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- 2) Mission/Vision Statement
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ENDS POLICY:

To assist the General Manager in the decision-making process, the following values reflect our vision:

In Duluth there is a thriving consumer-owned cooperative that supports, invests, and partners to create a healthy community including, but not limited to, a healthy regional food system.

For whom:

- 1) ***The Community***
 - a. ***Local = Co-op neighborhood***
 - b. ***Local = Twin Ports/North Shore***
- 2) ***The Regional Food System (300 mile radius)***
- 3) ***Cooperatives***

At what cost:

- 1) ***This is a values cost rather than an economic cost/expense of doing business.***
- 2) ***Investing in progress on ENDS cannot take away from pragmatic needs of the Co-op/cannot be to the detriment of efficient operation of the Co-op.***
- 3) ***No negative effect on our core business; for example, would an ENDS expenditure divert suppliers or customers from the Co-op?***
- 4) ***Cooperative principles and Co-op Bylaws require allocation of resources to achieve progress on ENDS be derived from the percentage of profit from non-member purchases; for example, if 30% of purchases by non-members, then 30% of net income is eligible for ENDS allocation and/or education and/or capital reserves.***

This policy will be monitored annually by internal report in April.

Approved by Board of Directors as of January 23, 2001
As amended by Board of Directors as of September 10, 2003
Technical edit accepted by Board of Directors as of April 25, 2005
Technical edits requested by the Board on September 24, 2007
As amended by the Board of Directors on March 23, 2009
As approved by the Board of Directors on January 25, 2010
As amended by the Board of Directors on July 26, 2010

POLICY B GLOBAL: EXECUTIVE LIMITATIONS

EXECUTIVE CONSTRAINT

The General Manager has a fiduciary obligation to the ENDS, the values, the goals and the preferences of the Board. S/he is the means by which the Board achieves its intents and purposes for the agency. Between sessions of the Board, the General Manager acts as a surrogate for the Board. This implies broad but never independent powers.

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

The General Manager may not plan expenditures in any fiscal year that would result in default under any of the cooperative's financing agreements or cause the insolvency of the cooperative.

The General Manager may not allow Member-Owners to be uninformed or misinformed of their benefits, rights and responsibilities.

As approved by the Board of Directors on January 25, 2010.

POLICY B1: EXECUTIVE LIMITATIONS

STAFF TREATMENT

With respect to treatment of paid and volunteer staff, the General Manager may not fail to take reasonable steps to prevent conditions that are unsustainable, inhumane, unfair or undignified.

Accordingly, s/he may not:

1. Fail to take reasonable steps to prevent discrimination or harassment among employees and potential employees based on other than business related criteria, individual performance, and qualifications. Specifically, the manager shall not:
 - 1.1 Fail to take reasonable steps to prevent discrimination or harassment based upon sex, race, age, physical or mental disability, sexual orientation, national origin, marital/parental status or religion.
 - 1.2 Fail to ensure that channels are established and known to staff, to bring claims of harassment or discrimination without fear of retaliation.
2. Fail to provide a positive work environment by:
 - 2.1 Ensuring channels for staff input into decisions about how their work is done;
 - 2.2 Ensuring sufficient tools, information and technology needed for staff to perform their jobs;
 - 2.3 Cultivating a workplace culture that emphasizes recognition and appreciation;
 - 2.4 Regularly obtaining an objective assessment of the employees' perception of the current work environment.
3. Operate nor allow the co-op to operate without written personnel policies including a grievance procedure that are issued to all staff in most current form. The personnel policies must:
 - 3.1 Comply with all applicable laws;
 - 3.2 Protect the co-op's "at will" status and apprise staff that employment is neither permanent nor guaranteed.
 - 3.3 Be adhered to and consistently applied to all employees;
 - 3.4 Be regularly reviewed and updated to ensure current legal compliance;
 - 3.5 Provide for a fair and thorough review of any grievance by means of a known procedure that can be used without bias.
4. Fail to protect staff from unsafe, unhealthy, or illegal conditions.
5. Fail to establish job descriptions for all jobs.
6. Fail to provide adequate orientation and training as needed so staff can successfully perform their jobs.
7. Fail to evaluate each employee at least annually based upon pre-established criteria.
8. Fail to take disciplinary action as needed following established procedures.
9. Fail to provide for appropriate documentation, security, and retention of personnel records and all personnel related decisions.
10. Fail to provide for staff development by:
 - 10.1 Ensuring opportunities for staff to develop skills and knowledge.
 - 10.2 Posting all job openings for staff.

This policy shall be monitored annually by internal report in May.

As approved by the Board of Directors on January 25, 2010.

POLICY B2: EXECUTIVE LIMITATIONS

COMPENSATION AND BENEFITS

With respect to employment, compensation and benefits to employees, consultants, contract workers, and volunteers, the General Manager may not cause or allow conditions that are illegal, unfair, or that jeopardize the Co-op's fiscal integrity or public image. Accordingly, s/he may not fail to:

1. Establish a wage schedule, based upon job responsibilities and the local labor market that is applied consistently to all people and positions.

2. Establish current compensation and benefits that:
 - 2.1 Represent the geographic or professional market for the skills employed.
 - 2.2 Are based on revenues that can be safely projected.
 - 2.3 Represent internal equity.
 - 2.4 Base pay increases upon evaluation of performance.

3. Provide some portion of staff compensation contingent upon the financial performance of the co-op.

This policy shall be monitored annually by internal report in May.

As approved by the Board of Directors on January 25, 2010.

POLICY B3: EXECUTIVE LIMITATIONS
BUDGETING/FINANCIAL PLANNING

The General Manager may not cause or allow business planning and budgeting, for any fiscal year or the remaining part of any fiscal year to deviate materially from the Board's ENDS priorities, risk financial jeopardy, or fail to be derived from a multi-year plan.

Accordingly, s/he may not cause or allow budgeting that:

- 1) Contains too little detail to enable reasonably accurate projection of revenues and expenses, separation of capital and operational items, cash flow, subsequent audit trails and disclosure of planning assumptions.
- 2) Does not project income conservatively and does not constrain budgeted expenses within projected income levels.
- 3) Deviates from the Board's ENDS Statement when making allocations between competing budgetary needs.

This policy shall be monitored annually by internal report in June and monthly on income statements.

As approved by the Board of Directors on January 25, 2010.

