

Policy Type: Board Process  
Policy Title: B – Global Governance Commitment  
Last Revised: January 26<sup>th</sup>, 2010

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Acting on behalf of Wheatsville’s Owners and working in the spirit of Cooperative values and principles, the Board ensures that Wheatsville Cooperative produces benefit and value, while avoiding unacceptable actions and situations.

*This policy shall be monitored annually in November.*

Policy Type: Board Process  
Policy Title: B1 – Governing Style  
Last Revised: January 26<sup>th</sup>, 2010

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- B.1. The Board governs in a way that emphasizes empowerment and clear accountability. In order to do this, the Board will:
- B.1.1 Focus its vision outward and toward the future;
  - B.1.2 Observe the 10 Policy Governance principles;
  - B.1.3 Maintain group discipline, authority and responsibility;
  - B.1.4 Encourage and listen actively to diverse viewpoints;
  - B.1.5 Anticipate issues and engage opportunities proactively;
  - B.1.6 Faithfully represent the Owners' best interests.

*This policy shall be monitored annually in January.*

Policy Type: Board Process  
Policy Title: B2 – The Board’s Job  
Last Revised: January 26<sup>th</sup>, 2010

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- B.2 In order to govern successfully, the Board will:
  - B.2.1 Create and sustain a meaningful relationship with Owners.
    - B.2.1.1 The Board’s fundamental accountability to the Owners includes fiduciary and legal responsibility.
    - B.2.1.2 The Board shall communicate regularly to the Owners on its role, its activities and its decisions.
  - B.2.2 Hire, compensate, delegate responsibility to, and hold accountable a General Manager. (See Board-Management Relationship (C) Policies)
  - B.2.3 Have written governing policies that realistically address the broadest levels of all organizational decisions and situations. The Board will write these policies in the form of Ends (A policies), Board Process (B policies), Board-Management Relationship (C policies), and Executive Limitations (D policies) as described in the Policy Governance principles.
    - B.2.3.1 Oversee the development and maintenance of guidance documents to support these governing policies. These documents will include the Membership Administration Guidelines; the Procedures for Co-op Votes; and Procedures for Recruitment, Orientation and Training.
  - B.2.4 Assign responsibility in a way that honors the Board’s commitment to empowerment and demonstrates a clear distinction of roles.
    - B.2.4.1 Ends (A) and Executive Limitation (D) policies will be assigned for policy monitoring to the General Manager.
    - B.2.4.2 Board Process (B) and Board-Management Relationship (C) policies will be assigned for policy monitoring to the Board of Directors.
  - B.2.5 Regularly monitor operational performance in the areas of Ends (A) and Executive Limitations (D), and Board performance in the areas of Board Process (B) and Board-Management Relationship (C).
    - B.2.5.1 In addition, the Board will appoint external monitors including the financial auditor or reviewer and receive the report directly. A financial audit will be conducted in 2012 and at least every other year thereafter.
  - B.2.6 Ensure perpetuation of a governing body that provides effective leadership over time. The Board accomplishes self-perpetuation through recruitment, election and development of skilled, committed and motivated directors.
  - B.2.7 Obey all laws and ensure that Bylaws are current, complied with and meet the needs of Wheatsville. As needed, the Board shall propose Bylaw amendments to the Owners for approval.

Policy Type: Board Process  
Policy Title: B2 – The Board’s Job (cont.)  
Last Revised: January 26<sup>th</sup>, 2010

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- B.2.7.1 The Board shall ensure that the Co-op complies with all legal and contractual obligations with regard to its investor shares program and may, from time to time, approve the issuance of additional shares as authorized by the Bylaws and statutes.
- B.2.7.2 In addition, the Board shall ensure the Co-op complies with all legal requirements with regard to allocations of retained patronage.
- B.2.8 From time to time and by majority vote, determine the terms and conditions of ownership as published in the Membership Administration Guidelines.
  - B.2.8.1 In addition, the Board shall ensure capital investment requirements are appropriate to maintain a sound level of capital funding for the Co-op.
  - B.2.8.2 Furthermore, Pursuant to Bylaw Article VII, the Board shall ensure no refunds of required capital will be issued which would cause the total capital balance to fall below an amount required to adequately capitalize the Co-op’s current and projected needs. As of 11/27/07, this amount is determined to be \$400,000.

