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AGENDA

HCCS Board of Directors Meeting

May 24, 2023

5:30 p.m.

Hanover Board Room, 45 South Park St. Hanover, NH

Time	Agenda Topic	Page	Board Action
5:30	Call to order and Welcome Roll Call Consent Agenda April 26, 2023 Meeting Minutes May 12, 2023 Special Meeting Minutes Monthly Share Redemption		Approve
5:35	Election of Officers		Decision
5:40	Member Input		
5:45	Monitoring EL Global		Decision
6:00	General Manager Report Presentation by Lucas Moyer Presentations by Bruce Follett & Allan Reetz		Information Information
6:30	Board Planning President's Report - Review Draft Board Policies Vice President's Report - Upcoming Conferences - Board Retreat - Select Monitoring Teams		Decision Discussion
6:50	Committees Set Calendar and Appoint Committee Chairs		Decision
7:00	Final Thoughts & Adjournment		

DRAFT MEETING MINUTES

April 26, 2023

5:30 p.m. Co-op Resource Center/Hybrid

Present: Mary Lou Aleskie, Marta Ceroni, Nick Clark, Eric DeLuca, Jessica Giordani, Conicia (CJ) Jackson, Peggy O'Neil, Orin Pacht, Lindsay Smith, Jennifer Tietz

Absent: Manish Kumar

Employees: April Harkness (ESG Program Manager), Jamie Shechtman (Director of Finance)

2023 Board

Candidates: Eileen O'Toole

Members: Kevin Birdsey

President Nick Clark called the meeting to order at 5:34 p.m.

Consent Agenda: March 22, 2023 Meeting Minutes: March 2023 Share Redemptions

MOTION: CJ Jackson moved to accept the Consent Agenda. Jessica Giordani seconded the motion

VOTED: 9 in favor. 0 opposed. The motion passed.

Board Resolutions

MOTION: Peggy O'Neil moved to accept the board resolutions as presented and to authorize the Board Secretary signature. Jennifer Tietz seconded the motion.

VOTED: 9 in favor. 0 opposed. The motion passed.

Member Input

None.

Marta Ceroni arrived at 5:48 p.m.

Monitoring

EL 1 - Finances

Jamie Shechtman presented EL 1 – Finances to the Board of Directors. The Board asked to add trailing 12 months data for the debt to equity ratio section

MOTION: Orin Pacht moves that the board assessed EL 1 - Finances and that the report provided a reasonable interpretation of the policy. Jennifer Tietz seconded the motion.

VOTED: 10 in favor. 0 opposed. The motion passed.

Board Self-Monitoring

Board President Nick Clark discussed the reworking of several Governing Policies as well as instituting the idea of working in small groups for board self-monitoring reports. This way new board members will work with veteran board members to learn Policy Governance.

DRAFT Ends Policies

MOTION: Orin Pacht moves to accept the DRAFT Ends Policies as the new Ends Policies with the substitution in EL 3 of the word “participates” with “values”. Nick Clark seconded the motion.

VOTED: 10 in favor. 0 opposed. The motion passed.

General Manager Report

Jamie Shechtman provided the General Manager update to the Board.

Board Planning

Presidents Update

Board President Nick Clark provided a brief update including board member attendance in the upcoming Vermont Employee Ownership Conference on June 1 and the start of strategic planning.

Vice Presidents Report

The Board Vice President CJ Jackson provided a brief update including the recommendation of using TEAMS as a board platform, the upcoming onboarding schedule, and retreat planning.

Executive Session

MOTION: The board moved to enter into Executive Session at 7:12 p.m. to discuss contract/GM annual review and to not include employee board members or employees in the Executive Session.

VOTED: 10 in favor. 0 opposed. The motion passed.

The board came out of Executive Session at 7:38 p.m.

MOTION: Nick Clark moved to adjust GM compensation as discussed in Executive Session. Orin Pacht seconded the motion.

VOTED: 10 in favor. 0 opposed. The motion passed.

MOTION: Nick Clark moved to accept the GM contract and authorize the Board President signature.
Peggy O'Neil seconded the motion.

VOTED: 10 in favor. 0 opposed. The motion passed.

The meeting adjourned at 7:40 p.m.

Respectfully submitted,

April Harkness

Governance & Community Engagement

Orin Pacht

Board Secretary

DRAFT SPECIAL MEETING MINUTES

May 12, 2023

5:30 p.m. ZOOM

Present: Mary Lou Aleskie, Nick Clark, Jessica Giordani, Conicia Jackson, Peggy O'Neil, Orin Pacht, Jennifer Tietz

Absent: Eric DeLuca

President Nick Clark called the meeting to order at 5:33 p.m.

MOTION: Nick Clark moved to appoint Caterina Tierney to fill the remaining 2-year term of the vacant board seat. Peggy O'Neil seconded the motion.

VOTED: 7 in favor. 0 opposed. The motion passed.

The meeting adjourned at 5:34 p.m.

Respectfully submitted,

Orin Pacht

Board Secretary

SHARE REDEMPTION REQUESTS

May 2023

For the period from April 16, 2023 through May 15, 2023, 22 members have requested redemption of shares. This includes 341 A shares held directly by the members and 5 B2 shares held directly by members. The total cost of redemption is \$1,777.90. The reasons for member redemptions are reflected on the attached list.

For the period from April 16, 2023 through May 15, 2023, 2 members have requested a share transfer. This includes 35 A shares and 2 B2 shares held directly by the members.

Redemption of these shares (\$1,777.90 in total) will not adversely affect the cash position or cash flow of the Co-op at this time.

Respectfully,

Jamie Shechtman
 Director of Finance
 Hanover Consumer Cooperative Society, Inc.

