

## **WSM BOARD POLICIES**

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## **A. Ends Policy**

### **A-Ends**

A vibrant, sustainable food marketplace defined by shared economics, shared community, and shared knowledge for owners and potential owners.

## **B. Executive Limitations Policies**

### **B-Global Executive Restraint**

The General Manager must 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.

### **B1-Financial Conditions and Activities**

With respect to the actual, ongoing financial conditions and activities, the General Manager must not cause or allow the Cooperative to be unprepared for future opportunities, the development of fiscal jeopardy, key operational indicators to be below average for our industry, or material deviation from the Board's Ends policies.

The GM must not:

1. Allow sales growth to be inadequate.
2. Allow operations to generate an inadequate net income.
3. Allow liquidity (the ability to meet cash needs in a timely and efficient fashion) to be insufficient.
4. Allow solvency (the relationship of debt to equity) to be insufficient.
5. Allow growth in ownership and owner paid-in equity to be insufficient.
6. Default on any terms that are part of the Cooperative's loans.
7. Allow late payment of contracts, payroll, loans, or other financial obligations.
8. Incur debt (other than trade payables or other reasonable or customary liabilities incurred in the ordinary course of doing business) or acquire or dispose of real estate without performing due diligence, demonstrating to the Board that the transaction is accounted for in the existing or revised plan/budget, and demonstrating that the transaction will not result in conditions outside of this Financial Condition policy.
9. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
10. Use restricted funds for any purpose other than that required by the restriction.
11. Allow financial record keeping systems to be inadequate or out of conformity with Generally Accepted Accounting Principles (GAAP).

### **B2-Planning and Budgeting**

1. Planning, including social, environmental, and financial planning, shall not risk fiscal jeopardy, fail to be derived from a multi-year plan or fail to be consistent with achievement under Ends policies and other Executive Limitations policies. Further, without limiting the scope of the foregoing by the following, the General Manager shall

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not: Risk incurring those situations or conditions described as unacceptable in the Board policy “Financial Condition and Activities.”

2. Omit credible projection of revenues and expenses, owner investment and return, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
3. Fail to address business system improvements or to test for feasibility.
4. Fail to provide less for Board prerogatives during the year than is set forth in the Board budget.

### B3-Asset Protection

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

The GM must not:

1. Allow equipment and facilities to be inadequately maintained, insured or otherwise unable to be replaced if damaged or destroyed, including coverage for any losses incurred due to business interruption.
2. Allow unnecessary exposure to liability or lack of insurance protection from claims of liability.
3. Allow deposits or investments to be unreasonably risked.
4. Allow inadequate security of premises and property.
5. Allow data, intellectual property, or files to be unprotected from loss, theft, or significant damage.
  - a. Allow improper usage of owners’ and customers’ personal information.
6. Allow purchasing that is uncontrolled or subject to conflicts of interest.
7. Allow lack of due diligence in contracts.
8. Allow damage to the Cooperative’s public image.

### B4-Ownership Rights and Responsibilities

The General Manager must not allow owners to be uninformed or misinformed of their rights and responsibilities.

The GM must not:

1. Create or implement an owner equity system without the following qualities:
  - a. The required owner equity, or fair share, is determined by the Board.
  - b. Owners are informed and acknowledge 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 viability.
  - c. Equity will not be refunded if such refunds would lead to a net decrease in total owner paid-in equity, or would risk, cause, or exacerbate non-compliance with any Financial Condition policy.

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- d. New owners meet the requirements of the bylaws.
2. Implement a patronage dividend system that does not
  - a. Comply with IRS regulations and bylaws.
  - 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 profit will be allocated and distributed to members as dividends and interest on retained dividends.

### B5-Treatment of Consumers

With respect to interactions with consumers, the general manager shall not cause or allow conditions, procedures, or decisions which are discriminatory, disrespectful, or unsafe.

The GM must not:

1. Be unresponsive to customer needs or operate without a system for soliciting and considering customer opinion.
2. Allow an unsafe experience for our customers.
3. Fail to inform consumers of how information that is gathered may be used.

### B6 – Treatment of Staff

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

The GM must not:

1. Operate without written personnel and safety policies that:
  - a. Clarify rules for staff.
  - b. Provide for fair and thorough handling of grievances in a way that does not include the Board as a participant in the grievance process.
  - c. Are accessible to all staff.
  - d. Inform staff that employment is neither permanent nor guaranteed.
2. Be unresponsive to employee needs or operate without a system for soliciting and considering employee opinion.
3. Cause or allow personnel policies to be inconsistently applied.
4. Provide for inadequate documentation, security and retention of personnel records and all personnel related decisions.
5. Establish compensation and benefits that are internally or externally inequitable.
6. Change the GM's own compensation and benefits, except as his or her benefits are consistent with a package for all other employees.

