



Council Policies, Resolutions, and Related Appendices

revised to include all amendments as of October 2, 2017

Coop Council

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E Global – ENDS *Hunger Mountain Cooperative exists to create and sustain a vibrant community of healthy individuals, sustainable local food systems, and thriving cooperative commerce.*

G Global – GOVERNANCE *Acting as representatives of the Cooperative members, the Council will use written governance policies to work as a team, empower and hold accountable professional management, and provide strategic leadership for our coop.*

- G1 – Governing Style
- G2 – Council Job Description, Authority, and Responsibilities
- G3 – Council Code of Conduct
- G4 – Council Meetings
- G5 – Agenda Planning
- G6 – Council Officers
- G7 – Council Committee Principles
- G8 – Council Resources
- G9 – Council Compensation

L Global – EXECUTIVE LIMITATIONS *The General Manager shall neither cause nor allow any action, omission, or organizational circumstance that is illegal, unethical, or imprudent.*

- L1 – Treatment of Customers
- L2 – Treatment of Staff
- L3 – Treatment of Members
- L4 – Compensation and Benefits
- L5 – Financial Condition
- L6 – Business and Financial Planning
- L7 – Asset protection
- L8 – Communication to and Support of the Council
- L9 – Executive Succession

M Global – COUNCIL’S RELATIONSHIP TO THE GENERAL MANAGER *The Council’s sole connection to the operations of the Coop will be through the General Manager.*

M1 – Unity of Control

M2 – Council’s Relationship to Staff

M3 – Delegation to the General Manager

M4 – Monitoring General Manager Performance

M5 – Council Responsibilities in the General Manager’s Absence

Appendix One – Statement of Ethics

Appendix Two – Resolutions

Appendix Three – Rochdale Cooperative Principles

Hunger Mountain Cooperative exists to create and sustain a vibrant community of healthy individuals, sustainable local food systems, and thriving cooperative commerce.

More specifically, we will have:

- A cooperatively-owned retail outlet for natural and organic food-based goods and services that meet our Member-Owners' and customers' needs.
- A community increasingly educated about food and health and considerate of the impacts of its purchases.
- Local ownership and control of a comprehensive, sustainable food economy.
- Financially sustainable operations that support and yield economic, social and environmental returns.

Acting as representatives of the Cooperative members, the Council will use written governance policies to work as a team, empower and hold accountable professional management, and provide strategic leadership for our coop.

G1 - Governing Style

The Council will govern in a way that emphasizes the Coop's long-term interests and the shared values of our membership; offers leadership and monitoring without interfering with the operational details of management; adheres to the Rochdale Cooperative Principles; and deliberates in many voices but speaks in one voice.

Accordingly:

G1.1 The Council will direct the Cooperative through written policies reflecting the Council's values about ends to be achieved and will delegate authority for all operational matters to professional management, holding management accountable for results and maintaining a clear distinction between council and management responsibilities.

G1.2 The Council will cultivate a sense of group responsibility for excellence in governing, achieving consensus whenever possible, enforcing upon itself whatever discipline is needed in matters such as attendance, preparation, policy-making principles, adherence to relevant laws and Bylaws, and respect of roles.

G1.3 The Council will monitor and discuss the Council's process and performance at least annually.

G2 - Council Job Description and Responsibilities

The job of the Council is to:

understand and represent the interests and the expectations of the Membership as a whole;
inform Member-Owners about the Coop's plans, operations, and finances;
exercise fiduciary care of Member-Owners' equity investment in the Coop by assuring the Coop's financial health;
hire a General Manager;
promote a healthy democracy for the Coop;
lead the Coop when facing major decisions.

Accordingly:

G2.1 The Council will educate itself regarding the values held by the Member-Owners and report periodically on the Council's activities, decisions, and compliance with Council policies on Ends. The Council will require the General Manager to communicate frequently to make the Coop's operations and finances transparent to Member-Owners.

G2.2 The Council is responsible for the overall financial health and organizational performance of the Coop. To that end, the Council will hire, determine compensation for, delegate responsibility to, and hold accountable a General Manager. The Council will monitor operational performance through reports from the General Manager on Ends and Executive Limitations.

G2.3 The Council will perpetuate itself through recruitment, a qualification and nomination process, and fair elections.