<u>Vendor</u>	<u>ID</u>	<u>Date</u>	<u>State</u>	<u>Joined</u>	<u>A Shares</u> <u>Tendered</u>	<u>A Share</u> <u>Amount</u>	<u>A Share</u> <u>Extra</u>	<u>B2 Shares</u> <u>Tendered</u>	<u>B2 Share</u> <u>Amount</u>	<u>B2 Share</u> <u>Extra</u>	<u>Held</u> <u>Patronage</u>	<u>Check</u> <u>Total</u>	<u>Full</u> <u>(Partial)</u>	<u>Reason</u> <u>Why</u>
	1	4/19/2023	TN	8/13/2001	5	\$ 25.00	\$ -	-	\$ -	\$ -	\$ 0.22	\$ 25.22	Full	Don't use
	2	4/19/2023	CT	7/1/1997	40	\$ 200.00	\$ 3.48	-	\$ -	\$ -	\$ 0.13	\$ 203.61	Full	
	3	4/20/2023	NJ	10/12/2005	12	\$ 60.00	\$ -	-	\$ -	\$ -	\$ 3.05	\$ 63.05	Full	Moved
	4	4/21/2023	NH	4/9/2020	10	\$ 50.00	\$ -	-	\$ -	\$ -	\$ -	\$ 50.00	Full	Moved
	5	4/21/2023	NY	1/29/1992	10	\$ 50.00	\$ -	-	\$ -	\$ -	\$ 0.10	\$ 50.10	Full	Moved
	6	4/21/2023	ME	11/9/2007	15	\$ 75.00	\$ -	-	\$ -	\$ -	\$ 0.11	\$ 75.11	Full	Moved
	7	4/24/2023	VT	6/6/2021	10	\$ 50.00	\$ -	-	\$ -	\$ -	\$ -	\$ 50.00	Full	Moved
	8	4/24/2023	NH	10/25/2021	10	\$ 50.00	\$ -	-	\$ -	\$ -	\$ -	\$ 50.00	Full	Deceased
	9	4/28/2023	Blank	3/10/1965	64	\$ 320.00	\$ 3.38	3	\$ 15.00	\$ 3.80	\$ -	\$ 342.18	Full	Unhappy
	10	4/27/2023	NH	10/6/1997	9	\$ 45.00	\$ 3.43	-	\$ -	\$ -	\$ -	\$ 48.43	Full	Don't use
	11	4/27/2023	VT	5/17/1996	19	\$ 95.00	\$ 3.97	-	\$ -	\$ -	\$ 4.08	\$ 103.05	Full	Don't use
	12	5/2/2023	NH	12/6/2014	10	\$ 50.00	\$ -	-	\$ -	\$ -	\$ 2.34	\$ 52.34	Full	Moved
	13	5/5/2023	NH	7/7/2020	10	\$ 50.00	\$ -	-	\$ -	\$ -	\$ -	\$ 50.00	Full	Unhappy
	14	5/8/2023	VT	3/24/2012	11	\$ 55.00	\$ 4.19	-	\$ -	\$ -	\$ 2.39	\$ 61.58	Full	Deceased
	15	5/8/2023	VT	1/21/2009	11	\$ 55.00	\$ -	-	\$ -	\$ -	\$ 0.01	\$ 55.01	Full	Deceased
	16	5/8/2023	NH	3/28/2011	10	\$ 50.00	\$ 3.98	2	\$ 10.00	\$ 1.67	\$ -	\$ 65.65	Full	
	17	5/8/2023	NH	1/26/1997	32	\$ 160.00	\$ 4.51	-	\$ -	\$ -	\$ -	\$ 164.51	Full	Deceased
	18	5/9/2023	PA	8/28/2002	11	\$ 55.00	\$ -	-	\$ -	\$ -	\$ 0.05	\$ 55.05	Full	Don't use
	19	5/9/2023	NH	2/5/2001	22	\$ 110.00	\$ 0.73	-	\$ -	\$ -	\$ -	\$ 110.73	Full	Deceased
	20	5/11/2023	VT	1/24/2020	10	\$ 50.00	\$ -	-	\$ -	\$ -	\$ -	\$ 50.00	Full	Moved
	21	5/15/2023	MA	1/2/1995	10	\$ 50.00	\$ -	-	\$ -	\$ -	\$ -	\$ 50.00	Full	Moved
	22	5/15/2023	MA	4/9/2009	-	\$ -	\$ 1.10	-	\$ -	\$ -	\$ 1.18	\$ 2.28	Full	Moved

Monitoring

EL Global – Executive Limitations

The General Manager (GM) shall not cause or allow any organizational practice, policy, activity, decision, or circumstance that is unlawful, imprudent, unethical, or inconsistent with cooperative principles and values or the organization’s Ends.

Interpretation: I interpret this to mean that the General Manager will ensure that throughout the year, as ELs are interpreted, that our cooperative and all stakeholders doing business with our cooperative, adhere to the legal and moral expectations of the Hanover Consumer Cooperative Society and the industries it operates within. This means that the co-op will follow all state and federal laws regarding employment practices, cooperative business practices, and retail food and automotive practices. This also means that the co-op will operate our business in a trustworthy manner and not conduct business in a deceitful way.

To accomplish this, a cycle of processes is in place.

- The expectations of practice and policy are outlined for each stakeholder through standard operating procedures, co-op policies, job descriptions, and codes of conduct.
- Mechanisms exist to highlight areas of concern where practices are not followed or where a policy conflicts with the legal and ethical standards of the business.
- Procedures and measures are in place so that the GM (or designee) can immediately take action to correct any areas where the co-op is not meeting legal or ethical practices.

Furthermore, the co-op relies on third part reviews of our systems to ensure that we are meeting both ethical and legal practices through the form of independent audit firms, state and federal inspection, licensing practices, and insurance liability mitigation support services.