*This policy shall be monitored annually in February.*

Policy Type: Board Process  
Policy Title: B3 – Governance Cycle  
Last Revised: January 26<sup>th</sup>, 2010

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- B.3 The Board will follow an annual governance cycle that focuses its attention outward and to the future.
  - B.3.1 The annual governance cycle will run from January to December.
  - B.3.2 The Board will create, and modify as necessary, an annual calendar, consistent with the governance cycle, that includes the items required to accomplish the Board’s job as outlined in Board Policy B.2.

*This policy shall be monitored annually in March.*

Policy Type: Board Process  
Policy Title: B4 – Board Meetings  
Last Revised: January 26<sup>th</sup>, 2010

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- B.4 Board meetings are for the task of getting the Board’s job done.
  - B.4.1 The Board will use Board meeting time only for work that is the whole Board's responsibility. The Board will avoid committee work, operational matters and personal concerns.
  - B.4.2 Meetings will be open to the Owners except when executive session is officially called.
    - B.4.2.1 Executive session may be used to deal with confidential matters, as long as the purpose of the session is stated. When possible, announcement of the executive session will be on the published agenda.
    - B.4.2.2 The Board may include or exclude anyone it chooses from executive session.
  - B.4.3 The Board uses a relaxed version of Robert's Rules of Order.
  - B.4.4 The meeting agenda will be determined by the Board president, and may be modified at the meeting by a majority vote of the Board.
    - B.4.4.1 Directors are responsible for submitting agenda items in advance.
  - B.4.5 Throughout the year, the Board will attend to consent agenda items as expeditiously as possible.
  - B.4.6 The Board will limit the amount of meeting time taken up by monitoring reports, discouraging discussion unless the reports indicate policy violations, or the policy criteria themselves need review.

*This policy shall be monitored annually in April.*

Policy Type: Board Process  
Policy Title: B5 – Directors’ Code of Conduct  
Last Revised: January 26<sup>th</sup>, 2010

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- B.5 Directors commit to ethical, businesslike and lawful conduct.
  - B.5.1 Board Directors are required, annually, to sign a Statement of Agreement that includes three sections: Code of Ethics, Code of Conduct, and Conflict of Interest Disclosure.
  - B.5.2 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 Co-op, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.
  - B.5.3 Directors must demonstrate accountability to the interests of the Co-op’s Owners that 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 Owner.
    - B.5.3.1 All Directors have a duty to disclose, in writing, any potential or perceived conflict of interest and must provide all material facts to the Board of Directors. The Board shall determine the process for participation by the Director.
    - B.5.3.2 There will be no self-dealing or any conduct of private business or personal services between any director and the Co-op except as procedurally controlled to assure openness, competitive opportunity and equal access to “inside” information.
    - B.5.3.3 When the Board is to decide on an issue about which a director cannot reasonably be expected to prioritize the interest of the Co-op, pursuant to Bylaw 5.13, that director shall recuse him/herself from the discussion and vote.
  - B.5.4 Any director who is also a paid employee has the same duties and responsibilities as any other director, and has the additional duty of clearly segregating staff and Board responsibilities.
    - B.5.4.1 If a director who is also a paid employee becomes subject to disciplinary action as an employee, the board president has the discretion to require that the director take a leave of absence from the board. If the job performance results in termination of employment at Wheatsville, the board director will be removed from office.
  - B.5.5 Directors may not attempt to exercise individual authority over the organization.
    - B.5.5.1 When interacting with the GM or employees, directors must respectfully recognize their lack of authority.
    - B.5.5.2 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.

Policy Type: Board Process  
Policy Title: B5 – Directors’ Code of Conduct (cont.)  
Last Revised: January 26<sup>th</sup>, 2010

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- B.5.6 Directors will respect the confidentiality appropriate to issues of a sensitive nature and must continue to honor confidentiality after leaving Board service.
- B.5.7 Directors will prepare for and attend Board meetings and trainings.
- B.5.8 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.
- B.5.9 Any director who does not follow the code of conduct policy shall resign from the Board if requested to do so by a 2/3 majority vote of the remaining Board.
- B.5.10 Board directors will report their adherence to this policy in each annual report.