G2.4 The Council will articulate challenges facing the Coop to the membership, seeking their participation and building consensus when possible as the Coop tackles obstacles to its Ends.

G2.5 Council members do not have individual authority to direct, represent or evaluate the organization except as explicitly set forth in Council policies or the Bylaws.

G3 - Council Code of Conduct

The Council and individual Council members shall conduct themselves in an ethical and businesslike manner.

Accordingly:

G3.1 Council members shall adhere to the Coop's policies and Bylaws, perform their duties in good faith, govern impartially, seek additional expertise when needed, and maintain confidentiality of all issues of a sensitive nature.

G3.2 Council members shall comply with a Council Member Statement of Ethics signed at the beginning of each term of service.

G3.3 At the beginning of each term of service, Council members shall disclose any possible conflicts of interest. In the event a particular subject touching on that conflict of interest shall arise in Council business, a Council member with conflicting interests shall recuse himself or herself from deliberations and any Council votes on the topic. If relevant conflicts cannot be remedied by periodic recusal, a Council member with conflicting interests shall resign from Council.

G3.4 A Council member who applies for employment at the Coop must first resign from the Council. This restriction does not apply to applications for employment as so-called "core workers" who work less than ten hours per week.

G3.5 Any paid employee serving on the Council shall clearly segregate staff and Council responsibilities, observing all Council policies and maintaining the duty of confidentiality and fiduciary responsibility to the Coop when acting in a Council role.

G3.6 Council members may not attempt to exercise any individual authority over the Coop or its employees, or represent themselves to the public or press as having any authority in Coop matters or the ability to speak individually for the Council beyond repeating Council decisions previously on the record.

G3.7 The requirement to maintain confidentiality of all sensitive information received while serving on the Council is a permanent commitment and does not stop at the end of a Council member's term of service.

G3.8 Council members shall prepare for all meetings by reviewing the agenda and distributed materials. The Council expects Council members to attend all meetings, and if an absence is unavoidable, the member must notify the Council president in advance.

G3.9 Council members will support the legitimacy and authority of the Council's decision on any matter, regardless of the Council member's personal position on the issue.

G3.10 A simple majority of Council members may issue a formal reprimand of a Council member who violates any of the G policies. After a reprimand has been issued, a Council member may be removed from the Council if his or her conduct is contrary to Council policy or the Statement of Ethics. A vote of two-thirds (2/3) of the members of the Council, at a duly warned meeting, is required to remove a member of the Council.

G4 - Council Meetings

The Council meets to share information, plan, and make decisions, seeking consensus through discussion that is open to all Coop members and shows respect for the group by being concise and civil.

Accordingly:

G4.1 Visitors may attend Council meetings at the Council's discretion.

G4.2 Meetings will be open to all Coop members except when an executive session is officially called.

G4.2.1 The Council may meet in executive session to address confidential or sensitive matters as long as the purpose of the session is stated on the agenda and recorded in the minutes.

G4.3 While seeking consensus, the Council will finalize decisions through the use of motions, seconds, and simple majority vote. While the Council shall strive for simplicity in decision making, it shall be governed by Robert's Rules of Order (2011 edition).

G4.4 The Council will document the topics on the agenda and clearly record the decisions of each meeting in minutes that are readily available to all Coop members and the general public. The Council will make audio recordings of its meetings and make them available to the public within a week of the meeting.

G4.4.1 Minutes will contain the background of the topic discussed, the decision made and vote (if any), and – where appropriate – a rationale for any decisions.

G.4.4.2 The Council will make unapproved minutes available to the general public upon request within two weeks of the Council meeting.

G4.5 To allow reference to past decisions and Council activities, the minutes, audio, and supporting documents related to each meeting will be archived by the General Manager for at least seven years.

G4.6 The Bylaws (V(3)) provide that the "Chair of the meeting shall vote only in the case of a tie." When the facilitator is a member of the Council, the Chair of the meeting is the meeting facilitator. When the facilitator is not a member of the Council, the Chair of the meeting is the Council President (per Bylaws VI(2)).

