

GOVERNANCE COMMITMENT

The purpose of governance is that the board, on behalf of consumer and worker owners, guarantees the accountability of Weaver Street Market by assuring that it (a) achieves appropriate results for the appropriate persons at an appropriate cost and (b) avoids unacceptable activities, conditions and decisions. In fulfillment of this charge, the board is committed to rigorous, continual improvement of its capability to define values and vision.

GOVERNING STYLE

The board will approach its task with a style that emphasizes the future, strategic leadership, clear distinction of board and staff roles, and proactivity.

The board will:

1. Cultivate a sense of group responsibility. The board, not the staff, will be responsible for excellence in governing. The board will be an initiator of policy, not merely a reactor to staff initiatives. The board will use the expertise of individual members to enhance the ability of the board as a body, rather than to substitute the individual judgments for the board's values.
2. Direct, control and inspire the organization through the careful establishment of broad written policies reflecting the board's values and perspectives. The board's major policy focus will be on the intended Ends, not on the administrative or programmatic means of attaining those effects.
3. Enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuity of governance capability. Continual board development will include orientation of new members in the board's governance process and periodic board discussion of process improvement. The board will allow no officer, individual or committee of the board to hinder or be an excuse for not fulfilling its commitments.
4. Monitor and discuss the board's process and performance at each meeting. Regular self monitoring is intended to ensure that the board is consistent with its Governance Process and Board-Staff Relations policies
5. Set annual board goals, and evaluate for performance.

BOARD MEMBERS' CODE OF CONDUCT

The board commits itself and its members to ethical and businesslike conduct. This includes proper use of authority and appropriate decorum when acting as board members.

1. Members must represent unconflicted loyalty to the interest of Weaver Street Market. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other boards or staffs. It also supersedes the personal interest of any board member acting as a consumer of the organization's services.
2. Members must avoid conflict of interest with respect to their fiduciary responsibility.
 - A. There must be no self-dealing or any conduct of private business or personal services between any board member and the organization except as procedurally controlled to assure openness, competitive opportunity and equal access to "inside" information.
 - B. When the board is to decide upon an issue, about which a member has an unavoidable conflict of interest, that member shall absent herself or himself without comment from not only the vote, but also from the deliberation.
 - C. Board members must not use their positions to obtain employment in the organization for themselves, family members or close associates.
 - D. Members will disclose their involvement with other organizations, with vendors, or any other associations, which might produce a conflict.
3. Board members may not attempt to exercise individual authority over the organization except as explicitly set forth in board policies.
 - A. Members' interactions with the chief executive or with staff must recognize the lack of authority vested in individuals except when explicitly board-authorized.
 - B. Members' interactions with public, press, or other entities must recognize the same limitation and the inability of any board member to speak for the board.
6. Members will respect the confidentiality appropriate to issues of a sensitive nature.

BOARD MEMBER RESPONSIBILITIES

1. Board members must exercise personal and organizational integrity with regard to the Cooperative's values, visions, and policies as they develop and evolve.

Board members agree to:

- A. Understand and commit to carrying out the job products of the board as defined in these governance policies;
 - B. Understand and commit to the principles of governance as defined in these governance policies;
 - C. Maintain the intent of these governing principles whenever developing or revising governance policies or in any board related work.
2. Board members will assume individual responsibility for sharing the responsibilities of governance.
 - A. Any board member committing to a task will complete it as agreed or take the initiative to secure other resources to get it done. In turn, regardless of who is doing a task, each board member is aware of what needs to be done and will help to expedite the board's work effectively.
 - B. Each board member must be familiar with and stay current on all the facts upon which board members must base their collective opinions and decisions.
 - C. Board members will attend and prepare for all board meetings and any meetings of committees of which they are a member and be fully involved in all deliberations and decisions. If, for some reason, board members are not prepared for board meetings or if they miss a meeting, they will assume responsibility for completing the prep after the meeting, as appropriate, as well as be informed on everything discussed in the meeting.
 - D. In fulfillment of the board's commitment to linking with owners, board members will attend the annual Meeting and other significant linkage events.

LINKAGE WITH OWNERS

As the representative of owner interest, the Board shall maintain a credible and continuing link between itself and the owners to provide for accountability and to inform its policies.

Accordingly, the Board will

1. Maintain such link using methods of linkage which:
 - a) are fair and accessible with respect to all owners;
 - b) provide mutual information exchange;
 - c) respect the Board's visionary role;
 - d) occur regularly;
 - e) are achievable and measurable; and
 - f) are transparent and accurate.
2. Seek owners' values on what Weaver Street Market should achieve and the limitations within which achievement will be accomplished.
3. Inform owners about the Board's governance work and educate owners on their role as owners.
4. Account to the owners about the accomplishment of Ends within acceptable means.
5. Have an active linkage plan revised at least annually and an effective process to accomplish the plan.