*This policy shall be monitored annually in May.*

Policy Type: Board Process  
Policy Title: B6 – Officers’ Roles  
Last Revised: December 6, 2011

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- B.6 Officers are elected in order to help accomplish the Board’s job.
  - B.6.1 No officer has any authority to supervise or direct the GM.
  - B.6.2 Officers may delegate their authority but remain accountable for its use.
  - B.6.3 A director who is also employed by the Co-op cannot serve as an officer.
  - B.6.4 The president ensures the Board acts consistently with Board policies.
    - B.6.4.1 The president is authorized to use any reasonable interpretation of the provisions in the Board Process and Board-Management Relationship policies.
    - B.6.4.2 The president will chair and finalize the agenda for Board meetings.
    - B.6.4.3 The president plans for leadership (officer) perpetuation.
    - B.6.4.4 The president may represent the Board to outside parties.
    - B.6.4.5 The president will select a fellow director to perform duties in his/her absence.
  - B.6.5 The treasurer will lead the Board’s financial oversight, and process for creating and monitoring the Board’s (not the Co-op’s) budget.
    - B.6.5.1 The treasurer will ensure directors are oriented with regard to the finances of the Co-op as needed to fulfill their duties.
    - B.6.5.2 The treasurer will oversee the appointment and activities of the Review Committee as required in Bylaw 4.3 and the Texas Business Organizations Code (TBOC) and ensure that documentation of the process is kept.
    - B.6.5.3 The treasurer will ensure that a direct inspection of documentation pertaining to Co-op tax payments is done semi-annually. One inspection shall be done by an outside auditor as part of the Board’s annual review of Co-op finances and one inspection shall be done by the treasurer or other Board member directed to do so by the Board.
  - B.6.6 The secretary will make sure the Board’s documents are accurate, up to date, and appropriately maintained.
    - B.6.6.1 In addition, the secretary will oversee the Co-op Vote process as described in the Procedures for Co-op Votes, adopted on July 28, 2009.

*This policy shall be monitored annually in June.*

Policy Type: Board Process  
Policy Title: B7 – Board Committee Principles  
Last Revised: January 26<sup>th</sup>, 2010

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- B.7 Board committees are used only to help accomplish the Board's job.
  - B.7.1 Board action is required to form a Board committee.
    - B.7.1.1 The Board will establish, regularly review and control committee responsibilities in written committee charters.
    - B.7.1.2 The Board will carefully state committee expectations, authority and resources.
  - B.7.2 Board committees may include Owners who are not members of the Board.
  - B.7.3 Committees will reinforce and support the wholeness of the Board.
  - B.7.4 Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes.

*This policy shall be monitored annually in July.*

Policy Type: Board Process  
Policy Title: B8 – Governance Investment  
Last Revised: January 26<sup>th</sup>, 2010

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- B.8 The Board will invest in its governance capacity.
  - B.8.1 The Board will make sure that Board skills, methods and supports are sufficient to allow excellent governance.
  - B.8.2 The Board will incur governance costs prudently, though not at the expense of endangering the development and maintenance of superior capability.
    - B.8.2.1 The Board will use training and retraining liberally to orient new directors and candidates for board service, as well as to maintain and increase existing directors' skills and understandings.
    - B.8.2.2 The Board will arrange outside monitoring assistance as necessary so that the Board can exercise confident control over organizational performance.
    - B.8.2.3 The Board will use outreach mechanisms as needed to ensure its ability to listen to Owner viewpoints and values.
    - B.8.2.4 The Board will use professional and administrative support.
  - B.8.3 The Board will develop its annual budget in a timely way so as to not interfere with the development of the Cooperative's annual budget.

*This policy shall be monitored annually in September.*

Policy Type: Board Process  
Policy Title: B9 – Endorsements  
Last Revised: January 26<sup>th</sup>, 2010

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- B.9 The Board will consider only endorsements that are in harmony with Wheatsville’s Mission Statement and respect Wheatsville Owners’ diversity of viewpoints.
- B.9.1 Management is responsible for any endorsements that are product related.
- B.9.2 The Board will not consider any endorsements of political candidates.
- B.9.3 The Board will consider other endorsements requested by Co-op Owners that are in harmony with Wheatsville’s Ends policies, Principals and Values.
- B.9.3.1 Endorsement is understood to mean overall support for an initiative or organization based on a thorough review. An endorsement by the Wheatsville Board implies that the Board agrees with the information being communicated.
- B.9.4 Endorsement recommendations shall be sponsored by any current Board member and presented as a proposal. The proposal will:
- Outline the issue or initiative brought forth by a Co-op Owner;
  - Present balanced information on the issue/initiative including opposing views;
  - Indicate how the issue/initiative supports Wheatsville’s Ends, Principles and Values;
  - Recommend how the Board’s support should be manifested.
- B.9.5 The Board will take action on the endorsement at the meeting following the Director’s proposal.
- B.9.6 Endorsements must be approved by a unanimous vote of the Board, with no directors standing aside.

*This policy shall be monitored annually in October.*