G4.7 The Council may use email and other forms of electronic communication for the purpose of scheduling a meeting, organizing an agenda, or distributing materials to discuss at a meeting. Email and other forms of electronic

communication may not be used by the Council to deliberate or decide; no such restriction shall apply to Council committees. Notwithstanding the above provisions, Council members may participate in warned Council meetings via phone or other real-time electronic communications.

G5 - Agenda Planning

The Council will project its work plan in a rolling long-range calendar and in a rolling annual calendar that orients its activities by Council meetings and the Annual Meeting. For those meetings, the Council will use an agenda that prepares participants and steers the meeting discussion by topic.

Accordingly:

G5.1 The Council president is responsible for developing an agenda for each Council meeting, in consultation with the GM, Council committees, and the Executive Committee.

G5.2 Council meetings will cover tasks as stipulated by the Bylaws, long-range planning, monitoring of operational compliance with governing policies, and other Council business as it arises.

G5.3 Any Council member may request an item be added to the agenda by contacting the President.

G5.4 The agenda may be modified by the Council in the course of the Council meeting.

G6 - Council Officers

The Council will elect officers to assure the Council's integrity and compliance with the Coop's Bylaws and to represent the Council to outside parties.

Accordingly:

G6.1 As required by the Bylaws, the Council will annually elect a president, vice-president, secretary, and treasurer. These four and the General Manager shall constitute an executive committee. The Bylaws specify the responsibilities of the officers.

G6.2. Officers may delegate their authority but remain accountable for its use.

G6.3 In addition to the responsibilities stipulated in the Bylaws, Council officers will follow these policies:

G6.3.1 The president assures that the Council acts and deliberates in accordance with its own policies and Bylaws. To that end, the president shall:

- a.** Enforce Council policies on Governance Process and Council's Relationship to the General Manager, except where the Council specifically delegates portions of this authority to others. The president is authorized to use any reasonable interpretation of the provisions in these policies.
- b.** Demonstrate the Council's responsibility to Cooperative Members and Council Members by responding to relevant inquiries.
- c.** Ensure appropriate facilitation of Council meetings.
- d.** Acquire necessary monitoring data and create an internal report disclosing Council compliance with policies on Ends for the annual report to the Members.
- e.** Appoint work groups and committees subject to approval by the Executive Committee.
- f.** Promote leadership and professional development opportunities for other Council members.
- g.** Plan for officer perpetuation.
- h.** Provide context for Council by adding the perspective of other coops, including national and regional trends.

G6.3.2 The vice-president performs all the president's duties in his or her absence.

G6.3.3 The secretary assures that the Council's documents are accurate, up to date, and appropriately maintained.

G6.3.4 The treasurer leads the Council in setting a budget for the Council's (not the Coop's) operations, and facilitates Council understanding of the financial condition of the Coop.

G6.4 On matters pertaining to the Council, the president shall act as spokesperson and accept inquiries from Coop members, the general public, and the media. The president will defer inquiries concerning the Coop's operations to the GM, but on Council matters will develop responses, relying on the Executive Committee and Council as a whole as needed.

G7 - Council Committee Principles

To increase its effectiveness, the Council may rely on committees to provide research and develop proposals on matters under the Council's purview.

Accordingly:

G7.1 A standing Finance Committee, chaired by the Treasurer, will provide oversight of the Coop's financial condition, participate in the budget process, and report regularly on financial developments to the Council at large.

G7.2 As required by the Bylaws, the Council's president, vice-president, secretary, and treasurer constitute a standing Executive Committee.

G7.2.1 The Executive Committee may make decisions on behalf of the entire Council in extraordinary circumstances where a full Council meeting cannot be held, provided a quorum of three Committee members is present. The Executive Committee is required to seek ratification of such decisions at the next full Council meeting. Should a decision not be ratified, it shall be immediately reversed if reversible.

G7.3 The Council may establish ad hoc committees for particular projects of any duration. The Council will determine committee responsibilities and regularly review the relevance of ad hoc committees, with the right to disband any committee judged to be unnecessary.

G7.4 Committee organization and membership shall be adopted to suit the tasks and subject matter the committee undertakes.

G8 – Council Resources

The Council will invest in its governance.

Accordingly:

G8.1 On an annual basis the Council will budget for administrative support, outside assistance, outreach, and training.

G8.2 To assure effective meetings and to complete Council projects, the council will utilize administrative support, such as meeting facilitators, minutes-takers, and clerical support.