JOB PRODUCTS

The Job of the board is to lead the organization toward the desired performance and to assure that it occurs. The board's specific contributions are unique to its trusteeship role and necessary for proper governance and management.

Consequently, the contributions, or job products, of the board shall be:

1. The link between the cooperative and its owners.
2. Written governing policies which, at the broadest levels, address:
 - A. Ends: Organizational products, impacts, benefits, outcomes (what good for whom at what cost).
 - B. Executive Limitations: Constraints on executive authority that establish the prudence and ethics boundaries within which lies the acceptable arena of executive authority.
 - C. Governance Process: Specification of how the board conceives, carries out and monitors its own task.
 - D. General Manager-Board relationship: How power is delegated and its proper use monitored.
3. Assurance of performance.
 - A. Monitoring General Manager performance (against policies 2A and 2B.)
 - B. Monitoring board performance.
4. Determining the distribution of financial surplus.

BOARD OPERATING STRUCTURE

In accomplishing its job products, the board will organize itself to ensure:

- long term stability of the board of directors;
- board holism;
- equity of work and compensation for board members; and
- efficiency in accomplishing its job products.

Accordingly, the board operating structure will be:

1. Three officer positions:
 - Chair to ensure the integrity of the board's process;
 - Secretary to ensure the integrity of the board's legal responsibilities;
 - Treasurer to ensure the integrity of the board's use of resources.
2. Ad hoc committee(s) to assist the board as necessary

OFFICER AUTHORITY & RESPONSIBILITY

The board elects officers to help it maintain the integrity of its process, its legal responsibility and its responsibility for its own expenses.

I. CHAIR'S ROLE

The job product of the Chair is the integrity of the board's process. The Chair is the only person authorized to speak for the board except the General Manager, other than in rare and specifically authorized instances.

1. The job output of the Chair is that the board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.
2. Meeting discussion content will be only those issues, which, according to board policy, clearly belong to the board, not the General Manager, to decide.
3. Deliberation will be timely, fair, orderly and thorough, but also efficient, limited to time and kept to the point.
4. Board decision-making process will be observed as outlined in policy 4-13.
5. The authority of the Chair consists in making any decision on behalf of the board which falls within or is consistent with board policies on Governance Process and on the Board-General Manager relationship.
6. The Chair is empowered to chair board meetings, with all the commonly accepted powers of that position (e.g. ruling, recognizing).
7. The Chair's authority does not extend to making decisions within Goals and Manager Limitation policy areas, each of which is within the purview of the General Manager.
8. The Chair's authority does not extend to supervision, interpreting board policies to or otherwise directing the General Manager.

II. SECRETARY'S ROLE

The job "product" of the Secretary is the integrity of the board's legal responsibilities, adhering to Weaver Street Market's Articles of Incorporation and Bylaws.

1. The job output of the Secretary is that the board meets all responsibilities imposed upon it by law, including, but not limited to: maintaining the records of public meetings and executive sessions, and the corporate seal, and signing corporate documents
2. The authority of the Secretary consists in adhering to Weaver Street Market's legal responsibilities and/or as authorized and directed by the board.

III. TREASURER'S ROLE

The job "product" of the Treasurer is the integrity of the board's budget.

1. The job output of the Treasurer is that the board develops, approves and abides by a budget for directly board-authorized expenses incurred in the course of doing the board's process. This includes, but is not limited to fees for facilitation, payroll expenses for the board secretary staff person and the board's compensation..
2. The authority of the Treasurer consists in the integrity of the board's budget and/or as authorized and directed by the board.

COMMITTEE PRINCIPLES

The board may establish committees to help it carry out its responsibilities. The purpose of board committees is to assist the board in achieving the board's work as defined by the board's job products (PM 4-6). These committees will be used only as necessary and in a way that will not interfere with board holism.

1. Committee work is limited to those tasks specifically delegated to the committees by the board and will consist chiefly of preparing policy alternatives and implications for board deliberation. Board committees report solely to the board and only as specified by the board.
2. Board committee chairs are responsible for coordinating committee work, as necessary, to complete the committees' tasks effectively.
3. Board committees may not be asked to monitor organizational performance. Committees may coordinate monitoring reports for the board and advise the board on monitoring tools, but organizational performance must be deliberated by the full board. This is intended to protect committees from inadvertent authority or identification with overseeing operations.
4. Board committees may not speak or act for the board except when formally given such authority for specific and time-limited purposes.
5. Board committees operate in accordance with the principles of the full board, exercising the same decorum and integrity. Committee chairs are responsible for ensuring that non-board member committee members are fully advised of these principles and comply with them.
6. This policy applies only to committees which are formed by board action, whether or not the committees include non-board members.

