

OLD CREAMERY CO-OP BOARD OF DIRECTORS CANDIDATE INFORMATION PACKET
Requirements for Becoming a Director

There are few specific requirements for becoming a candidate for the board of directors, but prospective candidates should consider the following:

- Every candidate must be a member-owner of the Co-op or the duly appointed representative of an organization that is a member-owner.
- A candidate who is an immediate family member of someone who is already a director may not serve as a director.
- Up to two of the seats on the board may be held by staff members (excluding the general manager) but, like any other director, a staff member who is a director must serve the overall interests of all member-owners, whether or not they are also staff.
- Because every director must comply with the board's conflict of interest policy, a person who has a substantial interest in any enterprise that is in competition with the Co-op should not seek to be a candidate.
- A candidate for the board must be willing and able to comply with the expectations and responsibilities of directors described elsewhere in this packet.
- A candidate must be willing and able to communicate respectfully with other board members via email and in person to ensure effective and efficient board functioning.
- Candidates should have the ability to call upon community connections and relationships to support the Co-op.
- A candidate cannot have an interest in a non-Creamery liquor license anywhere in the Commonwealth and must be willing and able to clear CORI background checks for our liquor license.
- Experience serving on the board of another organization is not a prerequisite.
- Candidates should be willing to work closely and cooperatively with the other directors and to spend the time and energy necessary to accomplish the work of the board. They should be able to learn quickly and should have good organizational and communication skills.

We do hope that all directors will be willing and able to lead occasional board-approved projects and/or board committees that include volunteers from the community.

Nomination and Election Process

Our bylaws provide for a board of six to nine directors, serving staggered three-year terms. This structure provides continuity of leadership, while also encouraging diversity of viewpoints.

This meeting is typically held after all financial reporting is completed. At each annual meeting, an election will be held to fill the three-year seats that are due to expire, the remaining term of any vacant seat and/or to ratify the remaining term of any director appointed by the board to fill any vacant seat.

Directors must cycle off the board after three consecutive terms, but they can run for election again after a one-year period. If a vacancy arises before the end of any director's term, the remaining directors may elect a new director to fulfill the remainder of the term for the vacant seat, subject to ratification by member-owners at the next annual meeting. The board of directors works throughout the year to cultivate interest among member-owners in serving on the Co-op's board. The board has established a nominating committee to solicit and recommend applications for nomination to the board and to present a slate of nominees to the member-owners for consideration, usually at least 45 days before the annual meeting. A person who is not eligible to be nominated under section 4.2 of the Co-op's bylaws may not be placed on the ballot.

After reviewing the applications, the nominating committee will propose for the board's approval a slate of candidates, typically at least 45 days before the annual meeting. A person who is eligible under section 4.2 but is not included in the slate approved by the board of directors will be placed on the ballot if the board receives a petition signed by at least 10 other members by March 1st. This is a recommended pathway if you wish to ensure your inclusion on the slate of candidates.

To be placed on the slate proposed by the nominating committee, you must:

- Attend at least one regular meeting of the board of directors. Meetings are typically held on the second Tuesday of each month from 6:15 to 7:45 pm. All meetings are held on Zoom and/or in person. Let us know when you can attend our Board Meetings.
- Submit your candidate application, including a picture of yourself, to the nominating committee, in electronic format or by mail.
- Candidates are also strongly encouraged to attend the annual meeting, where ballots are collected, to introduce themselves to their fellow member- owners. This meeting is scheduled during the spring of each year.

The Role and Responsibilities of the Board - Questions and Answers

What is the board of directors and what does it do?

The articles of organization of the Old Creamery Co-op describe the organization as a cooperative corporation; the purpose of which is "to engage in any lawful business and in

particular to conduct business as an environmentally responsible, community- enhancing, full-service market." Within this broad description, the member-owners elect a board of directors to govern the Co-op on their behalf. The powers and duties of the board include overseeing the financial condition of the Co-op, developing and enforcing policies, ensuring good conditions of employment, implementing decisions of the member-owners, and assuring that the purpose and principles of the Co-op are properly carried out. The board does this by developing policies that describe in more detail the vision and objectives of the Co-op. The board must also hire a general manager, to whom it delegates the responsibility for operating the Co-op in accordance with these policies. It monitors and evaluates the performance of the general manager, who provides regular reports as directed by the board. The general manager is responsible for managing the staff. At the annual meeting the board reports to the member-owners on the performance of the Co-op in achieving their ends.