G8.3 To fulfill its fiduciary responsibilities and be confident about operational oversight, the Council will confer with financial auditors, lawyers, and other professionals.

G8.4 To serve as a communication conduit for Members, the Council will actively seek Member input and will regularly inform Members of Council decisions and Coop activities.

G8.5 To enhance Council members' governance skills, the Council will seek out opportunities for training, including attendance at conferences and workshops.

G8.6 The Council will meet at least annually, preferably for at least a half-day, to set long-range goals, establish committees, and define projects to undertake.

G9 – Council Compensation

In recognition of their contributions and the responsibilities they accept, Council members will receive compensation.

Accordingly:

G9.1 Council members and their spouses/partners (as long as they are Coop members) are compensated for time spent on Council business through a 10% discount on purchases at the Coop for the duration of their terms.

G9.1.2 In addition to the discount, upon election each February the Council president will receive a stipend in the form of a gift card redeemable for purchases at the Coop in an amount set in Council's annual budget.

G9.2 Council members who are also staff members will receive their staff discount plus an additional 8% discount for the duration of their terms as long as they remain employed at the Coop.

G9.3 Travel to and from Council meetings will not be compensated. Expenses for travel undertaken for Coop council-related events shall be paid for or reimbursed by the Coop. Mileage and meal expenses will be reimbursed at the prevailing US Federal mileage and per diem rates.

L Global – EXECUTIVE LIMITATIONS

The General Manager shall neither cause nor allow any action, omission, or organizational circumstance that is illegal, unethical, or imprudent.

Policy Type: L- Executive Limitations

L1 – Treatment of Customers

The General Manager shall not allow store conditions to be unsafe or unhealthy and shall not fail to meet and monitor reasonable customer needs and expectations.

Accordingly, the General Manager shall:

L1.1 Not operate without a system for soliciting and considering customer opinion regarding preferences, product requests, complaints, and suggestions.

L1.2 Neither cause nor allow customers to be without publicized access to information and educational opportunities regarding products sold at the Coop, food, nutrition, health, and consumer and environmental issues.

L2 - Treatment of Staff

Paid staff and volunteers shall not be subjected to unfair, unclear, discriminatory, disrespectful, illegal, unhealthy, or unsafe treatment or conditions, or a workplace environment in which their contributions aren't valued.

Accordingly, the General Manager shall:

L2.1 Operate the Cooperative with written personnel policies, developed with substantial input and participation from staff, that

- clarify job descriptions, rules, responsibilities, and expectations for all staff
- provide for fair, thorough, unbiased review and resolution of grievances
- are accessible to all staff
- are consistently applied.

L2.2 Not allow employees to work without sufficient training, to assure their safety and ability to execute their job responsibilities.

L2.3 Not allow employees to be without annual evaluation by a supervisor, using pre-established criteria for evaluation.

L2.4 Neither cause nor allow inadequate documentation, security, confidentiality, or retention of all personnel records and all related personnel decisions.

L2.5 Not fail to respond to any widely-shared staff concerns about workplace culture, with attention to creating conditions for good communication, honesty, and collaboration.

L3 – Treatment of Members

The General Manager shall not allow Members to be misinformed or uninformed of their financial investment in the Cooperative, and of their rights and responsibilities as members.

Accordingly, the General Manager shall:

L3.1 Not allow the Cooperative’s equity system to operate without:

- A determination from the Council of the fair share equity rate for Members, which may be adjusted annually.
- Provision for educating Members about the nature of a cooperative business structure.
- Provision for informing Members that their equity investments are at risk.
- Provision for informing Members that their equity investments are refundable when they terminate their membership, subject to the Council’s right to withhold refunds when necessary to protect the Coop’s financial health.

L3.2 Not allow the Cooperative’s patronage refund system to operate without:

- Complying with IRS regulations.
- Presenting to Council a recommendation, plus additional options, for allocating all, a portion, or none of annual net profit of the current fiscal year, and any prior years still pending allocation, as a patronage refund to Members, including all financial and tax implications of each choice.

L3.3 Not fail to publicize to Members the discounts to which they’re entitled and all Coop events and activities in which they can participate.