COMMITTEE STRUCTURE

A committee is a board committee only if its existence and charge come from the board, regardless whether board members sit on the committee. The only board committees are those which are set forth in this policy. Unless otherwise stated, an ad hoc committee ceases to exist as soon as its task is complete.

1. Ad Hoc Committee(s)
 - A. Product and schedule as defined by the board.
 - B. Authority as defined by the board.

BOARD MEETINGS

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

1. OPEN MEETINGS. Board meetings other than executive sessions and board retreats will be open to owners and staff members to attend as visitors. Other visitors such as representatives of the press or consultants may be admitted or invited at the discretion of the board. Visitors will observe only unless requested by the board to contribute to the discussion, also the board may at its discretion set aside time on the agenda for visitors to speak.

2. EXECUTIVE SESSION. Executive session will only be used when the discussion should remain private to the board in order to protect the best interests of the cooperative as a whole. These circumstances may include but are not limited to the following areas: litigation, personnel, appointment of directors, real estate transactions and confidential financial matters. Any board member may request an executive session by contacting the Chair for its inclusion on the agenda. However...

- The purpose of such session must be stated.
- The board may include no one else or anyone else it chooses.
- Except in rare circumstances announcement of the executive session will be on the published agenda.

3. AGENDA CONTROL: The board is the sole authority over its own agenda. The Chair will exercise this control on behalf of the board, but any board member – with all agreeing – may add or delete items from the agenda. Meeting documents will be circulated, minutes will be published and owners and directors will be notified of the date, time, place and agenda of board meetings all in a timely manner.

4. AGENDA CONTENT: The board will work only on the board's job. Board time will only be used for issues within the board's legal responsibilities and its chosen areas of responsibility.

5. BOARD DOCUMENTS: Executive monitoring reports and other documents required by the Board to do its job will be circulated only to directors and other individuals as may be approved by the Board from time to time. These documents shall remain confidential unless released for general circulation by specific affirmative decision of the board as a whole.

6. MEETING DATES: Board meeting dates are set at the beginning of the calendar year. The board is committed to 100% attendance of directors at board meetings. Any board member unable to attend a particular meeting may request a change in the meeting date by:

- Checking with the Chair to ensure changing the date will not interfere with items on the agenda or with notification requirements.
- Obtaining the approval of all other board members for an alternative date.
- Confirming the new date with all participants at the earliest possible time.

7. SPECIAL MEETINGS: Special meetings of the board may be called only when necessary for timely action and will be scheduled to permit attendance by all directors. Special meetings may be held by teleconference or other similar means subject to agreement of all directors: any decisions taken at such a meeting will be confirmed and minuted at the next regularly scheduled board meeting.

BOARD GROUNDRULES

The reason for adopting ground rules is to enable the board to more effectively communicate, resolve conflicts, solve problems, and make decisions. These ground rules are based on three values: valid information, free and informed choice, and internal commitment.

1. Share all relevant information.
2. Be specific--use examples.
3. Explain the reasons behind your statements, questions, and actions.
4. Focus on interests, not positions.
5. Stay focused: discuss a topic enough for everyone to be clear about it.
6. Don't take cheap shots.
7. Disagree openly with any member of the group.
8. Discuss undiscussable issues.
9. Share appropriate information with non-group members.
10. Make statements: then invite questions.
11. Test assumptions and inferences publicly.
12. Agree on what important words mean.
13. Jointly design ways of testing disagreements and solutions.
14. Expect all members to identify and solve problems.
15. Make decisions by consensus.
16. Do self-critiques.

DECISION-MAKING PROCESS

1. Presentation of proposal. (Read through.)
2. Questions clarifying intent of proposal.
3. Share any relevant information.
4. Test for consensus.
5. Offer and clarify amendments and objections. (Facilitator will list these.)
- 6 .a. Discuss to resolve objections, with group offering creative suggestions. (Active facilitation necessary.)
b. Test for resolution of objections.
7. a. Prioritize and combine amendments to the proposal.
b. Test for consensus on amendments.
8. Read the final amended proposal.
9. Verbal test for consensus: agreement, stand-asides or blocks. (Facilitator will lead.)
10. In the case of a blocked consensus, test for consensus on referral to next meeting with objector(s) agreeing to meet with proposer(s) to rewrite proposal.
11. In the absence of consensus on [heretofore mentioned] referral, proposal is immediately submitted to vote and may be approved by an affirmative vote consisting of the full board minus one.

DEFINITION OF PROCESS TERMS

Consensus: Agreement, not always 100%, of members, with objectors deciding not to block action on the proposal.

Amendment: A modification of the proposal to make it more acceptable or to bring it into compliance with bylaws.

Stand-aside: Disagreement by a member who does not want to stop action on the proposal. Individual wishes to record the disagreement.

