

Keweenaw Co-operative, Inc.
Combined Governance Process (GP) Policies
as of July 10, 2024

Governance Process (GP)

Policy Scope: *These policies define the results, practices, delegation style, and discipline that make up the Board's job.*

GLOBAL: On behalf of our Owners, we individually and collectively fulfill our Board responsibility to assure that the Co-op makes meaningful progress toward Ends, while avoiding unacceptable actions and situations.

- GP 1. **Board Performance & Results.** We govern by policy to achieve a high level of Co-op performance in every area of the Board's responsibility. We assure that all board directives are encompassed within written policies that we continually develop and uphold.
- 1.1. **Alignment with Owners.** We assure that current and future Ends policies are aligned with Owner values and priorities by maintaining an ongoing, meaningful plan of engagement with our Owners.
 - 1.2. **Assurance of Operational Performance.** We maintain and monitor effective Corporate policies, Ends policies, and Executive Limitations (EL) policies to clearly guide, limit, and delegate to the General Manager.
 - 1.2.1. Our Corporate policies extend the Bylaws to further structure and govern the Co-op, especially in regard to setting ground rules for how the Co-op as an entity will fairly and equitably relate to its Members and manage their capital.
 - 1.2.2. Our Ends policies define in writing our expectations about the intended effects to be produced, the intended recipients of those effects, and the intended worth (cost-benefit or priority) of the effects.
 - 1.2.3. Our Executive Limitations policies define in writing the limits we place on operational means of attaining Ends, thereby placing boundaries of ethics and prudence on the authority granted to the GM.
 - 1.2.4. The duties that the GM is prevented from doing under our Executive Limitations policies remain our responsibility (e.g. buying and selling real estate, using restricted funds, etc...).
 - 1.3. **Assurance of Board Performance.** We maintain and monitor appropriate Governance Process (GP) and Board-GM Relationship (B-GM) policies to assure a high level of performance by our Board as a whole and all Officers, Committees, and Directors.
 - 1.3.1. Our Governance Process (GP) and Board-GM Relationship (B-GM) policies define in writing the intended results that make up our job as a Board and our intended means (practices, delegation style, and discipline) for achieving those results.
 - 1.4. **Assurance of Equity Capital.** We responsibly manage Equity Capital via policy and direct Board actions authorized by Co-op Bylaws and relevant statutes. After meeting financial commitments to investors and obligations to lenders, we strive for an optimal balance between accumulating and returning capital to Members and developing the financial strength necessary to achieve the Co-op's Ends.
 - 1.4.1. We maintain and monitor financial Executive Limitations (EL) policies that assure sufficient operational profitability and growth of equity capital.
 - 1.4.2. We maintain a comprehensive list of our responsibilities for direct equity management.

- GP 2. **Board Practices.** We focus our vision and our work toward the future and the achievement of organizational Ends. To support this work we use a defined governance model and style, multi-year work plan, and budget for governance and board continuity.
- 2.1. **Governing Model & Style.** We govern according to the principles of the Carver Policy Governance® model to emphasize empowerment and clear accountability for all responsible parties.
- 2.1.1. We uphold the principle of “Speaking with One Voice,” whereby only written decisions adopted by a majority vote of the Board reflect the official position of the Co-op.
- 2.1.2. We determine policies first at the broadest, most inclusive level, then further define each policy in descending levels until reaching a level at which we are willing to accept
- 2.1.3. We review all policies with a formal, cyclical, and clearly defined monitoring process to assure relevance, quality, and compliance in terms of reasonable interpretation and adequate evidence.
- 2.1.4. We do not allow intra-Board disagreements and/or personal conflicts to disrupt Board function.
- 2.1.5. We encourage, value, and respect the contributions of diverse viewpoints at all times.
- 2.2. **Board Planning & Meetings.** We manage our time and work priorities to focus our attention on our responsibilities for the future of the Co-op and achievement of Ends.
- 2.2.1. We maintain and follow a multi-year work plan that focuses annual/monthly agendas on the Board’s responsibilities.
- 2.2.2. We maintain and abide by a Board-adopted, comprehensive annual calendar that includes all necessary Board actions defined in policy.
- 2.2.3. We use Board meeting time for matters that concern the Board as a whole, rather than decisions that have been delegated via policy to Officers, Committees, Individual Directors, or the General Manager.
- 2.2.4. We seek consensus through discussion, allowing ample time to understand, value and demonstrate respect for diverse viewpoints.
- 2.2.5. When the time comes for Board action, we make and document each Board decision with the use of a motion, second, and vote.
- 2.2.6. We propose formal Board Resolutions to provide detailed context and rationale for Board decisions that need to be well documented for future reference.
- 2.2.7. We maintain and abide by a meeting structure whereby all regularly scheduled, open-session Board meetings are open to our Owners and meeting notice has been properly served.