Compliance: Compliance will be demonstrated through the submission of all scheduled EL monitoring reports and when an acceptance of compliance or acceptance of a corrective plan is issued.

ELs submitted	Month	In Compliance/Accepted Plan
EL Global	May 2022	X
EL 2	June 2022	X
EL 1	July 2022	X
EL 3	September 2022	X
EL 1	October 2022	X
EL 4	January 2023	X
EL 5	February 2023	X
EL 1 and Ends Report	March 2023	X
EL 1	April 2023	X

Compliance will be demonstrated when verification of report mechanisms exists.

An internal review of systems on May 12th, 2023 indicates that all stakeholders have access to both in-store and [digital comment](#) submissions for reporting purposes. 985 general comments were received through comment submission channels in 2022, indicating that access to the system is available and understood by stakeholders. All stakeholders have access directly to board member emails via the [co-op website](#). In addition, employees have access to a private employee-only hotline maintained by our HR Director and HR Manager. 2 comments were received on this hotline during the reporting period. Additionally, a new mechanism was determined to be necessary during the 2022 reporting year and a formal relationship is being developed between the HR Director and the board to create another mechanism to highlight potential areas of legal or ethical concern within the organization.

Compliance will be demonstrated when mechanisms for corrective measures exist for each stakeholder group and third party audits and/or counsel exist.

An internal review of processes on May 12th, 2023 confirmed the co-op maintains document processes for employee, customer, and vendor corrective actions. HR, Member Services, and Operations maintain systems to track these instances. Additionally, the co-op maintains a process for issuing no-trespases to all stakeholders if needed. Two no-trespass orders were issued between the May 2022 and May 2023 reporting period.

During the reporting period, the co-op complied with all state and federal inspections, cooperated with the financial audit conducted by the board for the 2022 fiscal year, cooperated in all safety inspections conducted by the insurance team, maintained all appropriate licensing to conduct business, and maintained and utilized legal counsel for business decisions and employment practices. A review of invoices on May 12th, 2023 indicated the co-op used legal hours for both business and employment decisions in the 2022 reporting period.

Compliance determination: I report in compliance.

Our vision is a well-nourished community cultivated through cooperation.

Our Co-op's Values

V1 - Employees: We value the well-being of our employees and their families.

We prioritize the well-being of our employees and their families by providing comprehensive support, fostering a healthy work-life balance, and promoting professional development opportunities.

V2 - Community: We value a diverse, equitable, and inclusive community.

We are dedicated to building a diverse, equitable, and inclusive community by actively engaging with individuals from different backgrounds, advocating for equal opportunities, and fostering an environment of respect, acceptance, and belonging.

V3 - Local: We value a resilient local food system and economy.

We actively contribute to a resilient local food system and economy by sourcing locally, supporting local producers and businesses, and collaborating with community partners to ensure sustainable and thriving local ecosystems.

V4 - Environment: We value being a regenerative business with a positive environmental impact.

We promote environmental stewardship through sustainable practices and active investment in initiatives that have a positive and measurable impact on the environment.

Governance Process policies specify how the Board conceives of, carries out, and monitors its own task.

GP Global – Governance Process Commitment

The purpose of the board is to effectively represent the interests of the owners by setting strategic long-range direction, employing a General Manager, monitoring organizational performance to ensure accountability, monitoring its own performance, and providing effective governance using the Policy Governance process.

GP 1 – Governing Style

The focus of the board's governance style is strategic leadership, maintaining an outward vision, ensuring accountability, and promoting transparency in decision-making processes. Accordingly,

GP 1.1: Only decisions made collectively by the board will be considered binding.

GP 1.2: The board will develop Vision and Values statements that accurately reflect the perspectives of the owners. The statements will assist in guiding the board.

GP 1.2.1: The board will conduct an annual review of the Vision and Values statements using a process that actively engages owners to ensure their perspectives are adequately represented. The review will seek to answer the following questions:

- Can the language of the statements be clearly interpreted?
- Do the statements align with the perspectives of the owners?
- Are there any recommendations for changes to the Vision and Values statements?

GP 1.2.2: The board will collaborate with the General Manager to provide an annual Vision and Values Report to owners prior to Annual Meeting.

GP 1.3: The board will develop Governance Process (GP), Board-General Manager (B-GM), Ends, and Executive Limitation (EL) policies consistent with the Vision and Values statements.

GP 1.3.1: The board will conduct an annual review of the GP, B-GM, Ends, and EL policies to ensure they are consistent with the Vision and Values statements and are sufficient to meet their expectations.

GP 2 - Board Culture

The board is committed to actively promoting a culture that embraces diversity, equity, and inclusion. The board accomplishes this by:

GP 2.1: Establishing a culture of inclusivity: The board creates a safe and welcoming space where all board members feel valued, respected, and empowered to contribute their unique perspectives. It actively fosters an environment that encourages open dialogue, collaboration, and the free expression of diverse viewpoints.

GP 2.2: Proactively seeking diverse viewpoints: The board recognizes and values the importance of different experiences, backgrounds, and perspectives. It actively seeks diverse viewpoints by encouraging board members to share their unique insights, opinions, and concerns.

GP 2.3: Ensuring equitable treatment of board members: The board ensures that all board members are treated fairly and equitably in terms of access to information, opportunities for participation, and decision-making processes. It provides equal support, resources, and training opportunities to all board members, irrespective of their background or tenure.

GP 2.4: Promoting inclusive board recruitment and selection: The board proactively works to attract and recruit individuals from diverse backgrounds when seeking new board members. The board reaches out to underrepresented groups, strives for a diverse pool of candidates, and ensures that the selection process is fair and unbiased.

GP 2.5: Enhancing board member development and support: The board provides ongoing development opportunities to enhance the skills, knowledge, and capacities of all board members. This includes offering training programs, workshops, and resources, including those focused on diversity, equity, and inclusion topics.