**POLICY B4: EXECUTIVE LIMITATIONS
FINANCIAL CONDITION**

With respect to operating the Cooperative in a sound and prudent manner, the General Manager may not jeopardize the long-term financial health of the Cooperative.

Accordingly, s/he may not:

- 1) Cause the Cooperative to incur indebtedness other than trade payables and payroll incurred in the ordinary course of doing business without prior Board approval.
- 2) Use restricted funds for any purpose other than that required by the restriction.
- 3) Settle payroll, taxes, and debts in other than a timely manner.
- 4) Allow expenditures to deviate materially from the Board's ENDS POLICY and budget.

- 5) Fail to disclose a summary of all fiscal activity to the Board.
- 6) Fail to establish a plan by which the Cooperative will achieve a current (A/L) ratio of at least 1.50:1.00 and no more than 3.50:1.00 and, should the current ratio fall below 1.50:1.00 or rise above 3.50:1.00, fail to notify the Board at the next Board meeting of said condition, reasons for said condition, and corrective action/plan to remedy said condition.
- 7) Fail to establish a plan by which the Cooperative will achieve a debt to equity (D/E) ratio of no more than 3.00:1.00 and, should the debt to equity ratio rise above 3.00:1.00 at any time other than during the first year after an expansion, fail to notify the Board at the next Board meeting of said condition, reasons for said condition, and corrective action/plan to remedy said condition.

- 8) Fail to establish a plan by which the Cooperative will achieve a sales growth percentage at least equal to the most current projections/budget for the period of the report and, should the sales growth percentage fall below that goal, fail to notify the Board at the next Board meeting of said condition, reasons for said condition, and corrective action/plan to remedy said condition.
- 9) Fail to establish a plan by which the Cooperative will achieve a gross margin percentage at least equal to the most current projections/budget for the period of the report and, should the gross margin percentage fall below that goal, fail to notify the Board at the next Board meeting of said condition, reasons for said condition, and corrective action/plan to remedy said condition.

- 10) Fail to establish a plan by which the Cooperative will achieve a net profit percentage at least equal to the most current projections/budget for the period of the report and, should the net profit percentage fall below that goal, fail to notify the Board at the next Board meeting of said condition, reasons for said condition, and corrective action/plan to remedy said condition.
- 11) Fail to establish a plan by which the Cooperative will achieve a return on total assets (ROA) ratio at least equal to the most current projections/budget for the period of the report and, should the return on total assets ratio fall below that goal, fail to notify the Board at the next Board meeting of said condition, reasons for said condition, and corrective action/plan to remedy said condition.

- 12) Make capital expenditures without specific Board approval for purchases in excess of Five Thousand (\$5,000) Dollars.

This policy shall be monitored quarterly by internal report in January, April, August and October, and monitored by external audit as required by Policy B5 Asset Protection.

As approved by the Board of Directors on January 25, 2010

POLICY B5: EXECUTIVE LIMITATIONS

ASSET PROTECTION

To prevent disrepair, excessive risk, untraceable transactions or conflict of interest in the management of the Cooperative's resources, the General Manager may not:

- 1) Fail to allow insurance coverage for business interruption and for inventory, building, furniture, and equipment to fall below replacement value.
- 2) Allow directors and officers liability insurance coverage to lapse.
- 3) Fail to maintain a readily accessible savings balance equal to twice the average gross bi-weekly payroll and payroll taxes.
- 4) Fail to conduct outside financial audit in even-numbered fiscal years (e.g., FY 2008, FY 2010).
- 5) Fail to apply credits, bonuses or discounts (e.g., frequent flyer miles, room rate reductions, speaker fees) resulting from expense paid by the Cooperative, on behalf of Member-Owners, staff or Board, to reduce the Cooperative's expenses.
- 6) Permit cash to be handled in an insecure manner.
- 7) Receive, process or disburse funds under controls insufficient to meet the Board-appointed auditor's standards.
- 8) Allow any one individual to have complete authority over a financial transaction.
- 9) Allow abuse or misuse of the Cooperative's assets including, but not limited to, improper maintenance of building and equipment.
- 10) Fail to ensure that the Cooperative's assets are not subject to theft or unaccountable/unacceptable amount of loss.
- 11) Fail to ensure a security system and safeguards against theft, loss or damage of property are in place.
- 12) Fail to deposit the Cooperative's funds in institutions that are monitored for financial stability. (Federal Deposit Insurance Corporation coverage is not required on all accounts.)
- 13) Allow lack of due diligence in contracts and real estate acquisitions.
- 14) Allow improper usage of the personal information of Member-Owners and customers.

This policy shall be monitored annually by internal report in February.

As approved by the Board of Directors on January 25, 2010.

POLICY B6: EXECUTIVE LIMITATIONS

COMMUNICATION AND COUNSEL TO THE BOARD

With respect to providing information and counsel to the Board, the General Manager may not cause or allow the Board to be uninformed or misinformed.

Accordingly, s/he may not fail to:

- 1) Make the Board aware of relevant trends, public events of the organization or internal and external changes, which affect the assumptions upon which Board policy has previously been submitted.
- 2) Submit timely, accurate and understandable monitoring data required by Board policy under MONITORING PERFORMANCE.
- 3) Gather and provide information to the Board as needed and as requested for fully informed Board decisions.
- 4) Inform the Board if, in the General Manager's opinion, any of the Board's policies should be clarified, amended, deleted or made more specific.
- 5) Provide the Board with sufficient administrative staff to support governance activities and Board communication.
- 6) Should the General Manager deem it necessary to violate Board policy, report all violations of Board policy to the Board as soon as possible.

This policy shall be monitored annually by internal report in February.

As approved by the Board of Directors on January 25, 2010.

POLICY B7: EXECUTIVE LIMITATIONS
EMERGENCY MANAGEMENT SUCCESSION

The General Manager shall not operate without a plan for emergency management succession.

Accordingly, the General Manager shall not fail to:

- 1) Maintain a life insurance policy on the General Manager and/or the Interim General Manager payable to the Cooperative to cover succession costs.
- 2) Establish a “chain of command” to be used at any time the General Manager is unable to serve (planned or emergency absence).
- 3) Identify said persons to the Board and require the next-in-charge to attend at least one Board meeting every six months and to attend Board orientations.
- 4) Establish and document systems and procedures so that others can find information needed to meet the Cooperative’s obligations in a planned or emergency General Manager absence.
- 5) Actively prepare through training, coaching, development, and access to information at least one staff member who could be a candidate for General Manager if needed.