Block: An irreconcilable objection that stops current action on the proposal.

AGENDA PLANNING

To accomplish its job products with a governance style consistent with board policies, the board will follow an annual agenda that (1) completes re-exploration of Ends policies annually and (2) continually improves board performance through board education and enriched input and deliberation.

Accordingly,

1. The cycle will begin each year on the first day of January so that fiscal year management planning and budgeting can be based on accomplishing a one-year segment of the board's most recent statement of long-term Ends.
2. In the first quarter, the board will develop its agenda and review the Ends.
3. During the second quarter, the board shall determine the issues and/or the kind of additional input it needs from owners. Governance education and education related to Ends determination will be arranged in the second quarter, to be held during the balance of the year.
4. The board will decide GM remuneration during the quarter following the end of the fiscal year after a review of monitoring reports received in that year.
5. GM monitoring will be included on the agenda if monitoring reports show policy violations or if policy criteria are to be debated.
6. Throughout the year, the board will attend to consent agenda items as expeditiously as possible.

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PM 4-15

6/18/02

5/12/04

6/22/04

ELECTION/ APPOINTMENT OF NEW BOARD MEMBERS

[REFERENCE: By-law provisions: Article VI, Sections 2,3,4,5]

To ensure continuity of the board's ability for governing excellence, the following values underlie the board's process for electing and appointing new board members:

- Open and transparent election process
- Educated, informed board
- Effective board process
- Owner selection of board member adds value to the board

Accordingly:

1. Board members will continuously, throughout the year, seek to identify, encourage and educate suitable prospective board members for both elected and appointed positions.
2. Candidates for elected positions on the Board
 - a. Will have been a WSM owner for at least one calendar year at the date of application.
 - b. Will acquaint themselves with Board governance policies and procedures prior to application by at least one of the following actions: reviewing the current Board policy notebook; discussing her/his candidacy with a Board member; attending a WSM policy governance training session; or attending a Board meeting; and
 - c. Will present applications in the established form by the published date. No write-in candidates will be allowed.
3. Appointed Board positions

In January, the board will go into executive session without the appointed board member whose term is ending to discuss whether or not to ask that board member to serve a further term.

If the board decides to ask the member to serve a further term, a board member designated by the board will contact and ask the appointed member to agree to serve. The appointed member should have until the next meeting to decide whether to agree.

If necessary, in February the Board will form a search committee to identify suitable candidates for appointed positions on the Board. Prospective candidates for appointed positions will be interviewed by such a committee prior to the Board meeting at which nominations are considered. In addition, nominees must be a WSM owner at the time of consideration of nominations.

4. Prior to taking an active seat on the Board, all new board members will have
 - a. attended a policy governance training session;
 - b. attended a regular Board meeting as an observer;
 - c. made a formal written commitment to respecting and abiding by established WSM board process and procedures; and
 - d. complied with all other requirements of the new board member checklist.

COST OF GOVERNANCE

The board will invest in its governance capacity.

Accordingly:

1. Board skills, methods, and supports will be sufficient to assure governing with excellence.
 - A. Training and retraining will be used to orient new members and candidates for membership, as well as to maintain and increase existing member skills and understandings.
 - B. Outside monitoring assistance will be arranged so that the board can exercise confident control over organizational performance. This includes, but is not limited to, fiscal review.
 - C. Outreach mechanisms will be used as needed to ensure the board's ability to listen to owner viewpoints and values.
2. Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability.
 - A. An annual budget, approved in the second quarter of the calendar year for the next fiscal year, will specify the limits on expenses for governance, except for expenses related to support to the board, the budgeting of which is delegated to the General Manager.

BOARD EVALUATION POLICY

The board will evaluate the function and process of the board and individual performance.

Accordingly,

1. On an annual basis, the board will evaluate itself in the areas outlined in the Board Job Description. The board will discuss and interpret the outcome of the self-evaluation and formulate a work plan that will highlight specific goals and objectives for improvement of identified areas.
2. The board will monitor its adherence to its own Governance Process policies on a regular basis.

BOARD COMPENSATION POLICY

The board will determine financial or other compensation, if any, to board members in recognition of their annual service.

Accordingly,

1. There shall be equity among individual board members (PM 4-7), with special consideration and compensation allowed for officers or other special circumstances at the discretion of the board.
2. There shall be fairness among the various classes of board members, except that the compensation for the General Manager shall happen separately in accordance with other board policy. (PM3-4)
3. Board compensation shall not put in jeopardy the fiscal health of the organization.
4. Board compensation shall be consistent with the annual cost of governance budgeting. (PM 4-16 #2)
5. Compensation shall be commensurate with the duties, risks and responsibilities of directorship and based on a reasonable comparable standard.
6. The Board shall review Board compensation every two years, or at such other times as the Board determines that additional review is necessary.