative's information.
- e. Publicizes to Members the benefits to which they are entitled.
- f. Builds a sense of community among Members.
- g. Encourages, is responsive to, and supports member ideas, initiatives, and contributions.
- h. Involves and cultivates Member expertise to support the Cooperative's work in food justice, financial transparency, and community outreach.

This policy will be monitored annually by internal report.

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|---------------|------------------------------------|
| Policy Type: | Executive Limitations |
| Policy Title: | B5 – Treatment of Customers |
| Last Revised: | June 19, 2017 |

The General Manager (GM) must not be unresponsive to customer needs.

Accordingly, the GM must not:

1. Cause or allow an unsafe shopping experience for our customers.
2. Cause or allow an unpleasant shopping experience for our customers by failing to
 - a. Ensure adequate training for staff
 - b. Ensure cleanliness of the store
3. Operate without a system for communicating relevant information to customers about store operations, products, educational opportunities, and the benefits of membership.
4. Operate without a system for soliciting and considering customer opinion regarding preferences, product requests, complaints and suggestions.

This policy will be monitored annually by internal report.

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|---------------|--|
| Policy Type: | Executive Limitations |
| Policy Title: | B6 – Staff Treatment and Compensation |
| Last Revised: | June 19, 2017 |

The General Manager (GM) must not treat staff in any way that is unfair, unsafe, or unclear.

Accordingly, the GM must not:

1. Operate without written personnel policies that:
 - a. Clarify rules for staff.
 - b. Provide for fair and thorough handling of grievances.
 - c. Are accessible to all staff.
 - d. Inform staff that employment is neither permanent nor guaranteed.
2. Cause or allow personnel policies to be inconsistently applied.
3. Provide for inadequate documentation, security and retention of personnel records and all personnel related decisions.
4. Cause or allow staff to work without sufficient training to ensure their safety and ability to execute their responsibilities.
5. Fail to comply with state and federal employment laws and regulations.
6. Establish compensation and benefits that are internally or externally inequitable.
7. Establish compensation and benefits that are inconsistent with a living wage model that is based on the standard of living for the area in which the Cooperative is located.
8. Change the GM's own compensation and benefits, except as their benefits are consistent with a package for all other employees.

This policy will be monitored annually by internal report.

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| Policy Type: | Executive Limitations |
| Policy Title: | B7 – Communication to the Board |
| Last Revised: | June 19, 2017 |

The General Manager (GM) must not cause or allow the Board to be uninformed or unsupported in its work.

Accordingly, the GM must not:

1. Submit monitoring reports that are untimely, incomplete, inaccurate, or that lack operational definitions and verifiable data directly related to each section of the policy.
2. Report in an untimely manner any actual or anticipated noncompliance with any Board policy, along with a plan for reaching compliance and a proposed schedule regarding follow-up reporting.
3. Cause or allow the Board to be unaware of relevant legal actions, media coverage, trends, public events of the Cooperative, or material changes that affect any assumption upon which Board policy rests, including the manner in which it is being handled.
4. Withhold their opinion if the GM believes the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the GM.
5. Deal with the Board in a way that favors or privileges certain Directors over others except when responding to officers or committees duly charged by the Board.
6. Fail to supply for the Board's consent agenda all decisions delegated to the GM yet required by law, regulation, or contract to be Board-approved.

This policy will be monitored annually by internal report.

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|---------------|--------------------------------------|
| Policy Type: | Executive Limitations |
| Policy Title: | B8 – Board Logistical Support |
| Last Revised: | June 19, 2017 |

The General Manager (GM) must not allow the Board to have inadequate logistical support.

Accordingly, the GM must not:

1. Provide the Board with insufficient staff administration to support governance activities and Board communication.
2. Allow the Board to be without a workable mechanism for official Board, officer, or committee communications.
3. Allow Directors to be without an updated copy of the Policy Register and the By-laws.
4. Allow insufficient archiving of Board documents.
5. Provide inadequate information and notice to Members concerning Board actions, meetings, activities, and events.