L4 - Compensation and Benefits

Employee compensation amounts and benefits shall not be inequitable or jeopardize the Coop's financial health.

Accordingly, the General Manager shall:

L4.1 Not cause or allow compensation and benefits, whether set by management or negotiated with a labor union:

- to be internally inequitable;
- to be established without policies for pay grade and benefits clearly communicated to staff;
- to be externally inequitable; that is, developed without comparison to state livable wage levels and to ratios of revenue to compensation for other similar businesses in similar circumstances.

L4.2 Not promise or imply unconditional employment to any employee.

L4.3 Not change the General Manager's compensation or benefits without Council authorization.

L5- Financial Condition

Actual financial conditions and performance shall not place the Cooperative in fiscal jeopardy or leave it financially unprepared for future opportunities.

Accordingly, the General Manager shall:

L5.1 Not cause or allow the organization to incur indebtedness other than trade payables incurred in the ordinary course of doing business and/or leases for equipment required in the ordinary course of doing business, except as authorized by the Council.

L5.2 Not cause or allow circumstances that would result in the Cooperative being in violation of the terms of its loans, its tax liabilities, and/or its other contractual obligations.

L5.3 Not allow financial record keeping systems to be inadequate in detail, accuracy, or timeliness, or to be out of conformity with Generally Accepted Accounting Principles (GAAP).

L5.4 Not fail to report to the Council at least quarterly on financial condition, net income, sales growth, and member equity in the context of industry benchmarks and/or operating plan targets.

L6 – Business and Financial Planning

The General Manager must not cause or allow business plans, whether for operations or major capital expenditures, to deviate from the Council's Ends policies, risk financial jeopardy, or fail to be derived from a multi-year plan.

Accordingly, the General Manager shall:

L6.1 Not fail to produce an annual business plan representing a rolling update to a multi-year business plan, based on credible projections of revenues and expenses that neither conceal risks nor overestimate opportunities.

L6.2 Not omit from business plans financial details concerning owner investment and return, separation of capital and operating items, cash flow, line and category items in sufficient detail to permit an informed overview of planning decisions, and disclosure of the underlying assumptions used in planning.

L6.3 Not fail to maintain an archive of any significant planning process that includes a chronology of major events and decision points.

L6.4 Not fail to base business decisions on three criteria: financial returns, social benefits, and environmental responsibility, and to cite all three in business plans, especially when they are or appear to be in conflict.

L7 - Asset Protection

Assets shall not be inadequately maintained, unnecessarily risked, or unprotected.

Accordingly, the General Manager shall:

L7.1 Not allow equipment, facilities, and inventory to be inadequately insured against replacement, including coverage for any losses incurred due to business interruption.

L7.2 Not allow unnecessary exposure of the organization, staff, or Council members to losses and claims of liability, and shall not fail to operate without reasonable and customary liability insurance against such losses and claims.

L7.3 Not allow purchasing practices that present opportunities for any staff member to exploit the coop's resources for personal gain, or to damage the coop's integrity or finances.

L7.4 Not allow receipt, processing, or disbursement of funds under controls insufficient to meet the standards of an auditor appointed by the Council, regardless of the frequency of actual audits scheduled by the Council.

L7.5 Not operate the organization with inadequate security that unnecessarily risks theft, loss, or damage to property, building, and equipment.

L7.6 Not fail to utilize current best practices to secure all deposits against any bank loss, and not fail to protect any invested cash by accepting only the lowest reasonable risk of loss.

L7.7 Not fail to secure data; intellectual property; files; and staff, member-owner, and customer personal information against loss, theft, or damage.

L7.8 Not fail to exercise due diligence in negotiating and executing contracts with third parties and employees.

L7.9 Not fail to protect the Coop's public image and brand identity.

L7.10 Not fail to operate with a clear policy for employees to report suspected fraud to the Council President or Treasurer.

L7.11 Not allow the Coop to operate without contingency plans for disruption to operations from force majeure.

L8 - Communication to and Support of the Council

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

Accordingly, the General Manager shall:

L8.1 Not submit to the Council inaccurate, misleading, or incomplete information, and not fail to submit information on a timely basis.

L8.2 Not allow the Council to be unaware of relevant trends, significant problems, alternative perspectives and options, public events of the organization, legal actions, media coverage, and material internal and external changes, particularly changes that affect the assumptions upon which Council policy has previously been established.

