

## CO-OPPORTUNITY'S BYLAWS

### Board Perpetuation Committee

10.1. The Board President, subject to the approval of the Board, shall appoint a Board Perpetuation Committee comprised of three members in good standing. The nomination and election process shall be run according to the procedures outlined in the Administrative Code.

## CO-OPPORTUNITY'S ADMINISTRATIVE CODE

### SECTION: BOARD OF DIRECTORS

Nominations and Elections of Directors

#### Nominations

The Board of Directors (BOD) should actively cultivate candidates for future elections. At least one hour of each annual retreat shall include a discussion of potential candidates for the Board and how to engage them in Co-opportunity governance.

The Board President shall appoint the Board Perpetuation Committee by the March board meeting annually. The Board Perpetuation Committee shall be comprised of three members, at least two of whom are Directors, plus the Membership Director. The Chair of the Board Perpetuation Committee shall be a Director.

The application deadline for BOD candidates shall be established by the Board at the May meeting. The Board Perpetuation Committee will review all applications and decide which, if any, applicants will be endorsed by the Board. The Board Perpetuation Committee will conduct interviews with those candidates it is considering for endorsement. Any member of the Board is invited to participate in candidate interviews. There will be a minimum of three Board members at each interview.

#### Campaigning:

Candidates for the Board of Directors who wish to campaign must adhere to the following campaign guidelines:

- Campaign materials/ fliers may be prepared and distributed in person by the Candidate outside of the store or can be placed on the membership counter (only), inside the store. Materials to be placed on the membership counter can be no larger than 8 x 5 - 5 x 5 double sided fliers.
- To make the campaign process fair and equal for all candidates, campaigning in-person is limited to weekends. If complaints of harassment by a candidate are received by members or customers, the candidate will be eliminated from the nominating process.

#### Election

The Secretary shall ensure ballots are mailed (or emailed) to all members in good standing not less than 10 or more than 50 days prior to the election. The first day of the election shall coincide with the annual membership meeting. All candidates on the ballot shall be introduced at the annual meeting and are required to speak for no more than 2 minutes about why they would make a great candidate.

The ballot will include a statement from each candidate. Each candidate shall furnish their own statement however the Board Perpetuation Committee has the right and responsibility to establish the format and length of each submission. The Board Perpetuation Committee may edit statements for inaccurate or misleading information. The Board Perpetuation Committee has the right and responsibility to submit additional information to the members regarding the nomination and election procedure.

The directors shall be elected by a plurality vote. The three candidates receiving the most votes will be the Directors Elect. Their terms begin January 1.

In the case of a tie vote, the outcome shall be determined by form and procedure determined by the Board or a designee of the board and supervised by the Board Secretary.

To be counted, ballots must be received by Co-opportunity on or before the return date stated on the ballot. The return date will be established by the Board Perpetuation Committee at the May board meeting. The date should allow adequate time for counting the ballots and certification of the election before directors assume office January 1.

The Secretary or board's designee, at the discretion of the board, is the election referee. The referee is responsible for establishing a procedure for mailing, receiving, and counting the ballots in a manner that ensures the integrity of the balloting process and election. The secretary shall certify the results of the election, determine if a procedure to decide a tie is necessary, notify the board, notify all candidates of the results of the balloting, and post results in store, on website, and in newsletter.

In a year when the Board Secretary is nominated for election, the board shall appoint an Inspector of Election to fulfill the Secretary's legal election responsibilities.

Candidates should address any questions or concerns about the Board election process to the Board Perpetuation Committee. If there are disputes regarding the election, the Secretary of the Board of Directors will make a recommendation to the board presidents for a final determination. When the Secretary is on the ballot, the board president will appoint another Board member as the Election Inspector.

POLICY TYPE: GOVERNANCE PROCESS  
POLICY TITLE: GP4.10. BOARD MEMBERS' CODE OF CONDUCT  
ADOPTED: MARCH 21, 2007  
LAST REVISED: MAY 15, 2019

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*The Board commits itself and its individual Board members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.*

Accordingly:

1. Board members must represent loyalty without conflict to the interests of the ownership. 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. Board members must disclose and address conflicts of interest with respect to their fiduciary responsibilities to the cooperative.
  - 2.1 A Board member has a conflict of interest within the meaning of this policy when s/he or a family member has a material financial interest in an issue or matter pending for discussion or decision by the Board and Management.

For purposes of this policy:

2.1.1 A "family member" is a Board member's spouse, domestic partner, or child, as well as the spouse of a Board member's child or other relative of a Board member, whether living in the same household or not, as the Board member.

2.1.2 A "material financial interest" is

(1) an ownership or investment interest in an entity whose transactions, arrangements, potential transactions or potential arrangements with the Cooperative are before the Board or Management,

(2) a compensation arrangement, including an employment relationship, with any such entity,

(3) fiduciary duties, as a Board member or otherwise, or executive-level management authority at any such entity, or

(4) direct personal participation (other than as a Board member) in a pending matter before the Board.

A Board Member or family member who owns shares in a mutual fund does not have a "material financial interest" as to any of the fund's holdings unless the Board or family member directs or advises the fund in connection with portfolio transactions.

- 2.2. When a conflict of interest exists, a Board member must take one of two actions to address the conflict:

1) The Board member may advise the President, either in writing or at a Board meeting, that the Board member has a conflict of interest, and thereafter the Board member must absent herself or himself from all discussions and voting of the Board on any matter related to the conflict of interest.

2) The Board member may advise the Board that a conflict of interest exists and may ask the Board to waive the conflict and permit the Board member to participate in discussion and voting on the matter.

In the second circumstance, the Board member may participate in discussion and voting on the matter only by affirmative vote of the other Board members present, and the Board may impose such conditions on the Board member's participation as the Board deems necessary to assure openness, competitive opportunity, access to inside information and the public perception that the Board is conducting its business fairly and ethically.

- 2.3. Board members may not use their positions on the Board to obtain employment for themselves, their family members, or close associates. A Board member wishing to pursue employment with the co-op may only do so after s/he has resigned or her/his term of office has expired.
- 2.4. Upon taking office as a Board member, each Board member will advise the President in writing as to any conflict of interest the Board member has or is likely to have during the Board member's tenure. Thereafter, consistent with GP 4.10.2, each Board member has an affirmative obligation to disclose conflicts of interest as they arise.
3. Board members may not attempt to exercise individual authority over the organization except as explicitly set forth in the Board policies. Board members' interaction with the General Manager or with the staff must recognize the lack of authority vested in individuals except when explicitly Board-authorized. Board members' interactions with the public, the press, or other entities must recognize the same limitation and the inability of any Board member to speak for the Board except to repeat explicitly stated Board decisions.
4. Board members will respect the confidentiality appropriate to issues of a sensitive nature.
5. Board members must comply with all requirements of federal and state law with respect to their roles as Board members. These requirements may include, but are not necessarily limited to, the obligation to provide the co-op with a copy of the Board member's Social Security card and the obligation to execute an affidavit with respect to the co-op's state liquor license.
6. In order to contribute to the Board, Board members must be capable of a high standard of behavior and performance. They must meet the qualifications and accept the obligations specified in GP 4.1 (Governing Style). They must be civil, courteous, and professional. They must communicate effectively with the rest of the Board. They must fulfill their commitments.