This policy will be monitored annually by internal report.

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|---------------|---------------------------------|
| Policy Type: | Executive Limitations |
| Policy Title: | B9 – Continued Operation |
| Last Revised: | June 19, 2017 |

To protect the Board from sudden loss of the General Manager’s (GM) services, the GM must not fail to provide for the continued operation of the Cooperative in the event of their absence, whether that absence is planned, unplanned, or permanent.

Accordingly, the GM must not:

1. Have less than one other manager sufficiently familiar with Board and GM issues and processes to enable them to take over with reasonable proficiency as an interim successor.
2. Fail to establish a “chain of command” for all key management functions to be used any time the GM is unable to serve because of a planned or emergency absence.
3. Fail to notify the Board should a change in the emergency succession plan occur.

This policy will be monitored annually by internal report.

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|---------------|---|
| Policy Type: | Board Process |
| Policy Title: | C – Global Governance Commitment |
| Last Revised: | June 18, 2018 |

The governance of the Cooperative is vested in the Board of Directors. The Board has a fiduciary obligation to the Cooperative and its Members as a whole.

Acting on behalf of our Members, the Board shall: assure that the values, purpose, and mission of the Cooperative are properly carried out; set the policies and direct the affairs of the Cooperative; exercise its authority in the interests of the Cooperative; oversee the financial conditions of the Cooperative; and ensure good conditions of employment.

In fulfillment of this charge, the Board is committed to rigorous, continual improvement of its ability to define the Cooperative’s values and vision.

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|---------------|-----------------------------|
| Policy Type: | Board Process |
| Policy Title: | C1 – Governing Style |
| Last Revised: | June 18, 2018 |

The Board will govern in a way that: focuses on long term impacts and the shared values of our Members; emphasizes strategic leadership rather than operational details; and provides clear distinctions of Board and Management roles.

Accordingly, the Board will:

1. Direct the organization through careful establishment of written policies reflecting the Board's values about ends to be achieved and means to be avoided.
2. Ensure effective systems of delegating authority to professional management, holding the use of that power accountable, and clearly distinguishing between Board and Management responsibilities.
3. Cultivate a sense of shared responsibility for excellence in governing, achieve consensus whenever possible, and enforce upon itself whatever discipline is needed in matters such as attendance; preparation; maintaining group discipline, authority, and responsibility; respect of roles; and adherence to relevant laws and By-laws.
4. Commit to Board Holism; that is, the members of the Board will promote the Board's collective decisions, and support these decisions irrespective of personal opinion.
5. Foster an environment that encourages deliberation amongst Board members.
6. Monitor and discuss the Board's process and performance at least quarterly.
7. Ensure continuous improvement through regular training and education.
8. Establish procedures to preserve institutional memory and ensure the continuity of governance.
9. Set and review annual Board goals.

This policy will be monitored annually through Board self-evaluation.

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|---------------|-----------------------------|
| Policy Type: | Board Process |
| Policy Title: | C2 – The Board’s Job |
| Last Revised: | June 18, 2018 |

The Board’s job is to govern successfully, and to practice, protect, promote, and perpetuate a healthy democracy for our Cooperative.

Accordingly, the Board will:

1. Create and sustain a meaningful relationship with Members.
 - a. Educate itself regarding the values and common interests held by Members.
 - b. Ensure that the Board represents the needs of Members and that their common interests are reflected in our vision and put into practice.
 - c. Report periodically to the Members on the Board’s activities, decisions, current issues facing the Cooperative and compliance with policies.
2. Hire, compensate, delegate responsibility to, and hold accountable a General Manager (GM).
 - a. Use a strategic process to establish the value of GM compensation, and complete this process in a timely manner.
3. Assign responsibility in a way that honors our commitment to empowerment and clear distinction of roles.
4. Rigorously monitor operational performance in the areas of Ends and Executive Limitations, and Board performance in the areas of Board Process and Board-Management Relationship.
5. Perpetuate the Board’s leadership capacity using ongoing education and training, a robust recruitment, qualification and nomination process, and fair elections.
6. Perform other duties as required by the By-laws or because of limitations on GM authority.
7. Have fun!