This policy shall be monitored annually by internal report in April.

Approved by Board of Directors as of January 23, 2001
Approved as amended by Board of Directors on April 25, 2005
Technical edits requested by the Board on September 24, 2007
As approved by the Board of Directors on January 25, 2010

POLICY B8: EXECUTIVE LIMITATIONS

TREATMENT OF CONSUMERS

The General Manager will not be disrespectful nor fail to respond to customer concerns.

Accordingly, the General Manager will not:

- 1) Operate without a system for soliciting and considering customer opinion regarding preferences, product requests, complaints and suggestions.
- 2) Allow an unsafe shopping experience for our customers.

This policy shall be monitored annually by internal report in October.

As approved by the Board of Directors on January 25, 2010

POLICY B9: EXECUTIVE LIMITATIONS

RELOCATION POLICY

(Note: Relocation Policy B9 was retired by the Board of Directors on April 25, 2005.)

The General Manager shall not fail to ensure the following in planning and implementing the cooperative's move to a larger location to better fulfill its mission:

- 1) Site Selection – The Co-op will not give preference to a site which does not have the potential to attract new Member-Owners, and enough customers to successfully support its operations. More specifically:
 - 1.A Sites with good access to public transit, walking, biking and other alternative modes of transportation are preferred.
 - 1.B Selected site must provide sufficient car and bicycle parking access. In addition, sites with good access to public transportation are preferred.
 - 1.C Selected site must show strong promise for being developed into a store with a lay-out, product selection, overall ambience, and sense of community, which will put us in a strong competitive position vis a vis our Member-Owners.
 - 1.D Selected site must have enough space for on site management office.
 - 1.E The new store will include meeting/education space as is economically feasible.
 - 1.F Project must meet all applicable zoning requirements.
 - 1.G The selected site will have the potential to develop a store that fosters a sense of community.
 - 1.H The selected site will not have any environmental liability issues that are not resolvable within the project budget.

- 2) Cost – Project cost will not increase debt to equity ratio to above 3.0 to 1 initially and for a time not to exceed the first year of operation.
 - 2.A Realistic projections must show a debt to equity ratio of 2:1 or less within 24 months after completion of the project.
 - 2.B Construction contracts will be fixed price contracts only.
 - 2.C Only licensed contractors with successful track records doing similar size and similar type of projects may be used.
 - 2.D Total project cost must be based upon a budget that includes a contingency of at least 10%.

- 3) Financing – Owner financing, financial institution loans, vendor credit, equipment leasing and landlord leasing financing will not be used in a combination other than that which is most economical in the long term for owners.
 - 3.A Financing must be realistically projected and must be reviewed by an external person with experience in managing a project of this scale.
 - 3.A.1 Project budget and financing plan must include a contingency of at least 10% of the total project cost.
 - 3.B Project may not rely on an increase of Member-Owner equity greater than 100% without a detailed, realistic plan for achieving the increase.

- 4) Profit and Cash Flow – The expansion plans may not fail to project profitability of 1% of sales for the second year, 1.5% by the third year of operation, and 2% by the fourth year.
 - 4.A If expansion is a project greater than \$500,000, pro formas must be based on a professionally prepared market study, performed by consultants with a track record of success in projecting natural food grocery sales.
 - 4.B Conservative cash projections shall not fail to clearly demonstrate the ability to pay off all finance sources as contracted.
 - 4.C Conservative projections shall not show the current ratio falling below 1.25 at any time during the project.

- 4.D Projections must be prepared for income statement, cash flow and balance sheet for the 5 years following the project.
- 5) Timing and approval – The Manager may not enter into debt to finance the project without the Board's approval.
 - 5.A The Manager may not enter into a lease or site purchase agreement without a commitment on financing and Board approval.
 - 5.B The Manager may not cause or allow construction or demolition to occur prior to closing of financing.
 - 5.C The Manager may not proceed with the project without a Board decision on the total project cost and sources and uses plan.
- 6) Capacity – The project may not exceed the Co-op's capacity to operate the new store successfully.
 - 6.A Management, marketing, operational systems, accounting, and organization capacity must all be analyzed and enhanced to ensure that they meet the new capacity requirements.
- 7) Environmental implications – The expansion project shall not fail to endeavor to minimize the impact of our operation on the environment.
 - 7.A Other things being equal, when choices are made that will affect resource use (e.g., energy, land), the more resource efficient and/or less polluting choice will be preferred provided that the more resource efficient and/or less polluting choice has been proven effective and efficient in comparable commercial settings.
 - 7.B When there is a cost difference, a more environmentally sound choice is preferred if the cost difference is less than 10% or if the cost difference will be recovered within five years according to the formula to be devised by the Board and provided that the more environmentally sound choice has been proven effective and efficient in comparable commercial settings.
- 8) Viability – The Co-op must not fail to be responsive in product selection, pricing, and service levels to ensure sufficient levels of gross sales and net profit.
 - 8.A Market forces that could affect the success of the store must be monitored and responded to. These forces include new food stores in our trade area, format changes in existing food stores in our trade area, economic trends in our trade area and traffic patterns in immediate vicinity.
- 9) Communication – The Manager shall not fail to advise the Board of significant progress toward the move including quarterly revisions of time lines and sources and uses projections, and general updates monthly.
- 10) Interim Priorities – During the planning time for the relocation, the Manager may not fail to maintain profitability in the current store operations, nor fail to maintain staff morale, and nor fail to build an effective and resilient management team.

This policy will be monitored quarterly by internal report in _____.

Approved by Board of Directors As of January 23, 2001
And as edited February 26, 2002
Technical edit approved as of June 2, 2003
Amended by the Board of Directors on March 22, 2004
Retired by the Board of Directors on April 25, 2005

POLICY B10: EXECUTIVE LIMITATIONS

COMMUNITY COMMITMENT/ENVIRONMENTAL POLICY

The General Manager shall not fail to take measures to ensure that WFC activities and practices do not unduly damage the environment.

The General Manager shall not fail to:

- 1) Minimize or eliminate any release of pollutants.
- 2) Minimize the creation of waste through reduction, reuse and recycling.
- 3) Ensure that all waste is disposed of through safe and responsible methods.
- 4) Minimize the use of non-renewable energy through improved efficiency and conservation.
- 5) Encourage patrons to access the store by modes of transportation that reduce fuel consumption and pollution caused by vehicles.

This policy will be monitored annually by internal report in October.

