

Wheatsville Co-op Board of Directors Procedures for Co-op Vote

*Adopted July 28, 2009 Pursuant to Board Policy B.4.6
Modified June 25, 2013; May 26, 2015; June 21, 2016; April 27, 2017*

Purpose

The purpose of this document is to 1) define procedures for Co-op Votes and assure that 1) owners are properly informed of the matters presented for a vote, and 2) owners have a fair opportunity to participate in a Co-op Vote, as required by Article III of the Wheatsville Bylaws.

I. Types of Co-op Votes

These procedures apply to:

- A. **Election of Directors.** A Co-op Vote will be held annually by confidential ballot to elect directors to the Co-op's Board of Directors as provided in Article V of the Bylaws. The Board will schedule a Co-op Vote for a director election at a time that will allow newly elected directors to begin their responsibilities at the first meeting of the Board in January of the year immediately following the election.
- B. **Other Co-op Votes.** Co-op Votes for matters other than to elect directors may be scheduled to coincide with the election of directors or may be held at other times during the year. Other Co-op Votes include:
 - 1) Binding votes on matters within the authority of the ownership, such as proposals to amend the bylaws, boycott products, and other matters that could be considered at a regular or special meeting of the owners.
 - 2) Non-binding votes, such as selection of recipients for Community Action donations, which are advisory only and intended to provide input from the owners to the Board and management. Non-binding votes will be clearly designated on the ballot as "advisory" and "non-binding" votes.

II. Procedure for Co-op Votes to Elect Directors

A. Election Administrators; Authority and Accountability

- 1) **Role of the Election Liaison.** The Secretary of the Board of Directors or the chair of the Nominations Committee appointed by the board will serve as the Election Liaison to the board. If the Board Secretary has a conflict of interest (e.g. is running for re-election) or is unable to fulfill the duties of the liaison, the board may appoint another individual as the Election Liaison. The Election Liaison is responsible for administering these procedures and is accountable to the Board.
- 2) **Role of Vote Coordinator.** The Chief Executive Grocer (CEG) will assign a staff member to coordinate Co-op Votes to elect directors, and will provide the resources reasonably necessary for the vote to be conducted in compliance with these procedures. The Vote Coordinator is accountable to the CEG, but will coordinate and communicate with the Election Liaison to ensure transparency of the process. The Vote Coordinator is responsible for:
 - a) Preparing and distributing all materials needed for the vote in accordance with the timeline established in the Proposal for Co-op Vote;
 - b) Tallying the vote results;
 - c) Performing other tasks as necessary to implement the Co-op Vote to Elect Directors in compliance with these procedures and any request from the Election Liaison; and
 - d) Developing and maintaining a checklist under the direction of the CEG to document tasks performed by the Vote Coordinator for the purpose of establishing best practices and providing continuity.

B. Candidate Application and Evaluation.

Not later than the deadline stated in the *Proposal for Co-op Vote*, a prospective candidate is required to submit a complete candidate application packet. The application packet will be available on the Co-op's website not later than June 1, unless another date is selected by the Nominations Committee. The Board has established the following criteria to screen candidates for their eligibility, preparation, and commitment to serve on the Board:

- 1) Be a fully invested owner of the Co-op in your own name and in good standing;

- 2) Attend and participate in a Board Orientation Session for prospective candidates;
- 3) Submit a current resume recent photo with the application;
- 4) Submit two references (personal or professional — not related to the candidate) with the application;
- 5) Attend at least one Board Meeting in the time required;
- 6) Confirm in the application the candidate's ability to abide by the Directors Code of Ethics and Code of Conduct, if elected;
- 7) Participate in an informal interview, if requested; and
- 8) Agree to abide by any rules for candidates seeking election to the Board.
- 9) Commit to attend Cooperative Board Leadership (CBLD) 101 training, which will likely require travel out of town over a weekend.
- 10) Have access to a computer and email service to perform board work.