This policy will be monitored annually through Board self-evaluation.

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|---------------|-------------------------------------|
| Policy Type: | Board Process |
| Policy Title: | C3 – Statement of Principles |
| Last Revised: | June 18, 2018 |

For more than 170 years, cooperative organizations have celebrated human diversity and worked to bring people together to meet needs and achieve aspirations through empowerment and inclusion. The Cooperative is committed to our democratic organization, food justice, anti-racism, and building a cooperative society.

The Board is committed to the development of policies and strategies that will sustain our communities over time, including: supporting environmentally and economically sustainable food systems; building a vibrant, connected, cooperative community within and outside of the boundaries of our storefront; meeting community needs; and strengthening area diversity through products, services, and education.

Accordingly, the Board will:

1. Ensure that no policies are implemented that jeopardize the Cooperative’s commitment to inclusion and anti-discrimination.
2. Ensure that our doors are open to all persons, without overt or subtle discrimination.
3. Ensure that people from a diversity of backgrounds feel comfortable shopping at, working for, or participating in the Cooperative.
4. Ensure that the Cooperative is committed to treating all jobs and all employees with dignity.
5. Ensure that the Cooperative upholds the values of equality, solidarity and caring for others.
6. Uphold the Cooperative’s commitment to being a welcoming business and empowering community enterprise. The Board seeks to be a positive resource and influence, presenting opportunities for constructive dialogue and collective actions for change, and to explore ways to reach beyond our walls, advocating for policies that will contribute to democracy and equality, advance human rights, and support environmental sustainability.
7. Value respectful dialog, debate, and participation as expressions of economic democracy.
8. Ensure that our Cooperative provides products and services that are accessible and appealing to the broader communities.

This policy will be monitored annually through Board self-evaluation.

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|---------------|-----------------------------|
| Policy Type: | Board Process |
| Policy Title: | C4 – Agenda Planning |
| Last Revised: | June 18, 2018 |

The Board will follow a strategic work plan and an annual agenda.

Accordingly, the Board will:

1. Create, and modify as necessary, an annual calendar that includes tasks and events related to our work plan, Membership meetings, Board training schedule, monitoring schedule, and the GM evaluation and compensation decisions as outlined in our Board-Management Relationship policies.
2. Follow Board meeting agendas determined by the Board President.
 - a. The agenda and materials for review will be sent prior to the Board meeting.
 - b. An agenda may be modified at the meeting by a majority vote of the Board.
 - c. Any Director may request an item be added to an agenda by contacting the President in a timely manner.

This policy will be monitored annually through Board self-evaluation.

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|---------------|----------------------------|
| Policy Type: | Board Process |
| Policy Title: | C5 – Board Meetings |
| Last Revised: | June 18, 2018 |

Board meetings are for the purpose of getting the Board’s job done.

Accordingly, the Board will:

1. Hold regular meetings at such times and places as it deems necessary and reasonable for the well-being of the Cooperative, and shall make reasonable efforts to meet monthly. Board meetings shall generally be open to any Member of the Cooperative on an observational basis; however, the Board may, at the request of a Director, convene a closed meeting in order to conduct the business of the Cooperative pertaining to sensitive issues (such as personnel or legal matters) and in cases of emergencies.
 - a. Closed meetings may be scheduled immediately prior to or after a regularly scheduled meeting of the Board, or during a special meeting as defined in Section 4.9 of the Cooperative’s By-laws.
 - b. When possible, announcement of the closed meeting and its purpose should be on the open meeting’s published agenda and in all cases should be recorded in the minutes of the open session which was convened prior to the closed meeting.
2. Use Board meeting time only for work that is the whole Board's responsibility. It will avoid committee issues, operational matters, personal concerns, and other topics that are not the highest and best use of its time.
3. Follow the Board’s Meeting Expectations Guidelines (Appendix 2).
4. Seek consensus through discussion. Deliberation will be relevant, fair, orderly, and thorough, but also efficient, limited to time, and kept to the point. Decisions will be finalized and documented in accordance with Board policy “Board Voting Policy” (C6).
5. Clearly record the decisions of each meeting in minutes that are readily available to Members.