Approved by Board of Directors as of January 23, 2001
Technical edits requested by the Board on September 24, 2007
As approved by the Board of Directors on January 25, 2010

POLICY B11: EXECUTIVE LIMITATIONS

PEER ACCOUNTABILITY

The General Manager may not cause or allow the cooperative to be out of compliance with standards and expectations established by the National Cooperative Grocers Association (NCGA) or of our NCGA corridor.

Accordingly, he/she may not:

- 1) Fail to attend and participate in NCGA or corridor:
 - a. Phone conferences
 - b. Meetings
 - c. Surveys
 - d. Reporting requirements
 - e. Assigned store audits
- 2) Fail to report to the Board on actions taken in NCGA or corridor meetings including how those actions will:
 - a. Impact the Co-op's financial well-being and/or
 - b. How the Co-op will comply with the provisions of those actions.
- 3) Fail to include in the Co-op's annual budget for allocation of resources to ensure:
 - a. Management participation in NCGA or corridor meetings/trainings,
 - b. Operational participation in available NCGA or corridor programs that benefit the Co-op,
and
 - c. Required equity and/or liability fund payments.

This policy will be monitored annually by internal report in October.

Approved by the Board of Directors on March 27, 2006
Technical edits requested by the Board on September 24, 2007
Approved as amended by Board of Directors on July 28, 2008
As approved by the Board of Directors on January 25, 2010

POLICY C GLOBAL: BOARD-GENERAL MANAGER RELATIONSHIP

BOARD-GENERAL MANAGER CONNECTION

The Board's sole official connection to the operations of the cooperative will be through the General Manager.

As approved by the Board of Directors on January 25, 2010

POLICY C1: BOARD-GENERAL MANAGER RELATIONSHIP

UNITY OF CONTROL

Only decisions of the Board acting as a body are binding on the General Manager.

Accordingly,

- 1) Decisions or instructions of individual Board members, officers or committees are not binding on the General Manager except in rare instances when the Board has specifically authorized such exercise of authority.
- 2) In the case of Board members or committees requesting information or assistance without Board authorization, the General Manager can refuse such requests that in the General Manager's opinion require material amount of staff time, funds or are disruptive.
- 3) The General Manager will not withhold his/her opinion if the General Manager believes the Board is not in compliance with its own policies on Governance Process and Board-General Manager Relationship, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the General Manager.
- 4) The General Manager will not deal with the Board in a way that favors or privileges certain Board members over others except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the Board.

This policy will be monitored annually by internal report of the Board President and the General Manager in January.

Approved by Board of Directors as of January 23, 2001
Technical edit accepted by Board of Directors on April 25, 2005
Technical edits requested by the Board on September 24, 2007
As approved by the Board of Directors on January 25, 2010

POLICY C2: BOARD-GENERAL MANAGER RELATIONSHIP

DELEGATION TO THE GENERAL MANAGER

The Board delegates authority to the General Manager through written ENDS and Executive Limitations policies.

- 1) The General Manager is authorized to establish all operational policies, make all decisions, take all actions and develop all activities that are consistent with the Board's policies. The Board may, by extending its policies, "un-delegate" areas of the General Manager's authority, but will respect the General Manager's choices so long as the delegation continues. This does not prevent the Board from obtaining information about activities in the delegated areas.
- 2) The General Manager may not perform, allow or cause to be performed any act which is contrary to the explicit Board constraints (see Executive Limitations policies) on executive authority.
- 3) If the Board approves a change in an ENDS or Executive Limitations policy, the change is effective in the next reporting cycle.

This policy will be monitored annually by internal report of the Board President and the General Manager in January.

Approved by Board of Directors as of January 23, 2001
Technical edit accepted by Board of Directors on April 25, 2005
Technical edits requested by the Board on September 24, 2007
As approved by the Board of Directors on January 25, 2010

POLICY C₃: BOARD-GENERAL MANAGER RELATIONSHIP

GENERAL MANAGER JOB CONTRIBUTION

The General Manager is the Board's only link to operational achievement and conduct.

Consequently, the General Manager's job contribution can be stated as performance in only two areas:

- 1) Accomplishment of the Board policies on Ends.
- 2) Organizational operation within the boundaries of prudence and ethics established in Board policies on Executive Limitations.
- 3) The Board will not instruct or evaluate any employee other than the General Manager.

This policy will be monitored annually by internal report from the Board President and the General Manager in January.

Approved by Board of Directors as of January 23, 2001
As Amended and Approved by the Board of Directors as of March 26, 2002
Technical edit accepted by Board of Directors on April 25, 2005
Technical edits requested by the Board on September 24, 2007
As approved by the Board of Directors on January 25, 2010

POLICY C4: BOARD-GENERAL MANAGER RELATIONSHIP

MONITORING GENERAL MANAGER PERFORMANCE

The Board will systematically and rigorously monitor and evaluate the General Manager's job performance.

- 1) Monitoring is how the Board determines the degree to which the General manager is following Board policies. Information that does not directly relate to ENDS or Executive Limitations Policies is not monitoring information.
- 2) The Board will acquire monitoring information by one or more of three methods:
 - a. By internal report, in which the General Manager discloses 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 criteria.
- 3) In every case, the standard for compliance will be any reasonable General Manager interpretation (as described by operational definitions and metrics) of the Board policy being monitored. The Board is the final arbiter of reasonableness but will always judge with a "reasonable person" test rather than with interpretations favored by individual directors.
- 4) The General Manager is compliant with a policy if he/she presents a reasonable interpretation and adequate data that demonstrate accomplishment of that interpretation.
- 5) The Board will monitor all policies that instruct the General Manager. The Board can monitor any policy at any time by any method but will ordinarily follow the schedule outlined in the Board's annual calendar.
- 6) The Board's annual evaluation of the General Manager, based on a summary of monitoring reports received from **(date)** through **(date)**, will be completed by **(date)**. The Board will make its decisions concerning the evaluation, the employment contract, and compensation no later than **(date)**.

This policy will be monitored annually by internal report from the Board President and the General Manager in January.

As approved by the Board of Directors on January 25, 2010

POLICY D GLOBAL: GOVERNANCE PROCESS

BOARD PROCESS

Acting on behalf of our Owners, the Board ensures that our cooperative produces benefit and value while avoiding unacceptable actions and situations.

As approved by the Board of Directors on January 25, 2010

POLICY D1: GOVERNANCE PROCESS

GOVERNING STYLE

The Board will emphasize strategic leadership more than administrative detail; it will recognize the clear distinction between Board and staff roles; it will focus on the future rather than past or present; and, it will act, rather than react.