GP 2.7: Ensuring transparent and accountable governance: The board ensures transparency in its decision-making processes, communication, and reporting. The board will be accountable for its actions and decisions, fostering trust and confidence among stakeholders.

GP 3 – Board Members' Code of Conduct

The board and its members are committed to upholding lawful, prudent, and ethical conduct. Accordingly, board members must:

GP 3.1: Contribute positively to the board's culture as articulated in GP 2.

GP 3.2: Prepare for, attend, and actively participate in board meetings, attend board retreats and trainings, participate in linkage events, and follow through on action items.

GP 3.3: Demonstrate integrity, professionalism, and ethical conduct.

GP 3.4: Maintain the appropriate level of confidentiality concerning sensitive issues and continue to uphold confidentiality even after leaving board service.

GP 3.5: Act in the best interests of the organization and its stakeholders.

GP 3.5.1: Avoid engaging in self-dealing or any form of private business or personal services between themselves and the cooperative.

GP 3.5.2: Disclose to the board any actual or potential conflict of interest on an annual basis, as well as promptly disclosing any subsequent actual or potential conflict of interest that may arise.

GP 3.5.3: Refrain from using their positions on the board to influence operational decisions, including matters related to hiring.

GP 3.6: Address violations of this policy through a progressive process that:

- Aligns with the Co-op's employee policies and best practices.
- Initiates by raising concerns to the attention of the Secretary, who may seek guidance from the Director of Human Resources when necessary. However, concerns of a serious nature or requiring immediate attention may bypass one or more steps in the progressive process. Concerns involving the Secretary should be brought to the President or another officer.
- Involves the Director of Human Resources if the Secretary or other officer is unable to resolve a reported violation.
- Involves the Executive Committee if the Secretary and Director of Human Resources are unable to resolve a reported violation.
- Requires the board, in an Executive Session, to address a reported violation if the Executive Committee is unable to resolve it.
- Engages the ownership if the board cannot resolve a reported violation, potentially resulting in a board recommendation to the ownership regarding the removal of a board member. The board will make a reasonable effort to justify its recommendation, while respecting the privacy of individual board members and avoiding any inappropriate risks for the Co-op, the board, or individual board members.

GP 4 – Board Member Compensation

Board members will receive fair compensation for their service on the board. Accordingly,

GP 4.1: Board members will receive Co-op Rewards as a form of compensation for their board work. These rewards can be used for the purchase of goods and services from the Co-op. The allocation of rewards will be based on the following baseline amounts:

- \$1,200 per year
- An additional \$400 per year for committee chair roles
- An additional \$800 per year for officer roles

GP 4.1.1: This allocation will be adjusted annually based on the Co-op's Cost of Living Adjustment for employees generally, ensuring a fair compensation that keeps pace with changes in the cost of living.

GP 4.2: The allocation of Co-op Rewards may be prorated, reduced, or eliminated for board members who violate GP 3 - Board Members' Code of Conduct, as determined by the board. Nonstandard term lengths may also affect the allocation.

GP 4.3: Board member Rewards will be subject to the same terms and conditions as all other Co-op Rewards provided to owners.

GP 4.4: The allocation of Co-op Rewards may be made in installments throughout the board year as necessary to ensure accurate accounting in line with the Co-op's fiscal year. .

GP 5 – President's Role

In addition to the responsibilities prescribed by the Co-op's Bylaws, the board President ensures the integrity of the board's process and represents the board to external parties. Accordingly,

GP 4.1: The President ensures that the board operates in accordance with the Co-op's Bylaws, the board's Governance Process and Board-General Manager policies, and any applicable external regulations.

GP 4.2: The President proposes the agenda and chairs board meetings, exercising all the powers and responsibilities of the position as described in the Bylaws and Roberts' Rules of Order.

GP 4.2.1: The President ensures that board deliberations are fair, open, and thorough, while also maintaining timeliness, orderliness, and adherence to topics within the board's jurisdiction. The President limits the time spent on self-monitoring reports by discouraging discussion unless a report indicates a policy violation.

GP 4.3: The President collaborates with the General Manager to foster a culture of cooperation between the board and operations.

GP 4.4: The President represents the board by announcing board-stated positions and communicating decisions within the scope delegated to the President to ensure consistent visibility of board outcomes to stakeholders.

GP 4.5: The President has the authority to gather information in a timely manner to address emergent issues requiring board deliberation.

GP 4.6: The President is supported by administrative assistance provided by the General Manager for duties assigned to the President.

GP 4.7: The President has no authority to make decisions on board policies related to Ends and Executive Limitations. Therefore, the President does not have authority to supervise the General Manager.

GP 4.8: The President may seek assistance from other board members for the aforementioned responsibilities, but ultimately remains accountable for the execution of this policy.

GP 4.9: The President is authorized to use any reasonable interpretation of this policy to carry out their responsibilities.

GP 6 – Vice President's Role

In addition to the responsibilities prescribed by the Co-op's Bylaws, the board Vice President ensures the continuity of the board's process and supports the fulfillment of the board's obligations. Accordingly,

GP 6.1: The Vice President is responsible for ensuring the timely execution of the board's obligations, which include:

- Conducting the annual review of the Board's Vision and Values statements.
- Monitoring Governance Process and Board-General Manager policies.
- Fulfilling other time-sensitive board obligations.

GP 6.2: The Vice President is responsible for ensuring that effective candidate recruitment and training processes are in place, as well as board election and orientation procedures.

GP 6.3: The Vice President is responsible for identifying and considering board development opportunities aimed at equipping board members with the necessary skills and knowledge to fulfill their responsibilities. These opportunities may include attending CCMA and NFCA events, participating in cooperative development training sessions, visiting other co-ops and attending board meetings of other co-ops, and engaging outside governance and development consultants.

