

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.

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.

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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:

1. Create 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.

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- 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. Hire the General Manager and prepare for General Manager succession by creating and maintaining a hiring process for the General Manager.
3. Create 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.
 - 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.
4. Assure 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.
5. Perpetuate 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.
6. Determine 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.

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- 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.
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.

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- 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.
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.

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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.
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.

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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.
 - 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 solicit owner viewpoints and values.
 - d. The Board will use professional and administrative support.
2. The Board will incur governance costs prudently.
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.

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- 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.

amended 11/08/2017

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)
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 two consumer owners. 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.

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- 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.

APPENDIX C1–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.

Signature of Director/Candidate

Date

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

APPENDIX C2-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 C3-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