In this spirit, the Board will:

- 1) Focus primarily on long-term impacts (ENDS), not on the means of achieving them.
- 2) Guide the organization by establishing broad values and perspectives, as reflected in its policies. Policies will address
 - a) ENDS: Which benefits for whom at what cost
 - b) Executive Limitations: boundaries of prudence and ethics observed by staff
 - c) Board-General Manager Relationship
 - d) Governance Process: Board role and responsibilities
- 3) Interpret and enforce personnel and employment policies that apply to the General Manager.
- 4) Govern with excellence, as ensured by appropriate discipline. Discipline will apply to attendance, policy-making principles, respect for clarified roles, and speaking with one voice. The Board shall self-police any tendency to stray from governance as adopted in its policies.
- 5) Solicit Owner input and involvement in the cooperative. Be accountable to Owners and the general public by conscientiously discharging its responsibilities and obligations.
- 6) Report periodically to the Owners on its activities and decisions. At least annually, the Board shall disseminate a statement of its values and a report of its financial resources and how those resources have been translated into services.
- 7) Systematically monitor and discuss its process and performance. Ensure its continual improvement through regular director training.
- 8) Initiate policy and not merely react to staff initiatives. The Board, not the staff, will be responsible for Board performance.

This policy will be monitored annually by internal report in July.

As approved by the Board of Directors on January 25, 2010

POLICY D2: GOVERNANCE PROCESS

BOARD JOB PRODUCTS

The Board will lead the organization toward the desired performance and assure that it occurs. The Board's specific contributions will reflect its trusteeship role and the necessity for proper governance and management.

Consequently, the "products" or job contributions of the Board will be:

- 1) Create and sustain a relationship with Owners.
- 2) Written governing policies which, at the broadest levels, address:
 - a. ENDS: Organizational products, impacts, benefits, outcomes (what benefits for whom at what cost).
 - b. Executive Limitations: The General Manager shall not cause or allow any practice, decision or organizational circumstance that is unlawful, imprudent or in violation of commonly accepted business and professional ethics and practices or in violation of the Cooperative Principles.
 - c. Board-General Manager Relationship: The Board's sole official connection to the operations of the cooperative will be through the General Manager.
 - d. Governance Process: Acting on behalf of our Owners, the Board ensures that our cooperative produces benefit and value while avoiding unacceptable actions and situations.
- 3) The assurance of General Manager performance (against policies 2)a and 2)b above).
- 4) Progress on annual goals for calendar 2011:
 - a. Conduct studies of:
 - i. The Farm Bill in preparation for vote coming in 2012 (Feb, Mar, April 2011 meetings).
 - a. Write Gazette article for issue mailed in September 2011.
 - ii. Sustainability and food issues (May, June, July 2011 meetings).
 - iii. Population/demographics issues (Aug, Sept, Oct 2011 meetings).
 - a. Incorporate results of 2011 shopper survey.
 - b. Engage Owners
 - i. Conduct listening/learning events, e.g., films, focus groups, dinner with the Board.
 - ii. Sponsor social events, possibly as fundraisers, e.g., band at Clyde Iron.
 - c. Monitor ENDS
 - i. Use ENDS Compliance Report as a study tool (April 2011 meeting).
 - d. Develop a constantly renewing three (3) year plan by December 2011 meeting.
 - e. With respect to all of the subsections under this Section 4, check and reassess the effectiveness of the tools we use (e.g., did everyone get to speak, look for ways to improve).

This policy will be monitored annually by internal report from the Board in February.

As approved by the Board of Directors on January 25, 2010
As amended by the Board of Directors on April 26, 2010
As amended by the Board of Directors on April 25, 2011

POLICY D3: GOVERNANCE PROCESS

OFFICERS' ROLES

We will elect officers in order to accomplish our job.

- 1) No officer has any authority to supervise or direct the General Manager.
- 2) Officers may delegate their authority but remain accountable for its use.
- 3) Board officers will be elected annually in October.
- 4) The President ensures the Board acts consistently with Board policies.
 - a. The President is the only person authorized to represent Board decisions, except for communications between the General Manager and the staff, other than in rare and specifically authorized instances.
 - b. The President will chair (e.g., ruling, recognizing) and set the agenda for Board meetings and will ensure that meeting discussion content will only include those issues which, according to Board policy, clearly belong to the Board to decide, not the General Manager.
 - c. The President will ensure that meeting deliberations are timely, fair, orderly and thorough, but also efficient, limited to time and kept to the point; the President will ensure time for expression of alternate/diverse views.
 - d. The President will observe Roberts' Rules of Order except where the Board has superseded those rules with policy statements.
- 5) Although officer succession and leadership development are the ultimate responsibility of the entire Board, the President has a special role to play.
 - a. The President will offer regular leadership opportunities to Board members and, thereby, encourage others to "step up" and become the next generation of leaders.
 - b. At least semi-annually, officers will report to the Board and discuss their plans for remaining or leaving office and the President will open a discussion regarding leadership continuity and officer succession.
- 6) The authority of the President includes representing any Board decision on behalf of the Board that falls within or is consistent with Board policies on Governance Process and on the Board-General Manager Relationship.
 - a. The President's authority does not extend to making decisions within ENDS and Executive Limitations policy areas, each of which is within the purview of the General Manager.
 - b. The President may represent the whole Board at All-Staff meetings or may delegate that authority to another Board member; the Board may not instruct or evaluate any employee other than the General Manager.
 - c. The President shall sign, with the Secretary or as delegated, all notes, deeds and conveyances of real estate, contracts and, as applicable, certificates of stock of the cooperative.
- 7) The Vice President shall perform the President's duties in the absence or disability of the President.
- 8) The Secretary shall:
 - a. Ensure that a complete record of the meetings of the cooperative and of the Board is kept.
 - b. Sign as Secretary, with the President or as delegated, all notes, deeds and conveyances of real estate, contracts and, as applicable, certificates of stock of the cooperative.
 - c. Ensure that an annual report of the most recently ended fiscal year is prepared and submitted to the Owners by mail and/or at the Annual Meeting.
 - d. Serve or cause to be served and attest to all notices required by law.
 - e. Perform such other duties as may be required by the cooperative or its Board.
- 9) The Treasurer shall:

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- a. Ensure the receipt and disbursement of all funds of the cooperative.
- b. Ensure that complete records of all financial transactions of the cooperative are kept.
- c. Perform such other duties as may be required by the cooperative or its Board.