L8.3 Not fail to submit timely monitoring reports directly related to each Executive Limitations section of the Coop's policy document, including the GM's definitions of policy interpretation, verifiable data, and statements of current compliance or noncompliance with policy.

L8.4 Not fail to advise the Council if, in the General Manager's opinion, the Council is not in compliance with its own governance process and executive-council linkage policies, particularly in the case of Council behavior that is detrimental to the work relationship between the Council and the General Manager.

L8.5 Not offer the Council inadequate logistical support, such as access to documents, staff, resources, and information required for governance and Council communications.

L9- Planning for Emergency Executive Absences

To assure the Coop’s operational stability under emergencies, the General Manager shall not operate without management continuity in mind and a plan designating proxies for key management functions.

Accordingly, the General Manager shall:

L9.1 Not fail to designate an Interim General Manager and keep him or her apprised of the GM’s duties and work procedures, including major projects underway.

L9.2 Not fail to establish a “chain of command” for all key management functions to be used at any time the General Manager is unable to serve because of a planned or emergency absence. This plan would indicate the division of responsibilities between the Interim General Manager and other top managers.

L9.3 Not fail to prepare for emergency or unplanned absences of all top managers by identifying employees who can temporarily handle their duties and training these proxies in their potential responsibilities.

M Global – COUNCIL’S RELATIONSHIP TO THE GENERAL MANAGER

The Council’s sole connection to the operations of the Coop will be through the General Manager.

Policy Type: M – Council’s Relationship to the General Manager

M1 - Unity of Control

Only decisions of the Council that constitute agreement of the Council as a whole, either through passed motions or consensus, are binding on the General Manager.

Accordingly:

M1.1 Decisions or instructions of committees or individual council members are not binding on the General Manager except in those instances Council specifically approves a motion for such exercise of authority.

M1.2 If Council members or committees request information or assistance without Council authorization, the GM can refuse or defer such requests that require, in the GM’s opinion, an unreasonable amount of staff time or resources, or disrupt store operations.

M2 - Council's Relationship to Staff

By delegating operational control to the General Manager, the Council does not have authority over employees other than the General Manager, and will not instruct or evaluate any employee other than the General Manager.

Accordingly:

M2.1 The Council will not assign tasks or give instructions to staff other than the General Manager.

M2.2 The Council will refrain from evaluating, either formally or informally, any staff other than the General Manager.

M3 - Delegation to the General Manager

The Council delegates authority to the General Manager through written policies. The General Manager may use any reasonable interpretation of these policies.

Accordingly:

M3.1 The Council will develop Ends policies instructing the General Manager to achieve certain organizational goals.

M3.2 The Council will develop Executive Limitations policies that define circumstances that the GM must prevent, without stipulating the means for avoiding them.

M3.3 As long as the GM uses reasonable interpretations of the Council policies on Ends and Executive Limitations, the GM is authorized to make all operational decisions for the Coop.

M3.4 The Council may change its policies on Ends and Executive Limitations, but not retroactively.

M4 - Monitoring General Manager Performance

The Council will systematically and rigorously evaluate the General Manager’s job performance for compliance with the Ends and Limitations policies and against standards the Council and GM mutually agree are relevant and objective.

Accordingly:

M4.1 All policies that affect the General Manager’s performance will be monitored at a frequency and by a method chosen by the Council. The Council can monitor any policy at any time by any method, but will ordinarily depend on a rolling schedule that assures that GM compliance with each policy is monitored at least once a year.

M4.1.1 The General Manager will supply monitoring data disclosing policy interpretation and compliance information.

M4.1.2 Monitoring data will come from internally-prepared reports and, when third-party data is necessary to assure compliance, from externally-prepared reports. The Council may also evaluate by direct inspection, in which designated Council members assess compliance.

M4.1.3 The General Manager will provide quarterly financial reports and a fiscal year-end financial report prepared in accordance with GAAP and including an auditor’s opinion.

M4.2 The standard for compliance shall be data demonstrating accomplishment of any reasonable interpretation by the General Manager of the Council policy.