### B7-Communication to the Board

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

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The GM must not:

1. Submit monitoring reports that are untimely or inaccurate.
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. Allow the Board to be unaware of relevant legal actions, media coverage, trends, public events of the Cooperative, or material internal and external changes, particularly changes in the assumptions upon which any Board policy has previously been established.
4. Withhold his/her 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.

### B8-Board Logistical Support

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

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 Bylaws.
4. Provide inadequate information and notice to owners concerning Board actions, meetings, activities, and events.
5. Allow insufficient archiving of Board documents.

### B9-Emergency GM Succession

To protect the Board from sudden loss of GM services, the GM must not have less than one other manager sufficiently familiar with Board and GM issues and processes to enable her/him to take over with reasonable proficiency as an interim successor.

## **C. Board Process Policies**

### C-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.

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### C1-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.

### C2-The Board's Job

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, which can only be fulfilled by the Board, are necessary for proper governance and management.

Accordingly, the Board will take direct responsibility to create:

1. The link between the Cooperative and its owners so that owners' interests can be translated into organizational performance. The Board will:
  - a. Listen to owners in order to understand common interests and values.
  - b. Ensure that owners understand the role of the Board: the process that it uses to lead the Cooperative, the ongoing work in which it is engaged, and the current issues facing the Cooperative.
  - c. Account to owners about the accomplishment of Ends within acceptable means.
2. Written governing policies, which address the broadest levels of all organizational decisions and situations:
  - a. *Ends*: The specific organizational results to be produced for which beneficiaries and with what cost-efficiency.

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- b. *Executive Limitations*: Constraints on Executive authority setting the prudent (risk) and ethical boundaries within which all Executive activity must take place.
  - c. *Governance Process*: How the Board conceives, carries out, and monitors its own task.
  - d. *Board-General Manager Delegation*: How the Board hires, compensates, delegates responsibility to, and holds accountable a General Manager.
3. Assurance of successful organizational performance:
    - a. Rigorously monitor operational performance in the areas of Ends and Executive Limitations.
    - b. Rigorously monitor Board performance in the areas of Board Process and Board-Management Relationship.
  4. Perpetuation of the Board's leadership capacity:
    - a. Create opportunities for owners to engage with the Board in a way that will encourage and educate future Board members.
    - b. Ensure a robust recruitment process and fair elections.
    - c. Promptly make temporary appointments to elected seats until the next election in order to keep all seats full.
    - d. Fill the two appointed Board positions using the process in Appendix C4.
  5. Determination of how financial surplus is distributed.

### C3 – Board Meetings and Agenda Planning

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

1. The Board will follow a strategic multi-year work plan and annual agenda that focuses its attention upward and outward.
  - a. The Board will create, and modify as necessary, an annual calendar that includes tasks and events related to our multi-year work plan, membership meetings, Board training schedule, monitoring schedule, and the General Manager evaluation and compensation decisions as outlined in our Board-Management Relationship policies.
  - b. Board meeting dates are set at the beginning of the calendar year.
  - c. Board meeting agendas will be determined by the Board Chair, and the agenda may be modified at the meeting by the Board.
2. The Board will use Board meeting time only for work that is the whole Board's responsibility. The Board will avoid committee issues, operational matters, personal concerns, and other topics that are not the highest and best use of its time.
  - a. Deliberation will be timely, fair, orderly, and thorough, but also efficient, limited to time, and kept to the point.
  - b. Documents required by the Board will be circulated only to directors and other individuals as may be approved by the Board and shall remain confidential unless released for general circulation by specific affirmative decision of the Board as a whole.

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3. Meetings will be open to consumer and worker owners except when executive session is officially called. Other visitors such as representatives of the press or consultants may be admitted or invited at the discretion of the Board.
  - a. Owners and visitors will only observe unless requested by the Board to contribute to the discussion or during a set time on the agenda.
4. The Board may occasionally use executive session to deal with confidential matters, as long as the purpose of the session is stated. When possible, announcement of the executive session should be on the published agenda.
  - a. These circumstances may include but are not limited to the following areas: litigation, personnel, appointment of directors, real estate transactions, and confidential financial matters.
  - b. Any Board member may request an executive session by contacting the Chair for its inclusion on the agenda.
  - c. Executive sessions may include no one else or anyone else the Board chooses.
5. The Board will seek consensus through discussion. The Board will then finalize and document decisions through the use of the decision-making process in Appendix C3.

### C4 – Directors’ Code of Conduct

The Board commits itself and its members to ethical, professional, and lawful conduct. This includes proper use of authority and appropriate decorum when acting as a whole Board and as individuals.