This policy will be monitored annually by internal report in November. Each Board officer will submit her/his responses to relevant policy points to the one Board member assigned to compile the report.

As approved by the Board of Directors on February 22, 2010
As amended by the Board of Directors on November 28, 2011

POLICY D4: GOVERNANCE PROCESS

BOARD MEMBERS' CODE OF CONDUCT

The Board expects ethical, businesslike and lawful conduct by directors. Each director shall act in good faith; shall act in a manner in which she/he believes to be in the best interests of the cooperative; and shall use such care as a prudent person in the same position would be expected to use under similar circumstances.

- 1) Directors will demonstrate undivided loyalty towards the interests of Owners. This means putting the cooperative in "first position" when there are possible conflicts with a director's other interests. This accountability supersedes any interests a director has as an individual Owner.
- 2) Any director who is also a cooperative employee has the same duties and responsibilities as any other director including representing the Owners as a whole and has the additional duty of clearly segregating staff and Board responsibilities. There is no staff representative position on the Board.
 - a. A director who is also an employee of the cooperative shall follow this Policy D4 at all times, including while working at the cooperative.
 - b. If a director who is also an employee of the cooperative becomes subject to employee performance concerns, including but not limited to written warnings or at-risk status due to substandard performance of his/her duties as an employee, the Board President may require that director to take a leave of absence from the Board until the President is satisfied performance concerns no longer exist.
 - c. A director who is also an employee of the cooperative shall not serve as Board President nor serve on the General Manager Evaluation Committee or any Personnel Committee of the Board.
 - d. If the cooperative terminates the employment of a director who is also a cooperative employee, that person shall no longer serve on the Board.
 - e. A director shall resign from the Board before she/he applies for employment at the cooperative.
 - f. A director who is also an employee of the cooperative shall recognize that contributing to discussions and decisions that deal with personnel policies and employment conditions of other cooperative employees represents an automatic conflict of interest.
- 3) With respect to their fiduciary responsibilities, directors must avoid any conflict of interest or even the appearance of a conflict.
 - a. There will be no self-dealing or any conduct of private business or personal services between a director and the cooperative unless this is done with the greatest possible openness, with the need to compete with all others, and without the use of any "inside" information.
 - b. Directors must not use their position to obtain employment with the cooperative for themselves, family members or close associations.
 - c. At the outset of any discussion where a real or perceived conflict of interest may exist, director shall alert the Board of the conflict, and the official Minutes shall reflect this notification.
 - d. When the Board is to decide on an issue about which a director has a conflict of interest, that director shall leave the room, abstaining from the discussion and from the vote, and the official Minutes shall reflect this action.
 - e. Each director shall annually sign a declaration of Possible Conflict of Interest disclosing any possible conflict of interest.
- 4) Directors must not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.
 - a. When a director interacts with the public, press or other entities, he/she must recognize the same limitations and similar inability of any director to speak for the Board.
 - b. A director shall make no judgments of the General Manager or staff performance except as

that performance is assessed against explicit Board policies by the official press.

- 5) Directors shall respect the confidentiality appropriate to sensitive issues, such as personnel, real estate transactions, etc., and must continue to honor this confidentiality even after leaving Board service.
- 6) Directors will prepare for and attend Board meetings in accordance with the Bylaws.
- 7) Directors will prepare for and attend Board-directed training and education.
- 8) A vote of at least five directors shall determine if violations of this policy are serious enough to remove one of its members from the Board.

This policy will be monitored annually by internal report in October. Each Board member will submit her/his responses to each policy point to the one Board member assigned to compile the report.

As approved by the Board of Directors on January 25, 2010
As amended by the Board of Directors on December 27, 2010
As amended by the Board of Directors on November 28, 2011

POLICY D5: GOVERNANCE PROCESS

BOARD COMMITTEES

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

1. Committees will reinforce and support the wholeness of the board.
 - a. In particular, committees help the whole Board move forward when they research alternatives and bring back options and information.
 - b. The primary product of committee work is in the form of recommendations to the Board.
 - i. Committee recommendations are sent to all directors and to the General Manager.
 - ii. Reports of committee meetings are sent to committee members with a copy kept in an electronic file accessible to all directors; reports are also available at Board meetings and sent to Board members on request.
2. Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes.
3. The Board will establish, regularly review and control committee responsibilities in written committee charters or as defined in meeting Minutes.
 - a. We will carefully state committee expectations and authority to make sure they do not conflict with authority delegated to the General Manager.
 - b. Board committees cannot exercise authority over staff and Board committees will not ordinarily have direct dealings with current staff operations. The Board will not impede its direct delegation to the General Manager by requiring approval of a Board committee before an executive action. The General Manager works for the Board, never for a Board committee or officer.
 - c. Committees may consist of Owners who volunteer to serve on them, a director assigned by the Board, and any other person assigned by the Board. More than one director may serve on each committee.
 - i. Exception: Only directors, who are not also employees of the cooperative, shall serve on the General Manager Evaluation Committee or Personnel Committee.
 - ii. A committee member who misses three consecutive meetings or all meetings in a twelve (12) month period is presumed to have resigned from the committee. The General Manager is responsible for sending and posting timely notice of committee meetings.

This policy will be monitored annually by internal report in July.

As approved by the Board of Directors on January 25, 2010

POLICY D6: GOVERNANCE PROCESS

BOARD MEETINGS

Board meetings are for the single task of getting the Board's job done.