M4.3 The General Manager shall report any financially or operationally critical noncompliance to the Council President no later than five days after learning of the noncompliance. Other instances of noncompliance shall be reported no later than the next Council meeting when the policy in question is scheduled for monitoring.

M4.4 The Council will conduct an annual evaluation of the General Manager using information presented in the prior year’s monitoring reports; feedback from staff, management, and council members; a self-evaluation from the GM; and/or any other sources Council deems useful.

M4.4.1 The Council will view General Manager performance as identical to organizational performance, and evaluate it based on achievement of the Ends and adherence to the Limitations.

M4.4.2 Council’s decisions on the General Manager’s employment contract will be based on the annual evaluation.

M5 - Council Responsibilities in the General Manager’s Absence

In the event of an emergency absence of the General Manager, the Council will strive to assure that the Coop’s daily operations shall continue in compliance with these policies and with the least possible inconvenience to staff, members, customers, and vendors.

Accordingly:

M5.1 In the event the President and/or the Executive Committee determines that the General Manager is unable to perform his or her duties, Council or Executive Committee shall meet within five (5) days to discuss the status of the GM and the designated Interim General Manager (IGM), as specified in L9.

M5.1.1 At the emergency meeting, Council will develop an expected timeline for the return of the GM or the search for a successor;

either appoint the GM’s designated IGM to assume the responsibilities of the GM, or appoint another person as IGM to assume those responsibilities;

establish a plan for internal communications for Coop staff, and external communications with members, vendors, press, and the general public;

and take whatever further actions are warranted.

M5.1.2 The IGM will assume all of the GM’s responsibilities, and will principally focus on maintaining existing operations and implementing current goals, rather than commencing new projects or significantly changing strategies, except as conditions warrant new responses.

M5.2 In the event the GM will not be returning, Council will appoint a new General Manager. Council is not obligated to appoint the IGM to the position.

M5.3 The GM’s choice of Interim General Manager shall be reviewed and approved annually by the Council in connection with the monitoring report for policy L9.

APPENDIX ONE

Council Member Statement of Ethics

The Hunger Mountain Cooperative Council recognizes its authority and responsibility:

to oversee the affairs of the Coop in a manner deemed beneficial to the organization as a whole;

to employ a General Manager to be responsible for the management of the business according to the Council's governing policies;

and to perform other duties as provided by the Bylaws and policies.

I recognize that, except when in formal meeting, my authority is equal to the rights and authority of any individual Member of the Coop and that as an individual I may not take action on behalf of the Coop unless explicitly granted that authority by the Council or the Bylaws.

As a Council member, I understand that I have the following specific duties:

- to represent the interests of the Membership as a whole;
- to be aware of and follow Bylaws and policies;
- to avoid conflicts of interest;
- to consider all issues openly and impartially;
- to attend, prepare for, and participate in Council meetings;
- to attend, prepare for, and participate in Council committee meetings;
- to maintain the confidentiality of all personnel, real estate, marketing, legal, strategic planning, and financial matters unless clearly not confidential; and
- to perform all of my Council responsibilities courteously, with genuine civility, and in the best of good faith.

I understand my obligation to avoid ethical, legal, financial, or other conflicts of interest and to ensure that my activities and interests do not conflict with my obligations to the Coop or the Council, or its welfare. I will disclose, annually, any outside activities and interests, direct or indirect, including financial interests, that might give rise to conflicts or perceptions of conflicts.

I acknowledge that it is my responsibility to inform the Council President immediately if a real or potential conflict of interest should arise. I understand that as a Council member, I must recuse myself from deliberations involving a relevant conflict of interest, and should resign from the Council if relevant conflicts cannot be remedied reasonably by periodic recusal.

I agree that if I believe I have violated the letter or spirit of this agreement or the Council's policies in a material manner and without just cause, then I will submit my resignation to the Council immediately and without further disruption.

As a Council member, I understand that I may be formally reprimanded for a violation of this Statement of Agreement or Policy G2 (Council Job Description, Authority, and Responsibilities) and G3 (Code of Conduct) by a simple majority of Council members present and voting in a regular scheduled meeting after a duly warned executive session in that meeting. I understand that I may be removed from the Council entirely if a two-thirds majority of the Council determines that my conduct is against policy generally.