GP 6.4: The Vice President is supported by administrative assistance provided by the General Manager for duties assigned to the Vice President.

GP 6.5: The Vice President has no authority to make decisions regarding board policies. Therefore, the Vice President does not have the authority to supervise the President or General Manager.

GP 6.6: The Vice President may seek assistance from other board members for the aforementioned responsibilities, but ultimately remains accountable for the execution of this policy.

GP 6.7: The Vice President is authorized to use any reasonable interpretation of this policy to carry out their responsibilities.

GP 7 – Treasurer's Role

In addition to the responsibilities prescribed by the Co-op's Bylaws, the board Treasurer ensures the continuity of the board's budget and financial oversight. Accordingly,

GP 7.1: The Treasurer will ensure the regular monitoring of the board's actual and anticipated spending, conducting quarterly and year-end reviews to assess financial performance.

GP 7.2: The Treasurer will oversee the board's annual budgeting process.

GP 6.7.1: The Treasurer will provide the board with a recommended budgetary range, based on one-tenth to two-tenths of one percent of the organization's total revenues, to guide the development of the budget.

GP 6.7.2: The Treasurer will collaborate with the board and recommend expense categories that align with the board's needs and strategic priorities.

GP 7.3: The Treasurer is supported by administrative assistance provided by the General Manager for duties assigned to the Treasurer.

GP 7.4: The Treasurer has no authority to modify an approved budget or authorize expenditures unless explicitly authorized by the board. Therefore, the Treasurer does not have the authority to supervise the General Manager, the Director of Finance, or any other Co-op employee.

GP 7.5: The Treasurer may seek assistance from other board members for the aforementioned responsibilities, but ultimately remains accountable for the execution of this policy.

GP 7.6: The Treasurer is authorized to use any reasonable interpretation of this policy to carry out their responsibilities.

GP 8 – Secretary's Role

In addition to the responsibilities prescribed by the Co-op's Bylaws, the board Secretary ensures the effective management and confidentiality of board documents and records. Accordingly,

GP 8.1: The Secretary will ensure that all necessary board documents and records are appropriately maintained and readily accessible to the board as a whole.

GP 8.2: The Secretary will ensure that all documents and records containing sensitive information concerning the General Manager, individual board members, or any other Co-op employee involved in an incident that is reasonably relevant to the board are securely retained and treated with strict confidentiality. The Secretary will act as a confidential liaison between the board and the Director of Human Resources in all matters of a sensitive nature.

GP 8.2.1: The primary responsibility for securely retaining documents and records will be delegated to the General Manager, who will ensure that all sensitive documents and records are stored internally within the Co-op and not by the Secretary.

GP 8.3: The Secretary is supported by administrative assistance provided by the General Manager for duties assigned to the Secretary.

GP 8.4: The Secretary does not have the authority to supervise the General Manager, Director of Human Resources, or any other Co-op employee.

GP 8.5: The Secretary may seek assistance from other board members for the aforementioned responsibilities, but ultimately remains accountable for the execution of this policy.

GP 8.6: The Secretary is authorized to use any reasonable interpretation of this policy to carry out their responsibilities.

GP 9 – Board Linkage with Owners

The board acknowledges its accountability to the owners as a collective body. Accordingly,

GP 9.1: As the representative of the owners, the board is responsible for identifying and understanding the wants and needs of the owners. The board will employ diverse methods to gather data that reflect the diversity of the ownership, ensuring inclusive and meaningful participation of owners.

GP 9.1.1: The board will establish and maintain an ongoing three-year ownership linkage plan to facilitate intentional and constructive dialogue with owners. The plan will outline strategies for engaging with owners and include the selection of representative owners for dialogue, specific methods to be used, and key questions to be asked. The board will primarily focus on discussing the board's Vision and Values statements, and secondarily, the Ends and Executive Limitations policies. The insights gained from these dialogues with owners will inform the board's deliberations.

GP 9.1.2: All board members are accountable to the board for actively participating in the linkage process with owners and integrating the insights gained from these interactions into their decision-making.

GP 9.1.3: The board will periodically review and assess the effectiveness of the ownership linkage plan to ensure its alignment with the changing needs and expectations of the owners.

GP 9.2: The board will communicate the outcomes of the linkage process to the owners in a transparent and timely manner, providing regular updates and reports on how the owners' perspectives have influenced the board's decisions.

GP 9.3: The board will promote opportunities for ongoing engagement and education of owners, facilitating their understanding of the cooperative's governance model and encouraging their active participation in the democratic processes of the organization.

GP 9.4: The board will continuously seek to foster a culture of open communication and mutual trust between the owners and the board, promoting transparency, inclusivity, and responsiveness in its interactions with owners.

GP 9.5: The board will periodically evaluate its effectiveness in representing the interests of the owners and assess the impact of its linkage efforts on the overall governance of the cooperative. The results of this evaluation will inform future improvements to the ownership linkage process.

GP 10 – Board Committees

The board may establish committees, when necessary, to support the fulfillment of the board's overall responsibilities, without encroaching upon the delegation of authority from the board to the General Manager.

GP 10.1: The schedule and venue of all board committee meetings will be publicly announced at least 48 hours prior to the meeting.

GP 10.2: All committee members will adhere to the same Code of Conduct that governs board members.

GP 10.3: Each committee chair will provide the board with a summary of the discussions and outcomes of each committee meeting within 48 hours after the meeting. Written products generated by committees will be shared with the board through accessible documents, enabling board members to review, provide comments, ask questions, and suggest revisions prior to regular board meetings.

GP 10.4: Committee activities and decisions will align with the board's policies and objectives, serving as a means to support the board's governance role rather than assuming operational or managerial functions.