- 1) Meetings will be open to the Owners except when closed session is officially announced. Closed session will only be used when the subject matter is related to litigation, personnel, real estate transactions or, at the Board's discretion, other strategically sensitive items including visioning and planning. The Board may exclude administrative staff from closed sessions in which event the Board Secretary can record any decisions made.
- 2) Any Board member may request a closed session, but:
 - a. The purpose of such session must be stated.
 - b. The Board may include anyone it chooses.
 - c. Authority to declare the session is vested in the President unless overridden by simple majority.
 - d. Documentation that a closed meeting was conducted will be noted in the Minutes of the overlapping open Board meeting, if any.
 - e. Documentation of the time, date, attendees, purpose and outcome of any closed meeting will be included in Minutes of the closed meeting that will be maintained in restricted files of the cooperative and will not be posted to the Owners.
 - f. When possible, announcement of closed session should be on the published agenda.
- 3) Agenda Control: the Board is the sole authority over its agenda. The President will exercise this control on behalf of the Board, but any Board member – with the majority agreeing – may add or delete items from the agenda within the following constraints:
 - a. The President and General Manager will meet at least two (2) weeks prior to the scheduled Board meeting date to set the agenda.
 - b. The agenda will be mailed to Board members at least five (5) days prior to the scheduled Board meeting date.
 - c. Any Owner may request an addition to the Board's agenda prior to the Agenda Setting Meeting. Such agenda items will be subject to time constraints at the Board Meeting.
 - d. The Board meetings shall be the same day and time every month subject to change due to holidays.
- 4) Agenda Content: Only issues within the Board's legal responsibilities and its chosen areas of responsibility shall consume Board time. That is, the Board will work on the Board's job, not on the staff's job, though the Board may review staff performance against Board policies at any time it chooses. Meetings shall be concluded with an evaluation on procedure and attention to all of the agenda items.
- 5) Board members are obliged to prepare for meetings and to participate productively in the discussion, always within the boundaries of discipline established by the Board.
- 6) It is the primary responsibility of all Board members to educate themselves on the issues that come before them in their official capacity as members of the Board. Therefore, all Board members are expected to adequately prepare and educate themselves on issues that come up for a vote. Since the welfare of WFC as well as liability for Board actions ultimately falls upon all Board members, this is a serious matter of personal responsibility and discretion. To help ensure adequately informed decisions:
 - a. If an issue comes to a vote and an individual Board member is not adequately prepared to vote on the issue or, for any other reason, feels unprepared to make an informed decision, s/he shall abstain from voting.
 - b. If a quorum cannot be achieved because a majority of Board members abstain from voting on an issue, the vote will be postponed until a quorum is prepared to vote on it.
 - c. A Board member must be present at the Board meeting in order to vote on an item.

- 7) The Board will adhere to Roberts' Rules of Order when there are the questions of procedure. Whenever possible decisions will be made by consensus. If the Board cannot reach consensus, decisions may be made by majority vote.
 - a. In an effort to strengthen the consensus process and ensure that all facets of an argument are heard, the following questions should be asked during the discussion:
 - Did everyone get to speak who wanted to speak to a particular issues?
 - Have we heard the opinion that challenges the wisdom of the day regarding this issue?
 - Have all opinions been heard – especially those not present in this room?

This policy will be monitored annually by internal report in July.

Approved by Board of Directors as of October 23, 2001
Approved as amended by the Board of Directors on April 25, 2005
Technical edits requested by the Board on September 24, 2007
As approved by the Board of Directors on January 25, 2010
As amended by the Board of Directors on August 23, 2010

POLICY D7: GOVERNANCE PROCESS

GOVERNANCE INVESTMENT

We will invest in the Board's governance capacity by:

1. Ensuring that Board skills, methods and supports are sufficient to allow us to govern with excellence.
 - a. At least annually, the Board will offer professionally facilitated planning retreats and/or participation in other board and/or cooperative training opportunities like the Cooperative Board Leadership Development/CBLD program sponsored by Cooperative Development Services or the annual conference of the Consumer Cooperative Management Association/CCMA.
 - b. Including an item in the governance budget for "additional training opportunities"; with Board approval, directors are encouraged to participate in meetings and activities they feel complements their work on the Board.
2. Incurring governance costs prudently, though not at the expense of endangering the development and maintenance of superior capability.
 - a. Using training and retraining liberally to orient new directors and to maintain and increase existing directors' skills and understandings.
 - i. Prior to the first Board meeting after an election, at least two Board officers and the General Manager will meet with new directors to:
 1. Review the Board's wiki site including, but not limited to, the Articles, Bylaws, Policies, Minutes, pre-meeting packets and other reports.
 2. Orient new directors to policy governance, financial reports, Board ethics, potential for conflicts of interest and the need for confidentiality with respect to Board participation.
 3. Describe committees and recruit new directors to serve on committees.
 - ii. Following the first Board meeting, discuss any questions with new directors.
 - iii. Conduct at least one interim interview with newly elected directors during the first year of Board service as part of the orientation process.
 - iv. Conduct exit interviews of outgoing directors as part of on-going improvement of the orientation process and Board development.
 - b. Arranging outside monitoring assistance as necessary so that the Board can exercise confident control over organizational performance.
 - c. Using outreach mechanisms as needed to ensure our ability to listen to owner viewpoints and values.
 - d. Using professional and administrative support.
3. Relative to the cooperative's budget cycle, developing the Board's annual governance budget no later than April 30.

This policy will be monitored annually by internal report in June.

As approved by the Board of Directors on January 25, 2010
As amended by the Board of Directors on September 26, 2011

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POLICY D8: GOVERNANCE PROCESS

MINUTES PROCEDURE

The Board Secretary shall not fail to ensure that the following procedures relating to the Minutes of all Board and Annual Owner meetings are observed:

BOARD OF DIRECTORS MEETINGS:

- 1) Minutes are taken or recorded and a draft thereof is e-mailed or mailed to each Director and to the General Manager within five (5) days of the meeting.
- 2) Directors and General Manager review the draft Minutes and recommend any changes up until five (5) days before the next Board meeting.
- 3) Changes are incorporated in a second draft that is submitted as revised for approval at the next Board meeting.
- 4) Approved Minutes of most recent meetings will be made available to Owners by posting in a designated area in the store. A permanent file of Board and Owner meeting Minutes will be maintained indefinitely in the cooperative's business office.

ANNUAL AND/OR SPECIAL MEMBER-OWNERSHIP MEETINGS:

- 1) Minutes are taken or recorded and a draft thereof is e-mailed or mailed to each Director and to the General Manager within five (5) days of the meeting.
- 2) Directors and General Manager review the draft Minutes and recommend any changes up until five (5) days before the next Board meeting.
- 3) Changes are incorporated in a second draft that is submitted as revised for review at the next Board meeting.
- 4) Board-reviewed Minutes of Annual and/or Special Owners Meetings are published for approval in the next Annual Report along with a request that any questions or revisions be delivered to the Board secretary prior to, or during, the next Annual Owners meeting.
- 5) Minutes of the prior year's Annual and/or Special Owners Meetings will be approved by a vote at the next Annual Meeting if a quorum is present. If a quorum is not present, minutes of the prior year's Annual and/or Special Owners Meetings will be acknowledged as duly presented for Owner review and approval and will be filed in the official Minute book.