This policy will be monitored annually through Board self-evaluation.

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|---------------|---------------------------------|
| Policy Type: | Board Process |
| Policy Title: | C6 – Board Voting Policy |
| Last Revised: | June 18, 2018 |

1. All matters before the Board for initial consideration shall be decided by consensus.
 - a. If one or more Directors oppose a decision on the matter, the matter will be returned for additional discussion.
 - b. If no solution becomes apparent during the Board meeting and circumstances do not require an immediate decision, the matter shall be postponed until the next meeting, at which time a majority vote shall decide the matter if consensus is still not possible.
2. A majority of the Board may determine whether circumstances require an immediate decision on the matter; if the Board shall so determine, then the matter shall be voted on during the current meeting and a majority vote of the Board shall be sufficient to decide the matter.
3. Votes are taken by a show of hands. Board members may vote for or against a matter, or may abstain.
 - a. A Board Member may be present at a meeting, and vote, through the use of any means of communication whereby all persons participating can hear and communicate with each other during the meeting.
4. Decisions may be made by the Board without a meeting if consent in writing (including e-mail or other electronic communication) is signed by all Directors who would be eligible to attend and vote at a regular meeting of the Board.
 - a. All proposed decisions to be made without a meeting must be stated in the request for consent which is sent to all Directors.
 - b. Any decisions made in this manner must be recorded and posted as meeting minutes in the same manner as if the decisions were made at a regular Board Meeting.
5. Once a matter has been decided all Directors are bound by the decision, and must publicly support the decision, irrespective of personal opinion.

This policy will be monitored annually through Board self-evaluation.

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| Policy Type: | Board Process |
| Policy Title: | C7 – Directors’ Code of Conduct |
| Last Revised: | June 18, 2018 |

We each commit ourselves to ethical, professional, and lawful conduct.

1. Every Director is responsible at all times for acting in good faith, with care and prudence, and in a manner which they reasonably believe to be in the best interests of the Cooperative.
2. Directors must demonstrate unconflicted loyalty to the interests of the Cooperative. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups, membership on other Boards or staffs, and the personal interest of any Director acting as an individual consumer, employee, or Member.
 - a. There will be no self-dealing or any conduct of private business or personal services between any Director and the Cooperative except as procedurally controlled to assure openness, competitive opportunity, and equal access to “inside” information.
 - b. At or before a new Director’s first Board meeting, they must complete the “Conflict of Interest Disclosure form” (Appendix 1), and will verbally report to the whole Board any actual, potential or perceived conflicts. Any subsequent actual, potential or perceived conflicts of interest must be reported to the Board immediately.
 - c. Directors with conflicts of interest may not vote on any matter related to the conflict, and may not participate in any discussions on the matter unless authorized to do so by the Board. The Board may take any other actions it deems appropriate to address a conflict of interest on the part of a Director.
3. Any Director who is also a paid employee has the same duties and responsibilities as any other Director, and has the additional duty of clearly segregating staff and Board responsibilities.
 - a. Employee Directors shall not attend or participate in any Executive Sessions that determine the GM contract.
4. Directors may not attempt to exercise individual authority over the organization.
 - a. When interacting with the GM or employees, Directors must carefully and openly recognize their lack of authority.

- b. When interacting with the public, the press, or other entities, Directors must recognize the same limitation and the inability of any Director to speak for the Board except to repeat explicitly stated Board decisions.
5. Directors will respect the confidentiality appropriate to issues of a sensitive nature and must continue to honor confidentiality after leaving Board service.
6. Directors will prepare for, attend, and participate fully in all Board meetings and applicable trainings.
7. Directors will support the legitimacy and authority of the Board's decision on any matter, irrespective of the Director's personal position on the issue.
8. Any Director who does not follow the code of conduct policy may be removed from the Board by a 2/3 majority vote of the remainder of the entire Board, provided that fair notice of the proposed removal is sent to the Director, and that the Director is given an opportunity to respond in person or in writing.