Signature of Council Member:

Date : _____

APPENDIX TWO

Resolutions

Adopted at the 5/5/03 meeting of the Council
Resolution on the Use of the Term "Cooperative"

Whereas the Policies of the Cooperative's Council variously employ different expressions – such as HMC, Coop, Co-op, Cooperative, Hunger Mountain Coop, etc. – and using one such expression uniformly facilitates the clarity and simplicity of the Policies,

Now, therefore, be it resolved that the entire text of the Policies shall be reformed by replacing all such synonymous terms with the single word "Cooperative," and to use the fuller expression "Hunger Mountain Cooperative" outside the text of the Policies, such as on the title page and the footer of the Policies document.

Adopted at the 4/7/03 meeting of the Council
Resolution Authorizing Struksnes Poll and Authorizing Voluntary Union Recognition

The undersigned, being the majority of the governing Council of the HUNGER MOUNTAIN CO-OP ("the Co-op"), do hereby authorize, adopt, consent to, and ratify the following actions taken or to be taken on behalf of the Co-op, and do hereby adopt these resolutions regarding same:

WHEREAS, the United Electrical, Radio and Machine Workers of America ("UE") have petitioned the Council to voluntarily recognize UE as the exclusive bargaining representative of an appropriate bargaining unit of the Co-op's employees; and

WHEREAS, the Co-op recognizes and respects the right of its employees to organize a Union for the purposes of collective bargaining and other mutual aid and protection in accordance with the National Labor Relations Act; and

WHEREAS, the Co-op respects the right of its employees to make an expeditious and private decision concerning Union representation in a free and fair election conducted by secret ballot;

RESOLVED, that the Co-op authorizes Kimberly Cheney, Esq, an impartial attorney practicing in Montpelier, Vermont to conduct a secret ballot election on or before Tuesday April 22, 2003 in accordance with the National Labor Relations Board's decision in Struksnes Construction Company, Inc. and International Union of Operating Engineers, Local No. 49, 165 NLRB No. 102 (1967) ("Struksnes poll") and otherwise in accordance with law to determine if a majority of Co-op employees in an appropriate bargaining unit desire to select UE as their exclusive representative for the purposes of collective bargaining

and other mutual aid and protection as provided in the National Labor Relations Act; and

FURTHER RESOLVED that should a majority of Co-op eligible employees voting in the Struksnes poll select UE as their exclusive bargaining representative, the Co-op agrees that it will immediately recognize UE as the exclusive bargaining representative of its employees for purposes of bargaining and other mutual aid and protection in accordance with section 9(a) of the National Labor Relations Act; and

FURTHER RESOLVED that prior to the Struksnes poll all employees eligible to vote shall be informed in writing in a manner to be determined by the Co-op Council: (1) the date, time and place of the poll; (2) that the sole purpose of the poll is to determine whether UE represents a current majority of employees within an appropriate bargaining unit; (3) that the poll shall be taken by secret ballot in an election to be administered by an impartial person; and (4) that no employee shall be subject to any reprisal, act of discrimination or coercion in any way by participating or not participating in the poll or by supporting or not supporting UE's efforts to obtain recognition as the exclusive bargaining representative for Co-op employees; and

FURTHER RESOLVED Co-op management is authorized to take all necessary steps to lawfully implement this resolution in a manner that demonstrates respect for and neutrality towards UE's organizing efforts, workplace democracy and the right of Co-op workers to freely decide for themselves whether or not to select UE as their exclusive bargaining representative.

WHEREUPON, the undersigned, being all the members of the governing Council of the HUNGER MOUNTAIN CO-OP have executed this Resolution this 7th day of April 2003.

APPENDIX THREE

Original 1844 Rochdale Cooperative principles

1st Principle: Voluntary and Open Membership

Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept responsibilities of membership, without gender, social, racial, political or religious discrimination.

2nd Principle: Democratic Member Control

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote), and co-operatives at other levels are also organised in a democratic manner.

3rd Principle: Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

4th Principle: Autonomy and Independence

Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5th Principle: Education, Training and Information

Co-operatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their co-operatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of co-operation.

6th Principle: Co-operation Among Co-operatives

Co-operatives serve their members most effectively and strengthen the Co-operative Movement by working together through local, national, regional and international structures.

7th Principle: Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.