This policy is monitored annually by internal report in July.

As approved by the Board of Directors on January 25, 2010

POLICY D9: GOVERNANCE PROCESS

SEARCH COMMITTEE

- 1) In the event of a vacancy for the position of General Manager, the Board will:
 - a. Appoint an Interim General Manager to maintain day-to-day operations, to report to the Board as required by Executive Limitations Policies and to, as appropriate, orient a new General Manager hired by the Board.
 - b. Establish a Search Committee including, but not limited to: the Board president or vice president, one other Board member and, in a consulting role, the Human Resources Manager.

- 2) Responsibilities of the Search Committee:
 - a. Employ the services of a professional personnel consultant, as needed, for assistance in any aspect of the Search Committee's work.
 - b. Draft job description, job requirements and proposed compensation.
 - c. Develop a budget, which shall include advertising and candidate travel expenses and develop a timeline for the search process.
 - d. Submit these proposals for approval by the full Board.
 - e. Place ads, screen responses, check references, develop interview questions.
 - f. Select candidate(s) to be interviewed, make travel arrangements for out-of-town candidates, and conduct interviews.
 - g. Make hiring recommendations to the Board.

This policy is monitored annually in January.

As approved by the Board of Directors on January 25, 2010

POLICY D10: GOVERNANCE PROCESS

BOARD RECRUITMENT AND ELECTION BALLOT COMMITTEE

In order to ensure perpetuation of this cooperative, the Board will recruit WFC Owners to run for the Board, ensure fair and equal access for eligible candidates for the Board, and ensure candidates who will lead the organization toward progress on ENDS and understand the trusteeship role and necessity for proper governance and management.

- 1) Establish a Board Recruitment and Election Ballot Committee consisting of at least three Board members to:
 - a) Coordinate recruitment process as follows:
 - i) In election years: Identify potential applicants, targeting qualifications as needed. Solicit names of potential applicants and publicize the need for applicants.
 - ii) In February of election years: Review application materials, revise if needed and present for approval at the February Board meeting. Include the following requirements in application materials:
 - (1) Minimum of 90 days of consecutive membership prior to submission deadline,
 - (2) Attendance at two of the 12 most recent Board meetings prior to submission deadline, and
 - (3) Submission of recent candidate photo and completed application, suitable for publication, by August 1.
 - iii) March, April and May: Personally contact potential candidates and send application packet to those who will consider running. Promote call for applicants in the store, in the newsletter and on the web site. Offer application packet in the store and on the web site.
 - iv) August 1 submission deadline: Application and recent applicant photo are due at WFC in format suitable for inclusion in ballot.
 - b) Coordinate the election ballot process as follows:
 - i) Ensure only applicants who meet the above requirements are listed on the election ballot.
 - ii) Ensure only applicants who meet the above requirements are invited to participate in any "meet the candidates" forum instituted by the Board prior to the election.
 - iii) Ensure applicants submitting after the deadline are advised that nominations have been closed pursuant to this Board policy and that their applications will be kept on file for possible appointments.
 - iv) Ensure that the election ballot is distributed to eligible Owners in accordance with the Bylaws and voting practices approved by the Board of Directors.
 - v) Ensure promotion of participation in the election in the store, in the newsletter and on the web site.
 - vi) Participate in any required manual count of election ballots unless a member of this committee is a candidate on that ballot.
- 2) In the event of an unplanned vacancy, the Board may appoint another Member-Owner to the Board until the next regularly scheduled election.
- 3) The Board Recruitment and Election Ballot Committee will comply with the Board's Policy D5 Committees.

This policy is monitored annually by internal report in December.

As approved by the Board of Directors on February 23, 2010

POLICY D11: GOVERNANCE PROCESS

GENERAL MANAGER EVALUATION COMMITTEE/GMEC

This committee will monitor the General Manager's performance, conduct the General Manager's evaluation, and negotiate the contract of the General Manager. In all of its activities, this committee will exercise confidentiality.

- 1) Activities:
 - a) This committee shall consist of the Board President and at least two (2) other Board members, none of whom shall be WFC employees.
 - b) This committee shall meet as often as needed but not less than four times a year.
 - c) This committee shall complete an annual evaluation of the General Manager no later than May 1st.
 - d) Ensure that all Board members have a current copy of the official record of Board required action on General Manager compliance reports.
 - e) Coordinate special Board meeting or executive session of the Board in which directors discuss overall General Manager performance in light of previously received monitoring reports and make decisions regarding compensation and benefits.
 - f) Meet with the General Manager to report the Board's conclusions on performance, compensation, benefits and continuation of employment.
 - g) Negotiate compensation, benefits and contract with General Manager.
 - h) Prepare documentation of the evaluation process and final contract for the General Manager's personnel file and copies for the President's general manager binder.
 - i) Recommend Board action on the General Manager's contract in May of odd-numbered years or as needed.
- 2) The GMEC complies with the Board's Committees Policy D#5.

This policy is monitored annually by internal report in September.

Approved by Board of Directors as of 10/23/01
Amended by the Board of Directors on July 23, 2002
Technical edit approved as of June 2, 2003
Technical edits requested by the Board on September 24, 2007
As approved by the Board of Directors on January 25, 2010
As amended by the Board of Directors on October 25, 2010

POLICY D12: GOVERNANCE PROCESS

BOARD COMPENSATION

The purposes of board compensation are:

- To begin to address the barriers of time, family responsibilities and distance that may deter potential candidates from participating and
- To recognize the additional responsibilities of the Board President position.

Therefore, the Board shall not fail to direct the General Manager to:

- 1) Compensate each director \$100.00 per month payable quarterly by March 31, June 30, September 30 and December 31;
- 2) Compensate the Board President an additional \$50.00 per month, not contingent upon attending the regular meeting, payable quarterly by March 31, June 30, September 30 and December 31;
- 3) If a director is also an employee of this cooperative, board compensation to that director will be included with his/her cooperative wages/salary and subject to employment taxes; and
- 4) Compensation for directors not employed at this cooperative may be tendered on WFC gift cards.

This policy will be monitored annually by internal report in April.

Approved by Board of Directors as of August 27, 2002
Technical edit approved as of June 2, 2003
Amendments approved by the Board of Directors on June 25, 2007
Technical edits requested by the Board on September 24, 2007
As approved by the Board of Directors on January 25, 2010
As approved by the Board of Directors on May 23, 2011, to be effective as of July 1, 2011