The board is involved in visioning, strategic planning to ensure the Co-op's long-term success, financial oversight, public relations with member-owners, and community outreach. To ensure organizational performance on behalf of the member-owners of the Co-op, the board must make wise and informed decisions and must develop written policies that clearly state the board's expectations for the general manager. It must assure that the Co-op keeps adequate records and that it complies with applicable laws. The strong and effective board stays that way by proactively recruiting capable directors, providing training to enable them to govern well, and engaging in regular self-evaluation. The board elects officers at its first board meeting after the annual meeting to fulfill these responsibilities.

At present the Co-op's board is focused on the following three areas:

- Encouraging growth in business volume through various initiatives,
- Developing strategies for managing very limiting financial pressures, and
- Supporting changes necessary for establishing a truly viable business.

What does the board of directors NOT do?

The board of directors does not manage the staff or the store. It does not become involved with or make decisions about any of the day-to-day activities or operations of the store. The board's sole connection to the operations of the Co-op is through the general manager. Neither a member-owner nor an individual director may guide or instruct the general manager or any staff person, and the general manager solely makes all personnel decisions. The staff responds to the general manager; the general manager responds to the board of directors, and the board responds to the member-owners. Board committees may be formed only to help with tasks that are the responsibility of the board, not the general manager.

How does the board govern the Co-op?

The board governs the Co-op using a system, commonly used by other co-ops, called "policy governance". This is a system to define, teach, and practice the proper roles of member-owners, the board of directors, and the general manager/staff in the functioning of the Co-op. These roles are described above. The aim is to assure that the Co-op achieves the objectives of its member-owners in the most effective way. The board must ensure that each of these components of the Co-op - the member-owners, the board, and the general manager/staff - understands and respects these roles.

The board develops four kinds of policies that set forth the board's decisions regarding values, practices, activities, budgets, and goals:

1. Ends - the objectives to be attained by the cooperative. These objectives must be consistent with the wishes of the member-owners as expressed in votes at meetings of member-owners and must accord with law and the bylaws of the cooperative. For example, if the member-owners want to support their local economy and the health of their communities, the board might set a policy that the Co-op will strive to maximize the amount of its produce that is local and organically grown.
2. Limitations - the boundaries within which the general manager and staff must work in accomplishing the objectives. For example, the general manager must operate the cooperative in accordance with applicable laws.
3. Relationship of Board to the General Manager - the authority delegated to the general manager and the manner in which the general manager's performance in achieving the Ends within the Limitations is evaluated. For example, the board identifies the type and frequency of reports to be made by the general manager to the board.
4. Governance - the policies and processes by which the board carries out its duties. Board policies proceed from broad values to narrower, more specific ones. The board determines the point at which it delegates further definition and interpretation of its policies to the general manager (in the case of Ends and Limitations) or the president of the board (in the case of Relationship of Board to General Manager and Governance).

The board's energy is focused mainly on Ends, rather than means. It acts as a think tank. It focuses on outcomes, not means. Ends language is about what will be different for those whom the cooperative serves: *What good will be achieved, for whom, and at what cost?*

The board defines Ends and delegates decisions regarding means. The board sets the criteria that the general manager must meet. This frees the general manager/staff to be more creative and to make changes more efficiently, because they know the criteria by which their plans are judged. The board assures itself that the general manager's plans meet board policies and criteria by monitoring the achievement of its policies by the general manager.

The board oversees the general manager by setting limits or boundaries within which the general manager must work to achieve the Ends established by the board. This defines clearly the area within which the general manager/staff can safely exercise their creativity and freedom. It allows the board to govern with less involvement in details of implementation and with greater accountability on the part of the general manager. The board sets and abides by policies for its own operation (its code of conduct, the way it will plan and control its agenda, how it will foster communication with member-owners). In developing its policies regarding Governance, the board again follows a broad-to-narrow approach beginning with the broadest question, "What is our job?" The board may create committees to help it get board work done.

The right to make any reasonable interpretation of board policy statements is delegated to the general manager (in the case of Ends and Limitations) and the president of the board (in the case of Governance and Relationship of Board to General Manager). The board president and the general manager work closely together, but neither reports to the other.

The board forges a relationship with management that is empowering and safe. The board and the general manager constitute a leadership team. Clear differentiation in their roles and responsibilities enables them to fulfill and excel in their roles, to mutually support each other, and to influence each other toward ever-greater integrity and capability for leadership. The board has the right to expect performance, honesty, and straightforwardness from the general manager/staff). While the board may choose to be accepting of weaknesses in performance, it must be unbending in questions of integrity. In turn, the general manager/staff rightfully expects the board to be clear about the rules and to play by them, to do its own job, and to speak with one voice.