1. Every director is responsible at all times for acting in good faith, in a manner which she/he reasonably believes to be in the best interests of the Cooperative, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.
2. Directors must demonstrate unconflicted loyalty to the interests of the Cooperative’s owners. 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 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 a new director’s first Board meeting, he/she will complete the “Code of Conduct form” in Appendix C1, and will verbally report to the whole Board the potential conflicts. Any subsequent potential conflicts will be reported to the whole Board immediately.
  - c. When the Board is to decide on an issue about which a director has an unavoidable conflict of interest, that director shall abstain from the conversation and the vote.
  - d. A director who applies for employment must first resign from the Board.
  - e. Any worker-owner director has the same duties and responsibilities as any other director, and has the additional duty of clearly segregating staff and Board responsibilities. Any worker-owner director will resign from the Board if and when their employment ends.



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3. Directors may not attempt to exercise individual authority over the organization.
  - a. When interacting with the General Manager 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.
4. Directors will respect the confidentiality appropriate to issues of a sensitive nature and must continue to honor confidentiality after leaving Board service.
5. Directors will prepare for, attend, and participate fully in Board meetings and trainings and follow the Board Ground Rules in Appendix C2.
6. 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.
7. Board members will sign the "Code of Conduct form" in Appendix C1 annually. Any director who does not follow the code of conduct policy can be removed from the Board using the decision-making process in Appendix C3.

### C5 – Officers' Roles

The Board will elect officers in order to help it accomplish its 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. The Chair ensures the Board acts consistently with Board policies.
  - a. The Chair 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 Chair will chair and set the agenda for Board meetings.
  - c. The Chair plans for leadership (officer) perpetuation.
  - d. The Chair may represent the Board to outside parties.
4. The Treasurer will lead the Board's process for creating and monitoring the Board's governance budget.
5. The Secretary will make sure the Board's documents are accurate, up to date, and appropriately maintained and keep the Corporate Seal.

### C6 – Board Committee Principles and Structure

The Board will use Board committees only to help it accomplish its job.

Committees will reinforce and support Board holism.

- a. In particular, committees help the whole Board move forward when they research alternatives and bring back options and information.
1. Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes.

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2. The Board will establish, regularly review, and control committee responsibilities in written policies for standing committees and committee charters for ad hoc committees.
  - a. The Board will carefully state committee composition, expectations, and authority to make sure they do not conflict with authority delegated to the General Manager.
3. The Committee Chairs are responsible for communication between the committee and the Board and as delegated in the policy or charter.
4. 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.

### C7 – Governance Investment

The Board will invest in the Board's governance capacity.

1. The Board will make sure that Board skills, methods, and supports are sufficient to allow it to govern with excellence.
2. The Board will incur governance costs prudently.
  - a. The Board will use training and retraining liberally to orient new directors and Board candidates, as well as to maintain and increase existing directors' skills and understanding.
  - b. The Board will arrange outside monitoring assistance as necessary so that the Board can exercise confident control over organizational performance.
  - c. The Board will use outreach mechanisms as needed to ensure its ability to listen to owner viewpoints and values.
  - d. The Board will use professional and administrative support.
3. The Board will develop the Board's annual budget for the following fiscal year.
4. The Board will determine compensation for Board members in recognition of their service.
  - a. Compensation will be the same for all Board members except that Officers may receive additional compensation and the General Manager compensation is determined separately in accordance with Board Policy PM 3-4.
  - b. Compensation will be set using a reasonable comparable standard that takes into account the responsibilities, risk, and time commitment involved. Compensation will not put the Cooperative in fiscal jeopardy.
  - c. The Board will review compensation every two years or when the Board determines a review is necessary.

### C8 – Election and Orientation of New Board Members

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

Elections will have the following outcomes:

1. Qualified candidates and choice for the owners (BOD)
2. Accurate information regarding candidates' qualifications (BOD)

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3. Ample opportunity for owners to assess the candidates (Delegated to the Elections Committee)
4. Fair and open voting (Delegated to Elections Committee)
5. Transparent process that gives owners confidence to support the result regardless of personal views (Delegated to Elections Committee)