GP 10.5: The only board committees are those explicitly established in lower-level sections of this policy or specified in the Co-op's bylaws. The necessity for each committee's continuation will be reviewed at the beginning of each board year, assessing their ongoing relevance and alignment with the board's objectives and strategic direction. Committees that are no longer deemed necessary may be dissolved or reconfigured.

GP 10.5.1: Bylaws Committee

The Bylaws Committee supports the board in maintaining bylaws that align with the Co-op's organizational needs and remain consistent with relevant legislation.

Committee Responsibilities:

1. The committee conducts regular reviews of the current bylaws to assess their relevance, clarity, completeness, and compliance with current legislation and the Co-op's Certificate of Organization.
2. As necessary, the committee proposes revisions to the existing bylaws for the board's consideration.
 - a. Proposed revisions are thoroughly reviewed to ensure alignment with current legislation and the Co-op's Certificate of Organization. Legal counsel may be engaged, as required.
 - b. The committee provides written rationale for each proposed revision, outlining the reasons behind the recommendation.
3. The committee ensures effective communication with the Co-op's owners, facilitating informed voting on proposed bylaws revisions endorsed by the board.
 - a. A timeline is established to allow sufficient time for owner education regarding the proposed revisions prior to voting.
 - b. The committee provides written rationale for each proposed revision, enabling owners to understand the purpose and implications of the changes.
 - c. The committee actively participates in events aimed at informing owners about the proposed bylaws revisions.

Committee Authority:

4. The committee's authority is delegated to support the board's work without compromising board holism.
 - a. The committee has the authority to request administrative support, including employee resource time, for activities such as communicating with owners and facilitating owner voting on proposed revisions.
 - b. The committee is authorized to engage legal counsel when necessary to ensure compliance with legislation and legal requirements.
 - c. The committee chair is authorized to reasonably interpret this policy.

Committee Composition and Tenure:

5. The committee's composition is designed to enable effective and efficient functioning.
 - a. The board will elect one board member to serve as the committee chair for a one-year term.
 - b. The chair, with the approval of the board, selects additional committee members based on their qualifications and expertise.
 - c. The committee will disband upon completion of its assigned tasks or as determined by the board, with the understanding that further work on bylaws may necessitate reestablishing the committee.

GP 10.5.2: Governance Committee

The Governance Committee supports the board in improving its processes and the effective implementation of Policy Governance.

Committee Responsibilities:

1. The committee actively contributes to the board's continuous improvement efforts.
 - a. The committee provides suggestions to enhance the board's workflow, strategic governance practices, and monitoring processes.
 - b. The committee develops drafts of new policies or policy revisions.
 - c. The committee identifies strategies to address any noncompliance issues with Governance Process and Board-General Manager policies.
 - d. The committee updates the policy manual and Board Handbook to reflect current board practices and policies.
 - e. When applicable, the committee presents the board with options for action items derived from reports from the board's governance consultant.
 - f. The committee ensures the execution of B-GM 3.4.1 and 3.4.2.

Committee Authority:

2. The committee's authority is delegated to support the board's work without compromising board holism.
 - a. The committee is authorized to request a reasonable amount of employee resource time for administrative support from an employee familiar with the board's operations. The committee will exclude such an employee from its work when confidentiality requires, as determined by the committee members.
 - b. The committee may liaise with the board's governance consultant, if applicable, but cannot enter into or modify the consulting contract.
 - c. The committee may engage legal counsel for opinions and advice on matters related to board governance.
 - d. The committee chair has the authority to reasonably interpret this policy.

Committee Composition and Tenure:

3. The committee's composition is designed to facilitate effective and efficient functioning.
 - a. The board will elect one board member to serve as the committee chair for a one-year term.
 - b. The chair, with the approval of the board, selects additional committee members based on their qualifications and expertise.

GP 10.5.3: Owner Linkage Committee

The Owner Linkage Committee assists the board in fulfilling its responsibility for linkage with owners, including the identification of potential board candidates.

Committee Responsibilities:

1. The committee develops and promotes owner engagement with the Co-op.
 - a. Owners are provided with opportunities to understand and achieve varying levels of engagement, including serving on the board.
 - b. The committee encourages owners to actively participate in board elections and consider running for board positions.
2. The committee develops and maintains a rolling three-year ownership linkage plan, subject to board approval, as outlined in GP 9 - Board Linkage with Owners.
 - a. The committee considers its ownership linkage successful when, to an increasing extent:
 - i. The board has access to diverse viewpoints that represent the ownership when developing or revising statements and policies.
 - ii. Owners are aware that the board values their perspectives and input.
 - iii. Owners have opportunities to communicate their views to the board.
 - iv. Owners are informed about how the board has utilized the information provided by them.

Committee Authority:

3. The committee's authority is delegated to support the board's work without compromising board holism.
 - a. The committee may request employee resource time for administrative support related to the implementation of the three-year ownership linkage plan.
 - b. The committee is authorized to allocate relevant funds outlined in the board-approved budget to fulfill its responsibilities.
 - c. The committee chair has the authority to reasonably interpret this policy and GP 9 - Board Linkage with Owners.

Committee Composition and Tenure:

4. The committee's composition is designed to ensure effective and efficient functioning.
 - a. The board will elect one board member to serve as the committee chair for a one-year term.
 - b. The chair, with the approval of the board, selects additional committee members based on their qualifications and expertise.

GP 10.6.4: General Manager Search Committee

The General Manager Search Committee assists the board in hiring a new General Manager by organizing and overseeing a comprehensive process for soliciting applications, reviewing candidates, and facilitating interviews.

Committee Responsibilities:

1. The committee ensures an orderly and efficient search process for selecting a new General Manager.
 - a. The committee develops a list of competencies and expertise desired in the General Manager, incorporating input from the public, employees, and owners through engagement opportunities.
 - b. The committee implements a process that attracts and identifies qualified candidates for the board's consideration.
 - c. The committee provides opportunities for board discussions related to the hiring of the General Manager.