This policy will be monitored annually through Board self-evaluation.

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|---------------|-----------------------------|
| Policy Type: | Board Process |
| Policy Title: | C8 – Officers’ Roles |
| Last Revised: | June 18, 2018 |

We will elect Officers in order to help us accomplish our job.

1. At the first Board meeting following the annual meeting of the Members of the Cooperative, the Board shall elect a President, Vice President, Secretary and Treasurer from among its Directors. Officers shall hold office for a term of one (1) year, or until their successors have been elected and qualified. Such Officers shall serve at the will of the Board, and may be removed from their office by majority vote of the Board and successors elected at any Board meeting. Each Officer shall be a Director.
2. No Officer has any authority to supervise or direct the GM.
3. Officers may delegate their authority to another Board member but remain accountable for its use.
4. The President ensures the Board acts consistently with Board policies.
 - a. The President is authorized to make decisions that are consistent with Board Process and Board-Management Relationship policies in order to facilitate the Board’s functioning.
 - b. The President will set the agenda for and chair Board meetings.
 - c. The President plans for leadership (Officer) perpetuation.
 - d. The President may represent the Board to outside parties.
5. The Vice-President will perform the duties of the President in their absence.
6. The Treasurer will lead the Board’s process for creating and monitoring the Board’s (not the Cooperative’s) budget.
 - a. In addition, the Treasurer will ensure the timely preparation of a balance sheet and a profit and loss statement after the end of each fiscal year, to be provided to the Members at or prior to the annual meeting of the Members of the Cooperative.
7. The Secretary will make sure the Board’s documents are accurate, up to date, and appropriately maintained.
 - a. In addition, the Secretary will file all reports and forms required by the Secretary of State’s Corporations Division.

8. Each Officer is required to maintain accurate and up to date instructions for performing their duties, such that another Director could assume their role in the event of their absence, whether that absence is planned, unplanned, or permanent.
9. The President and Secretary shall have authority to sign all documents within the scope of the implied or express authorization of the Board, state and federal law, and the Articles of Organization and By-laws of the Cooperative.

This policy will be monitored annually through Board self-evaluation.

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| Policy Type: | Board Process |
| Policy Title: | C9 – Board Committee Principles |
| Last Revised: | June 18, 2018 |

We will use Board committees only to help us accomplish our job.

1. The Board will establish, regularly review, and control committee responsibilities in written committee charters.
 - a. We will carefully state committee expectations and authority to make sure they do not conflict with authority delegated to the GM.
2. Committees will reinforce and support Board holism.
 - a. In particular, committees help the Board by researching and presenting options and information.
3. Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes.
 - a. The appointment of any committee shall not relieve the Board of its responsibilities in the oversight of the Cooperative.
4. Committees may invite non-Members, such as content advisors, or non-shareholding employees to participate in committee work.
 - a. Only those committee members who are Members of the Cooperative in good standing shall have the right to vote.

This policy will be monitored annually through Board self-evaluation.

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| Policy Type: | Board Process |
| Policy Title: | C10 – Governance Investment |
| Last Revised: | June 18, 2018 |

We will invest in the Board’s governance capacity.

1. We will make sure that Board skills, methods and supports are sufficient to allow us to govern effectively.
 - a. We will proactively use training and retraining to orient new Directors and Board candidates, as well as to maintain and increase existing Directors’ skills and understanding.
 - b. We will arrange outside monitoring assistance as necessary so that the Board can exercise confident control over organizational performance.
 - c. We will use outreach mechanisms necessary to ensure our ability to listen to Member viewpoints and values.
 - d. We will use professional and administrative support as needed.
2. We will develop the Board’s annual budget in a timely way so as to not interfere with the development of the Cooperative’s annual budget. In no case will we complete this work later than six weeks prior to the start of the fiscal year to which the Board's annual budget will apply.
 - a. We will incur governance costs prudently, but will not endanger the development and maintenance of superior capacity.