Accordingly, the Board will

1. Inform owners and interested qualified candidates by:
  - a. Inviting owners to attend strategic sessions at Board meetings that highlight the current issues facing WSM and the important work in which the Board is engaged.
  - b. Talking with owners about what it is like to be on the Board.
  - c. Determining and reviewing annually the content of the Board candidate information, requirements, and application packet.
  - d. Holding information sessions for potential Board candidates, so they understand the Board's role and Board process and can meet with Board members.
  - e. Ensure proper training of new Board members.
2. Establish a standing Elections Committee to run the election independent from the Board.
  - a. Appoint or re-appoint between five and seven owners to the committee at the start of each year. The committee includes at least one Board member, who cannot be up for election; at least one worker owner; and at least one consumer owner. The remainder of the committee is a reasonable balance of consumer and worker owners.
  - b. Appoint the Elections Committee Chair unless it directs the Elections Committee to elect a Chair from among its members.
  - c. Set a stipend for the Elections Committee members in appreciation of their service.
3. Delegate the following responsibilities to the Elections Committee:
  - a. Produce an election consistent with outcomes 3, 4, 5 above and with the Elections Manual.
  - b. Keep the Board informed regarding anything that would affect either the Elections Committee or the Board's responsibilities.
  - c. Provide an accounting to the Board following an election cycle demonstrating compliance with expectations.
  - d. Provide for continual improvement of the election process consistent with outcomes 3, 4, 5 above.
  - e. Maintain the Elections Manual such that it is relevant, up to date, and in compliance with the Bylaws and this Board Policy. Provide recommendations and updates for Board approval.

## **D. Board Management Relationship Policies**

### **D-Global Board-Management Connection**

The Board's sole official connection to the operational organization, including its achievement and conduct, is through a chief executive officer titled General Manager.

#### **D1-Unity of Control**

Only officially passed motions of the Board are binding on the GM.

1. Decisions or instructions of individual Board members, 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 any requests that, in the GM's opinion, may disrupt operations or that require too much staff time or resources.

#### **D2-Accountability of the GM**

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

1. The Board will view GM performance as identical to organizational performance so that organizational accomplishment of Ends and organizational operation within Executive Limitations will be viewed as successful GM performance.
2. The Board will not instruct nor evaluate any person that reports directly or indirectly to the GM.

#### **D3-Delegation to the GM**

The Board instructs the GM through written policies which prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, allowing the GM to use any reasonable interpretation of these policies.

1. The Board will develop policies instructing the GM to achieve specified results, for specified recipients at a justifiable cost. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Ends.
2. The Board will develop policies which limit the latitude the GM may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations.
3. 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, practices and plans for the Cooperative. Such decisions of the GM shall have full force and authority as if decided by the Board.
4. The Board may change an Ends or Executive Limitations policy. Such change is only binding from that point forward.

#### **D4-Monitoring GM Performance**

The Board will systematically and rigorously monitor and evaluate the GM's job performance compared to expectations set forth in Board policies.

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1. The purpose of monitoring is simply to determine the degree to which Board policies are being fulfilled. Information which does not do this will not be considered to be monitoring.
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 appropriate policy criteria.
3. The Board's standard for compliance will be any reasonable GM interpretation (as described by operational definitions and metrics) of the Board policy being monitored. The Board assesses reasonableness based on evidence rather than with interpretations favored by individual directors or by the Board as a whole.
4. The Board will accept that the GM 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 GM. The Board can monitor any policy at any time by any method listed above but will ordinarily follow the schedule outlined in the Board Annual Calendar.
6. The Board's annual evaluation of the General Manager, based on a summary of monitoring reports received for the fiscal year, will be completed by November. The Board will make its decisions concerning the evaluation no later than December.

### D5-General Manager Compensation

The Board will set GM compensation based on the fair market value for the skills and experience required to accomplish the Ends and to comply with the Executive Limitations.

**APPENDIX 1–CODE OF CONDUCT FORM**

**Code of Conduct Agreement  
For Board of Directors**

I agree to abide by Board Policy C4-Directors’ Code of Conduct and any subsequent changes the Board makes to that policy. I understand that if, in the unanimous opinion of Cooperative 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 Policy C4.

According to Policy C4 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.

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Signature of Director/Candidate

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Date

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

## **APPENDIX 2-BOARD GROUND RULES**

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. Do not take cheap shots.
7. Disagree openly with any member of the group.
8. Discuss difficult or sensitive 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.

### **APPENDIX 3-DECISION-MAKING PROCESS**

1. Present proposal. (Read through.)
2. Ask questions clarifying the intent of proposal.
3. Share any relevant information.
4. Test for consensus.
5. Offer and clarify amendments and objections. (Facilitator will list these.)
6. Discuss to resolve objections, with group offering creative suggestions. (Active facilitation necessary.)
7. Test for resolution of objections.
8. Prioritize and combine amendments to the proposal.
9. Test for consensus on amendments.
10. Read the final amended proposal.
11. Verbally test for consensus: agreement, stand-asides, or blocks. (Facilitator will lead.)
12. 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.
13. In the absence of consensus on [heretofore mentioned] referral, immediately submit the proposal to vote, which 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 clarify the intent, make it more acceptable, or to bring it into compliance with bylaws and policies.

**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.



## **APPENDIX C4-APPOINTED BOARD MEMBER PROCESS**

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.

February (if necessary): 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 an owner at the time of consideration of nominations.

Prior to taking an active seat on the Board, all new Board members will complete the same requirements as elected Board members