Committee Authority:

2. The committee's authority is delegated to support the board's work without compromising board holism.
 - a. The committee may seek consultation from industry professionals to enhance the search process.
 - b. The committee is authorized to solicit proposals from executive search firms and negotiate contract terms, subject to final approval by the board.
 - c. The committee has the authority to request a reasonable amount of employee resource time for administrative support.
 - d. The committee chair has the authority to reasonably interpret this policy.

Composition and Tenure:

5. The committee's composition is designed to ensure effective and efficient functioning.
 - a. The board will elect one board member to serve as the committee chair.
 - b. The chair, with the approval of the board, selects additional committee members based on their qualifications and expertise. The committee will consist of a minimum of five members, including board members, owners, and at least one employee board member (if elected), in alignment with the Co-op's Bylaws.
 - c. The committee will disband upon completion of its assigned tasks or as determined by the board.

GP 11 - Monitoring Board Performance

The board will regularly monitor its Governance Process and Board-General Manager policies to ensure effective governance and organizational alignment.

GP 11.1: Monitoring teams will be formed, comprising three board members. Every effort will be made to ensure diversity within each team by including board members from different election year cohorts, encompassing both new and veteran board members.

GP 11.2: Monitoring teams will present their findings in written reports included in board meeting packets. The findings should address the following questions:

- Can the policy language be clearly interpreted?
- Have the policy requirements been met, and what evidence supports this?
- Is the policy consistent with the organization's Vision, Values, and other policies?
- Are there any recommendations for changes to the policy?

GP 11.3: Recommendations for policy changes will be automatically referred to the Governance Committee for review. The Governance Committee will draft suggested policy revisions, if any, and submit them along with the original recommendation via the board meeting packet for consideration by the board.

GP 11.4: The board will establish a monitoring schedule to ensure comprehensive and timely monitoring of policies.

B-GM Global

The board will exercise control over operations by developing and monitoring policies that are binding on the General Manager and by ensuring compliance with the General Manager's Employment Agreement. The Board's interaction with operations, including operational conduct and achievement, is solely through the General Manager.

B-GM 1 – Unity of Control

Only decisions made by the board as a whole are binding on the General Manager. Accordingly,

B-GM 1.1: Decisions or instructions from individual board members, officers, or committees are not binding on the General Manager unless the Board has explicitly authorized such exercises of authority.

B-GM 1.2: If board members or committees request information or assistance without board authorization, the General Manager may refuse such requests that, in the General Manager's opinion, require a significant amount of employee time or funds, or are disruptive.

B-GM 2 – Delegation to the General Manager

The board will provide written policies to guide the General Manager in achieving the organizational Ends and specifying organizational situations and actions to be avoided. The General Manager is authorized to interpret these policies reasonably. Accordingly,

B-GM 2.1: The board will develop Ends policies instructing the General Manager to achieve specific results for designated recipients at appropriate costs.

B-GM 2.2: The board will develop Executive Limitations policies that define the boundaries within which the General Manager may operate.

B-GM 2.3: Within the boundaries of the board's Ends and Executive Limitations policies, the General Manager is authorized to establish further policies, make decisions, implement practices, and develop activities.

B-GM 2.4: The board may change its Ends and Executive Limitations policies, but the General Manager will only be held responsible for meeting a policy during the time period in which that policy was in effect.

B-GM 3 – Monitoring General Manager Performance

The board will systematically and rigorously monitor the General Manager's performance against expected job outputs, including organizational accomplishment of board policies on Ends and adherence to Executive Limitations policies. Accordingly,

B-GM 3.1: Monitoring aims to assess the degree of compliance with board policies. The General Manager will define metrics, set standards, and provide data that demonstrate performance relative to those standards.

B-GM 3.2: The board may acquire monitoring data through one or more of the following methods:

- Internal reporting: The General Manager discloses compliance information to the board.
- External reporting: An external, independent third party selected by the board assesses compliance with board policies, such as a fiscal auditor.
- Direct board inspection: Designated board members assess compliance with the relevant policy criteria.

B-GM 3.3: The standard for compliance will be any reasonable interpretation of the board policy being monitored as determined by the General Manager.

B-GM 3.4: The board will establish the frequency and method of monitoring for all policies that instruct the General Manager. The board may monitor any policy at any time by any method but will typically follow a routine schedule.

B-GM 3.4.1: After monitoring a policy, the board will seek to answer the following questions:

- Can the policy language be clearly interpreted?
- Is the policy consistent with the organization's Vision, Values, and other policies?
- Are there any recommendations for changes to the policy?

B-GM 3.4.2: Recommendations for changes to a policy will be automatically referred to the Governance Committee for review.

B-GM 3.5: The board will conduct a comprehensive annual review of the General Manager's performance based on a thorough analysis of monitoring reports received throughout the trailing 12 months, as well as in alignment with the provisions outlined in the General Manager's Employment Agreement.

Ends Global: The Hanover Consumer Cooperative Society (Co-op) is central to a well-nourished community that:

E1: Has food and product access for all community members based on their needs and wants, including foods and products that are:

- Sourced or produced:
 - Locally,
 - Ethically,
 - Sustainably,
 - By businesses owned by underrepresented populations,
 - By businesses that value the well-being of their employees.
- Healthful, and
- Fairly priced.

E2: Has access to services that support all community members based on their needs, including transportation needs.

E3: Values a vibrant cooperative ecosystem.

Executive Limitations Global: The General Manager shall not cause or allow any organizational conduct that is unlawful, imprudent, unethical, or detrimental to the organization's reputation, good will, or public image.