C. Evaluation of Candidate Applications

- 1) The Nominations Committee is responsible for reviewing candidate applications and supporting documentation.
- 2) The Board of Directors has the discretion to determine which potential candidates are eligible for a position on the ballot based on the candidate applications and supporting documentation.
- 3) The number of candidates on the ballot will be limited to two candidates per vacancy, plus one additional candidate, with an overall cap of nine total candidates. For example, if there are three board places up for election, then up to seven candidates will be placed on the ballot. If there are four or more board places up for election, then up to nine candidates will be placed on the ballot.
- 4) If the number of applications exceeds the cap, the Board of Directors has the discretion to select the most qualified eligible candidates for the ballot by evaluating each potential candidate's:
 - a. Informal interview answers, if the committee conducts informal interviews;

- b. References;
- c. Business acumen, meaning the wisdom, good judgment, and intelligence needed to understand and react to the workings of a cooperative organization;
- d. Communication and listening skills, meaning the ability to relate to others to gain understanding and appreciation of each other's ideas;
- e. Management or board experience, meaning experience in the structure, organization, rules, and governing principles of a business or cooperative enterprise;
- f. Financial literacy, meaning having an understanding of business financial reports and an ability to analyze costs and ratios and spot anomalies or potential oversights in financial documents;
- g. Integrity, meaning having a highly ethical, honest and trustworthy mentality; demonstrating a self-imposed high ethical standard and willingness to support decisions arising from the board as a group decision, despite personal beliefs;
- h. Strategic thinking, meaning thinking globally; planning for the long term; and providing ideas which motivate people and mobilize them toward the achievement of a goal;
- i. Teamwork, meaning working within a group dynamically; applying varied individual talents and skills; and supporting each other and the group in its efforts and decisions;
- j. Knowledge of the co-op's business model;
- k. Knowledge of Wheatsville Co-op.

- 5) The Nominating Committee has discretion to allow a potential candidate to cure a minor error in a timely submitted application by the deadline set by the committee, unless the extension of time would interfere with the conduct of the election.

D. Ballot by Petition. As provided in Bylaw Section 5.2, an Owner in good standing not placed on for ballot through the Board of Directors procedure shall be placed on the ballot upon submitting a petition that contains 1) the owner number and contact information and 2) is signed by 100 or one percent (1%) of the total number of owners in

good standing, whichever is greater. (Bylaws, Article 5.2). An owner nominated by petition must be a fully invested owner of the Co-op in the owner's own name and in good standing. A petition may be submitted electronically to the Election Liaison and the Vote Coordinator. The petitioning Owner may sign his or her own petition. A successful petitioner will be included in the same opportunities to address the owners that the Nominations Committee arranges for candidates on the ballot. For example, a petitioner will be invited to make a video statement and address owners at the Fall Owner Gathering.

III. Election Information for Owners

A. **Information Provided by Wheatsville.** Profiles provided by a candidate placed on the ballot describing their qualifications will be made available to owners. The following information may also be made available to members:

- 1) Election binders containing candidate profiles at each store during the voting period;
- 2) Sample ballots and other reasonable methods that may be requested by the Election Liaison;
- 3) Information on Wheatsville's website; or
- 4) Candidate speeches at Owner Gatherings.

B. **Information Provided by Candidates.** All candidates will be provided an equal opportunity to present their candidacy to the owners, subject to any rules adopted by the Board. Campaigning at store locations in the following manner is permitted as long as a candidate does not disrupt store business:

- 1) Tabling, which means setting up a table in front of the store;
- 2) Talking to owners.

C. **Other Co-op Votes.** Information about non-director election matters proposed for a binding or non-binding decision of the owners will be made available to the owners in the manner indicated in the Bylaws. The information must include the subject matter and exact content of the proposals.

IV. COMMENCEMENT OF A CO-OP VOTE

A. **Initiating the Process.** In accordance with the Bylaws, a Co-op Vote may be initiated in three ways:

- 1) By a majority of the Board of Directors;
- 2) By a majority of owners voting at a regular or special ownership meeting where a quorum is present; or
- 3) Any matter that the owners wish to put before the ownership via a Co-op Vote may be placed on the ballot by a petition signed by at least 500 or five percent (5%) of the total number of owners in good standing, whichever is fewer. The Board Secretary may submit any petition that appears to have sufficient signatures to the Vote Coordinator for verification of the membership status of the signers. The Secretary shall call a special meeting to be held within thirty days after receipt of a valid petition for the special meeting.

B. Scheduling the Vote. The Board will determine by majority vote the commencement and termination dates and times for a Co-op Vote, allowing:

- 1) At least 14 days' notice to owners of the subject matter of all matters on the ballot before voting commences;
- 2) At least 60 days during which ballots will be available and may be cast before the vote is closed;
- 3) For a Co-op Vote initiated by a petition, the proposal initiated shall be included in the next regularly scheduled Co-op Vote, except that if a petition is signed by at least 1,000 or ten percent (10%) of the total number of owners in good standing, whichever is fewer, then the Co-op Vote shall be scheduled to commence no sooner than thirty days and no later than 60 days from the date the petition is submitted.