This policy will be monitored annually through Board self-evaluation.

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| Policy Type: | Board-Management Relationship |
| Policy Title: | D – Global Board-Management Connection |
| Last Revised: | December 18, 2017 |

The Board’s sole official connection to the operations of the Cooperative will be through the General Manager (GM).

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| Policy Type: | Board-Management Relationship |
| Policy Title: | D1 – Unity of Control |
| Last Revised: | December 18, 2017 |

Only officially passed motions of the Board are binding on the General Manager (GM).

Accordingly:

1. Decisions or instructions of individual Directors, Officers, or committees are not binding on the GM except in rare instances when the Board has specifically authorized this power.
2. In the case of Directors or committees requesting information or assistance without Board authorization, the GM can refuse or defer any requests that, in the GM's opinion, may disrupt operations or require too much staff time or resources. All requests for information will be made to the GM and not to the staff.

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| Policy Type: | Board-Management Relationship |
| Policy Title: | D2 – Accountability of the General Manager |
| Last Revised: | December 18, 2017 |

As the Board’s sole official link to the operating organization, the General Manager (GM) is accountable for organizational performance and exercises all authority transmitted into the organization by the Board. All authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the GM.

Accordingly:

1. The Board will view the GM’s performance as identical to organizational performance so that organizational accomplishment of Board-stated Ends and compliance with Executive Limitations Policies will be viewed as successful GM performance.
2. The Board will never give instructions to persons who report directly or indirectly to the GM, with the exception of staff whose job description includes facilitating the Board’s work. This does not prevent collaboration by Board and staff as authorized by the GM.
3. The Board will refrain from evaluating, either formally or informally, any employee other than the GM.

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| Policy Type: | Board-Management Relationship |
| Policy Title: | D3 – Delegation to the General Manager |
| Last Revised: | December 18, 2017 |

The Board will instruct the General Manager (GM) through written policies that prescribe the organizational Ends to be achieved and describe organizational situations and actions to be avoided, and will allow the GM to use any reasonable interpretation of these policies.

Accordingly:

1. As long as the GM uses any reasonable interpretation of the Board’s Ends and Executive Limitations policies, the GM is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all plans for the Cooperative. This does not prevent the Board from obtaining information about activities in the delegated area.
2. The Board will support the GM’s choices as long as those choices are based on reasonable interpretations of Board policies.
3. The Board may change its policies on Ends or Executive Limitations, but not retroactively.
4. Any requests by the Board for information on topics within the GM’s responsibility will be made clear and delivered to the GM in a timely manner to allow for proper preparation of a response.
5. If the GM deems it necessary to violate Board policy, they will inform the Board in a timely manner. Board response, either approving or disapproving, does not exempt the GM from subsequent Board judgment of the action. Violation of Board policy shall not be kept from the Board.

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| Policy Type: | Board-Management Relationship |
| Policy Title: | D4 – Monitoring General Manager Performance |
| Last Revised: | December 18, 2017 |

The Board will systematically and rigorously monitor and evaluate the General Manager’s (GM) job performance with respect to organizational accomplishment of Board policies on Ends and organizational operation within the boundaries established in Board policies on Executive Limitations.

Accordingly:

1. The Board will monitor all policies that instruct the GM. The Board can monitor any policy at any time and by any method but will ordinarily follow the schedule outlined in the Board Annual Calendar.
2. The Board will acquire monitoring information by one or more of three methods:
 - a. by internal report, in which the GM discloses policy interpretations and compliance information to the Board;
 - b. by external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies; or
 - c. by direct Board inspection, in which a designated Director or committee assesses compliance with the policy.
3. In every case, the Board’s standard for compliance will be any reasonable GM interpretation as described by operational definitions and metrics of the policy being monitored. The Board will accept that the GM is compliant with a policy if they present a reasonable interpretation and adequate data that demonstrates accomplishment of that interpretation.
 - a. Measuring incremental progress towards long-term outcomes is appropriate for Ends policies, and monitoring reporting requires prior establishment of (1) a

baseline or history for comparison, (2) a reliable and credible measurement technique, and (3) a short-term (12-month) target.