EL 1 – Financial Stability

The General Manager shall not cause or allow the financial stability of the organization to be jeopardized. Further, without limiting the scope of the foregoing by this enumeration, the General Manager shall not allow:

EL 1.1: Indebtedness or illiquidity that jeopardizes the ability of the organization to repay its current and long-term debts and meet its financial obligations to lenders, vendors, employees, and tax authorities in a timely and efficient manner.

EL 1.2: Inadequate net annual income.

EL 1.3: Financial record-keeping systems that are inadequate or out of conformity with generally accepted accounting practices (GAAP).

EL 1.4: Inadequate or irregular financial reporting to the board that excludes an accurate balance sheet, statement of cash flows, net income statement, or such additional indices and reports as deemed useful in the discharge of board's fiduciary responsibilities.

EL 2 – Asset Protection

The General Manager shall not cause or allow assets to be jeopardized. Further, without limiting the scope of the foregoing by this enumeration, the General Manager shall not allow:

EL 2.1: Inadequate insurance coverage, including liability insurance for board members.

EL 2.2: Inadequate maintenance, cleanliness, and security of premises and property.

EL 2.3: Inadequate protection of sensitive or proprietary information.

EL 2.4: The creation or purchase of any subsidiary corporation.

EL 3 - Operational Capacity

The General Manager shall not cause or allow operational capacity to be jeopardized. Further, without limiting the scope of the foregoing by this enumeration, the General Manager shall not allow:

EL 3.1: Inadequate cooperation between departments and locations.

EL 3.2: Inadequate succession and retention planning for any job function.

EL 3.3: Inadequate, inequitable, inconsistent, or inaccessible employee policies.

EL 3.3.1: Inadequate or infrequent employee engagement on expectations for employee and leadership values, behaviors, and competencies.

EL 3.3.2: Inadequate or infrequent employee engagement on the relationship between the board and operations, including board oversight of the General Manager and whistleblowing policies.

EL 3.4: Inadequate emergency planning and management.

EL 4 – Employee Well-Being

The General Manager shall not cause or allow employees' well-being to be jeopardized. Further, without limiting the scope of the foregoing by this enumeration, the General Manager shall not allow:

EL 4.1: Inadequate or inequitable employee compensation and benefits.

EL 4.2: Inadequate or inequitable opportunities for employee development.

EL 4.3: Inadequate support for employees facing personal, professional, or systemic challenges.

EL 4.4: Inadequate opportunities and incentives for community involvement, including volunteering.

EL 4.4.1: Inadequate opportunities and incentives for participation in internal committees.

EL 4.4.2: Work schedule requirements or the loss of compensation to impede an employee's reasonable opportunity to participate in the respective local, state, or federal elections of their district of residence.

EL 4.5: Inadequate transparency with employees.

EL 5 - Community Engagement

The General Manager shall not cause or allow a culture of community engagement to be jeopardized. Further, without limiting the scope of the foregoing by this enumeration, the General Manager shall not allow:

EL 6.1: Inadequate or infrequent employee, owner, and customer engagement on:

- a) Our Vision and Values.
- b) Cooperative principles and values.
- c) Our history and organizational structure.

EL 6.2: An employee, owner, and customer culture and atmosphere that is unwelcoming or inaccessible.

EL 5.2.1: Uninviting stores, including factors such as layout ,lighting, and customer service.

EL 5.2.2: Inadequate diversity, equity, and inclusion.

EL 6.2.3: Facilities or communications that fail to meet or exceed Title II standards of the Americans With Disabilities Act.

EL 6.3: Operational conduct or results that may jeopardize any of the organization's giving programs.

EL 6 – Environmental Impact

The General Manager shall not cause or allow the positive environmental impact record of the organization to be jeopardized. Further, without limiting the scope of the foregoing by this enumeration, the General Manager shall not allow:

EL 6.1: Products that are unreasonably dangerous to human health, including tobacco products, and the use of said products on property owned or leased by the organization except in designated areas where appropriate.

EL 6.2: Long-term environmental damage resulting from operations.

EL 6.2.1: Inadequate promotion of environmentally sustainable choices among employees, owners, customers, vendors, and suppliers.

EL 6.2.2: Waste diversion that accounts for less than 90% of the Co-op's total waste streams.

EL 6.2.3: Net positive greenhouse gas emissions beyond 2030.

EL 6.2.3.1: The prioritization of the purchase of carbon offsets versus direct investment in reducing Co-op emissions or soil sequestration / regenerative agriculture.

Schedule

1. **May**
 - a. Board: Vision, Values
 - b. Board: Review of 3-year Ownership Linkage Plan
2. **June - No Meeting**
3. **July**
 - a. Board: Monitoring Team A - GP Global, 1, 2, 3, 4, 11
 - b. Board: Budget Review
 - c. GM: EL Global
 - d. GM: EL 1 - Q2 Finances
4. **August**
 - a. GM: EL 2 - Asset Protection
 - b. GM: EL 3 - Operational Capacity
5. **September - No Meeting**
6. **October**
 - a. Board: Monitoring Team B - GP 5, 6, 7, 8 (Officers)
 - b. Board: Budget Review
 - c. GM: EL 1 - Q3 Finances
7. **November**
 - a. Board: Monitoring Team C - GP 9, 10 (Owner Linkage, Committees)
 - b. Board: Approval of next year's Board Budget
 - c. GM: EL 4 - Employee Well-Being
8. **December - No Meeting**
9. **January**
 - a. GM: EL 5 - Community Engagement
 - b. GM: EL 6 - Environmental Impact
10. **February**
 - a. Board: Budget Review
 - b. GM: Ends
 - c. GM: EL 1 - Year-end Finances (fluctuates with audit)
11. **March - No Meeting**
12. **April**
 - a. Board: Monitoring Team D: B-GM Global, 1, 2, 3
 - b. Board: GM Performance Review
 - c. Board: Budget Review
 - d. GM: EL 1 - Q1 Finances