C. Notice to Owners. The Chief Executive Grocer is responsible for assuring that owners are properly informed of and have a fair opportunity to participate in a Co-op Vote in the time frame and manner prescribed by the Board of Directors, by:

- 1) Posting prominent signs at all locations maintained by the Co-op with election information and the date, time, and location of any meeting at which a vote will be taken or confirmed;
- 2) Sending notice by electronic and/or U.S. Post to the addresses provided by the owners, as reflected in the ownership records of the Co-op;
- 3) Providing owners with access to the exact content of any proposal being submitted for a Co-op Vote; and

- 4) Unless otherwise instructed by the Board of Directors, informing owners by including information in a special or regularly scheduled edition of *The Breeze* or other mailing to owners' addresses as found in the current membership database. Owners should receive this mailing in a timely manner, but not necessarily before voting commences.
- 5) All information provided to owners about issues presented in the Co-op Vote shall be factual and fair.

V. Voting Process

A. Ballots

- 1) The Vote Coordinator will prepare ballot forms presenting the voting options in an impartial manner with clear instructions how to vote. Reproductions or ballots in an alternative format are acceptable if they clearly indicate the voter's intentions and otherwise comply with voting requirements.
- 2) Co-op Votes may include ballots cast in the store; ballots cast at ownership meetings or events if approved in advance by the Board; ballots cast by mail or hand delivered if received by the Vote Coordinator before the close of the vote; and ballots cast electronically through the Wheatsville website.

B. Voting on Website. Electronic voting may be provided through the Wheatsville website. A paper ballot will be created for each vote submitted through the website to assure a verifiable audit trail.

C. Confidentiality of Ballots

- 1) The Vote Coordinator will have custody of the ballots and will assure that unauthorized persons do not view the votes on individual ballots, except as provided herein.
- 2) Ballots that have been cast will be held in a secure location. The Vote Coordinator and the Election Liaison are authorized to view the ballots and will each be under an affirmative obligation not to reveal how any individual owner voted except with the explicit permission of the owner-voter.
- 3) If any ballots that have been cast are determined by the Election Liaison or the Vote Coordinator to be invalid, those ballots will be made available for inspection by owners at the meeting held to confirm the vote.

- 4) All ballots shall be retained in a secure location until the Board has certified the vote results and for a period of 30 days thereafter.
- 5) The board may authorize additional inspection of ballots on a confidential basis after the Election Liaison presents the vote results if necessary in order to verify the outcome.

VI. Verification of Ballots and Compilation of Results

A. Vote Coordinator Responsibilities

- 1) The Vote Coordinator will verify that the name and owner number on each ballot corresponds to an owner in good standing and that no more than one ballot is cast by an owner.
- 2) Votes by proxy are not allowed and will be disqualified.
- 3) The Vote Coordinator may tally votes as they come in or periodically during the voting period. A password-protected electronic spreadsheet record will be created for each ballot itemizing the owner name, owner number, and votes cast on each issue on the ballot. The Vote Coordinator may contact individual owners directly to clarify or authenticate their ballots.
- 4) Owners may change their votes at any time before the election is concluded by submitting a signed and dated request to the Vote Coordinator who will attach the request to the original ballot and adjust the vote tally to reflect the revised votes.

B. Election Liaison Oversight

- 1) The Election Liaison will oversee the verification and compilation process and may review any or all ballots to assure they have been accurately recorded.
- 2) Progress reports may be provided by the Vote Coordinator or the Election Liaison to the board with the total number of votes cast on individual ballot issues and the total number of ballots received, but the number of votes for or against individual candidates or ballot questions will not be disclosed until the conclusion of voting at the confirmation meeting.

VII. Confirmation Meeting; Certification of Vote. A confirmation meeting open to all owners will be held at the time, date, and location established at the beginning of the Co-op Vote process. At this meeting, the Vote Coordinator will declare the vote to be concluded and present the number of votes cast for each item on the ballot.

- A. All the ballots received will be exhibited at this meeting, although the individual ballots will be obscured to maintain confidentiality. Any ballots that were disqualified, however, will be made available for inspection at the meeting.
- B. The Election Liaison will report on any unusual or noteworthy circumstances that may have been observed in the voting process, and the Vote Coordinator will answer any questions owners may have.
- C. If the results are challenged or for any other reason the Election Liaison is unable to confirm the election results at this time, the confirmation meeting may be adjourned from time to time until the Election Liaison is prepared to report conclusive results to the Board.
- D. The Election Liaison will report the results to the Board of Directors at the next Board meeting following the conclusion of the vote, and acceptance of the Election Liaison's report by the Board will constitute certification of the results of the Co-op Vote.