4. The GM will provide quarterly financial reports and a fiscal year-end financial report prepared in accordance with GAAP and including an auditor's opinion.
5. The GM shall report any financially or operationally critical non compliance to the Board no later than five days after learning of the noncompliance. Other instances of noncompliance shall be reported no later than the next Board meeting when the policy in question is scheduled for monitoring.
6. The Board will conduct an annual evaluation of the GM using information presented in the prior year's monitoring reports; feedback from staff, management, and Board members; a self-evaluation from the GM; and/or any other sources the Board deems useful.
 - a. The Board's decisions on the GM's employment contract and remuneration will be based on the annual evaluation.

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| Policy Type: | Board-Management Relationship |
| Policy Title: | D5 – Board Responsibilities in the General Manager’s Absence |
| Last Revised: | December 18, 2017 |

In the event of an emergency absence of the General Manager (GM), the Board will strive to ensure that the Cooperative’s daily operations continue in compliance with these policies and with the least possible inconvenience to staff, members, customers, and vendors.

Accordingly:

1. In the event the Board determines that the GM is unable to perform their duties, the Board shall meet within five (5) days to discuss the status of the GM and the designated Interim General Manager (IGM), as specified by the GM in accordance with Board policy “Continued Operation” (B9).
 - a. At the special meeting, the Board will develop an expected timeline for the return of the GM or the search for a successor;
 - i. either appoint the GM’s designated IGM to assume the responsibilities of the GM, or appoint another person as IGM to assume those responsibilities;
 - ii. instruct the IGM to principally focus on maintaining existing operations and implementing current goals, rather than commencing new projects or significantly changing strategies, except as conditions warrant new responses;
 - iii. establish a plan for internal communications for Cooperative staff, and external communications with members, vendors, press, and the general public;
 - iv. and take whatever further actions are warranted.
2. In the event the GM will not be returning, the Board will appoint a new GM. The Board is not obligated to appoint the IGM to the position.

The GM's choice of IGM shall be reviewed and approved annually by the Board in connection with the monitoring report for Board policy "Continued Operation" (B9).

Appendices

- 1. Conflict of Interest Disclosure form*
- 2. Meeting Expectations*
- 3. Monitoring Decision Tree*

Conflict of Interest Disclosure Form

I agree to abide by Board Policy C7 "Code of Conduct" and any subsequent changes the Board makes to that policy. I understand that if, in the opinion of 2/3 of the Cooperative's Directors, I have violated the letter or spirit of the Code of Conduct, the board has the ability to vote to remove me from the Board in accordance with the Cooperative's By-laws.

According to Policy C7 I have an affirmative duty to disclose my actual and potential conflicts of interests, including relationships (such as with associations, organizations of which our Cooperative is a member, Cooperative employees and vendors) which may pose a conflict of interest in whole or in part with respect to my service on the Board. These are listed below. I understand that I have a duty to disclose any additional actual or potential conflicts that may arise and to abide by Board policy regarding participation in matters under consideration by the Board.

Signature of Director/Candidate

Date

Note: This form is to be completed by all directors annually, within one month following board elections.

rev. 01/14

Meeting Expectations

Meetings typically are held for a two hour block (7-9 PM)

7:00pm-7:10pm - Open discussion time.

- this can be a time to discuss Co-op or non-Co-op related items
- a time to socialize and set the tone for the meeting

7:10pm - Call to Order

- all previous conversation ends
- meeting begins officially
- agenda is followed and notes are recorded

All members are focused and engaged on agenda/discussion.

- no side conversations
- no electronics unless specifically in use for the meeting and item being discussed
- respectful and unemotional conversation
- everyone is empowered
- everyone should contribute

If a time limit for a topic has been reached, we stop and evaluate:

- continue discussion now
- continue discussion later in the same meeting
- table the discussion for a future meeting

Decision Tree for Acting on Internal Monitoring Reports from the General Manager