The board monitors performance rigorously, but only against the criteria in its policies on Ends and Limitations. By adopting the discipline of monitoring only what it has already addressed in policy, the board is driven to develop all the policies needed to assure the proper management of the Co-op. The board will require reports containing information that directly addresses existing criteria, and these reports will provide it with relevant monitoring data. The general manager will not be burdened with trying to guess what information the board wants, and the

board will not be burdened with having to digest enormous amounts of unnecessary information.

What are the responsibilities of directors?

Directors have a fiduciary duty to member-owners, which means that directors must serve not their own interests, but rather the interests of the member-owners as a whole. They must understand the limits of their authority as directors, and they must comply with the bylaws and policies adopted by the board. They must also understand the Policy Governance Manual (PGM) by which the board governs. Candidates can find these documents on the Old Creamery Co-op Webpage (www.oldcreamery.coop), under the "Our Co-Op/Board and Co-op Staff" subheading. They are also contained in binders in the Sustainability Library.

Board members must perform their board duties in good faith and with such care, as an ordinarily prudent person in a like position would use under similar circumstances. They should prepare for board meetings; deal with Co-op matters with complete honesty and personal integrity; be open and impartial in considering all issues and matters; exercise due diligence in monitoring the Co-op's financial condition; and research issues and seek additional expertise where needed. Board members should participate fully in board meetings and behave respectfully toward other board members. Every board member has her/his own strengths and weaknesses. Disagreements can usually be resolved through thoughtful and respectful discussion.

Board members must understand that the board speaks with one voice. When the board has made a decision, every member of the board, even if he or she voted against the decision, must accept and abide by that decision. No director may speak for the board unless and to the extent authorized by the whole board. In interactions with the public, press, member-owners, or other entities, directors have no authority to speak for the board except to repeat explicitly stated board decisions.

Directors are expected to sign a confidentiality agreement regarding issues of a sensitive nature, such as matters involving personnel, real estate, marketing, legal issues, strategic planning, and finances.

Directors should be aware that they project an image as a representative of the board and the Co-op and should conduct themselves in a professional manner that fosters confidence.

Are there any other expectations of directors?

Board members recruit! We tell our friends, families, colleagues, and acquaintances what the Co-op does and how we do it. We talk about the benefits of being a member-owner of the Old Creamery Co-op and the satisfactions of working as a volunteer or board member to support the community through the Co-op. We try to identify potential candidates for the board and for committees.

We attend gatherings of member-owners, and we listen to what they say about the Co-op and try to understand what they want and expect from the Co-op. We remind them to participate in the Co-op by attending the annual meeting and voting.

The board relies on electronic communication to keep work moving forward between meetings. We expect directors to have reliable internet access and to be adept in the use of email and common attachments to email, such as documents and spreadsheets.

What sort of time commitment is expected of a director?

The board typically holds one regular monthly meeting lasting about one and a half hours. In addition, depending on level of involvement, directors typically spend additional hours per week on board-related work such as preparing for meetings and participating on board committees. Every director is expected to attend regular and special board meetings and other events such as the annual meeting of member-owners, except in cases of emergency or illness. Directors should try to avoid taking vacations on days when their attendance at such meetings and events is expected. They should notify the board president when their absence is unavoidable. In addition, the board holds an annual full-day retreat, soon after the elections, to provide basic orientation for new directors and to establish goals for the coming year. The retreat is a forum for doing visioning together, and also to have a chance to relax and get to know each other better.

From time to time board members will have the opportunity to participate in workshops, conferences, and other gatherings designed to help build leadership skills and to foster collaboration between cooperatives. Participation in these activities is encouraged but not required.

Are directors compensated for serving on the board?

Directors of the Co-op receive no compensation. The Co-op reimburses directors for reasonable and necessary expenses incurred in carrying out their duties and responsibilities, consistent with board policies. Board members are eligible for any benefits that the Co-op may provide to volunteers in general. Light refreshments are provided at board meetings.

What else should I know to help me decide whether or not to run?

For additional information, please read the Co-op's Ends, Mission, Values, and Principles Statements. Also, any member of the nominating committee or any of the current directors would be happy to talk with you to share their personal perspectives on what service on the board of the Old Creamery Co-op is all about.

OK, I've decided to run - now what?

Please fill out the Board Candidate Application Form included in this packet and email your completed application to the nominations committee at board@oldcreamery.coop

Please provide a statement for the Board. You can explain why you want to serve on the Co-op's board, what skills and experience you would bring to the board and why you think the Co-op would benefit from them, your experience working on teams, and/or the ways you would link the work of the Co-op to other individuals and groups in the local and co-op communities. Email your completed application to us at board@oldcreamery.coop Include your contact information.