- 2.2.8. We follow our prepared meeting agenda, but may adopt modifications at the start of meetings by a majority vote of the Board.
 - 2.2.9. We thoroughly review Monitoring Reports before Board meetings to focus our discussion on essential, board-level understandings of Co-op operations, to raise concerns about evidence or interpretations of policy, to approve plans for correction of non-compliance, and/or to identify any possible need for policy review and development.
 - 2.2.10. We assign all Board actions that can be predetermined by policy to a consent agenda that can be approved without further discussion.
- 2.3. **Board Continuity.** We assure that Co-op Board governance is continuous and of the highest possible quality.
- 2.3.1. We maintain Board-approved criteria to qualify applicants for Director candidacy.
 - 2.3.2. We recruit Director candidates who meet the current needs and priorities of the Board for effective Governance.
 - 2.3.3. We provide ongoing Board training according to our multi-year work plan and we orient new Directors to our governance system, current policies, and their particular roles and responsibilities according to the schedule established in the Board's Annual Calendar.
 - 2.3.4. We maintain our Director Playbook as a comprehensive guide for all Board functions.
 - 2.3.5. We include agenda items in our Board Calendar to assure advance planning for future succession of Officers and continuity of Committee knowledge and function.
- 2.4. **Investment in Governance.** We incur governance costs prudently but at levels that assure Board governance will be continuous and of the highest possible quality.
- 2.4.1. We develop the Board's budget according to the deadline established in the Board's Annual Calendar to support the budgeting process of the General Manager
 - 2.4.2. We budget for a reasonable amount of per-diem Director compensation and declare it by means of a Standing Board Resolution.
 - 2.4.3. We budget for Director and Board training when outside agencies can provide it more effectively than ourselves.
 - 2.4.4. We budget for monitoring assistance by outside agencies when necessary to confidently monitor organizational performance.
 - 2.4.5. We budget for consultation with professionals when matters of concern are outside of our internal expertise.
 - 2.4.6. We budget for a Board Administrative Assistant to assure complete, accurate, and continuous recordkeeping and continuity of Board processes.

- 2.5. **Recordkeeping.** We maintain comprehensive records of all board-related working papers, decisions, enacted policies, meeting minutes, contracts, resources, and other information that supports the function of the Board.
- 2.5.1. Our records are clearly organized and securely maintained on the Board's Electronic Drive, with confidential documents on the President's Electronic Drive.
 - 2.5.2. We maintain a current and comprehensive Policy Register including Articles, Bylaws, Corporate, and Governance policies, and all associated contracts and process documents.
 - 2.5.3. We maintain a current and comprehensive Resolutions Index.
 - 2.5.4. We maintain a current and comprehensive Consent Agenda Register.

- GP 3. **Internal Board Delegation & Accountability.** We consistently delegate duties to Officers, Committees, and individual Directors in ways that create clear accountability and authority, without ambiguity.
- 3.1. **Authority.** No Director, Officer, or Committee exercises any authority unless granted by the full Board.
 - 3.2. **Citizenship.** We individually uphold and adhere to all applicable laws and Co-op policies, and report any failures to uphold policy to the President.
 - 3.3. **Officers.** We maintain four officer roles: President, Vice President, Treasurer, and Secretary. All Officers fulfill their designated responsibilities, and any additional duties or authorities only when explicitly granted by the full Board. Officers remain accountable for assigned results and methods even when they delegate their responsibilities to others.
 - 3.3.1. The President facilitates the B-GM relationship outside of Board meetings.
 - 3.3.2. The President prepares Board agendas consistent with the Board's Annual Calendar and serves as chair for all Board meetings.
 - 3.3.3. The President serves as our Chief Governance Officer and assures that any failures to uphold policy are resolved in a timely manner.
 - 3.3.4. The President officially represents the Board to outside parties, in a manner consistent with the Board Holism "One Voice" principle.
 - 3.3.5. The President is accountable for the performance of the General Manager Evaluation and Search Committees.
 - 3.3.6. The President supervises the Board Administrative Assistant, including conducting an annual performance review, maintaining an accurate job description for the position, and leading any ad hoc committee chartered for a hiring/firing process.
 - 3.3.7. The Vice President performs the duties of the President in their absence.
 - 3.3.8. The Vice President is accountable for the performance of the Owner and Community Engagement Committee.
 - 3.3.9. The Treasurer is accountable for the performance of the Finance Committee.
 - 3.3.10. The Secretary is accountable for the performance of the Policy Committee.
 - 3.3.11. The Secretary assures that all official Board records are accurate, complete, and properly maintained, including all records of Member meetings, elections, and any other Membership votes.
 - 3.3.12. The Secretary collaborates with (but does not supervise) the Board Administrative Assistant to assure proper recordkeeping.

- 3.3.13. The Secretary attests to the accuracy of all Board actions and records when required by statutes, bylaws, and outside parties.
- 3.4. **Committees.** We maintain Standing Committees for Finance, Policy, Owner and Community Engagement, and General Manager Evaluation. All committees, standing and ad-hoc, reinforce and support the wholeness of the Board by facilitating the Board's understanding of its responsibilities, researching and providing information, and presenting the Board with reasonable and timely options for Board action.
 - 3.4.1. We maintain and monitor Committee Charges for all Standing Committees that include a list of general responsibilities that apply to every committee, clear performance expectations, comprehensive requirements, and accountabilities applicable to that particular committee.
 - 3.4.2. When needed, we create, maintain, and monitor Committee Charters for Ad-hoc Committees that include the specific task and time frame the Board has authorized, leadership accountability, reporting requirements, and expectations for recordkeeping during work and upon completion.
- 3.5. **Directors.** We define and uphold our responsibilities as individual Directors by means of a Board-adopted, comprehensive, and signed Director Agreement.