

Grain Train

Natural Foods Market...since 1971

Prospective Board of Director Handbook

Our Mission: *Making a Difference, One Bite at a Time.*

Ends Statement: Grain Train Natural Food Cooperative exists so that our community is inspired to make well-informed healthy choices that support both people and planet.

Letter of Introduction	2
An Overview of Cooperative Values & Cooperative Principles.....	3
Policy Governance.....	4
Becoming a Director on the Grain Train Board.....	5
Board Member Rights and Responsibilities.....	6
Process for Becoming a Candidate for the Board.....	6
Board Member Code of Ethics – Statement of Agreement.....	8
Candidate Application Form.....	11

Grain Train Natural Food Cooperative, Inc.

Letter of Introduction to Prospective Board of Directors Candidates:

Thanks for your interest in serving on the Board of Directors of the Grain Train Natural Food Cooperative, Inc.! Founded in 1972 and incorporated on April 10, 1975 (and reincorporated on December 11, 2009), members established this natural food cooperative with the intention of working together to bring high-quality organic and natural products to their members at affordable prices. Today, we strive to carry the cooperative forward into the future.

It's a big decision to run for the Board and a serious commitment on your part. Many current Board members decided to run for their seats because someone reached out to them and encouraged them to participate in the governance of our community's food cooperative. Others decided to run because they were avid shoppers and committed to the Grain Train's way of doing business, and they wanted to help see the cooperative forward. Regardless of your reasons for running, we thank you.

If you have questions about what the role entails, we encourage you to contact any Board member to get a better understanding of the roles and responsibilities assigned to a member of the Board of Directors. It may be helpful to get a personal perspective of what service on the Grain Train Board of Directors is all about.

Members are always welcome to attend the meetings of the Board of Directors on the third Tuesday of each month at 6:00 PM, second floor of the Cook Building (Grain Train Market Cafe/ Northwoods Yoga building), 316 Mitchel Street, second floor, Suite 3. You can see how the Board functions and meet the current directors. Additionally, the Board meeting minutes are posted on the Grain Train web site, www.GrainTrain.coop.

The Grain Train is a for-profit cooperative. The Board helps direct it through "policy governance," a system that may be quite different from other Boards with whom you may be familiar. In short, while the Board sets the strategy of the organization, it does not manage the day-to-day workings of the Grain Train. This document was designed to give you an overall understanding of cooperatives as well as the policy-governance model.

Finally, this document lists the steps for filing a Board candidate application, as well as the Board Code of Conduct and Ethics Statement that is signed yearly by all Directors on the Board. Elections for Board positions occur each year prior to, and are announced at, the General Membership Meeting in April.

Thanks again for your willingness to serve cooperatively.

Sincerely, the Board of Directors

- Lynn Wolf - President
- Hal Willens – Vice-President
- Dave Heidtke - Treasurer
- Paula Welmers - Secretary
- Lindsay Hall - Director
- Mike Holifield - Director
- Mark Blaauw-Hara - Director

Grain Train Logo here!!

Cooperative Principles and Values

Cooperative Principles

Voluntary and Open Membership

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

Democratic Member Control

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. People 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 organized in a democratic manner.

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. They usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the 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.

Autonomy and Independence

Co-operatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, 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.

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.

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.

Concern for Community

While focusing on member needs, co-operatives work for the sustainable development of their communities through policies accepted by their members.

Cooperative Values

Basic cooperative values are general norms that cooperatives, cooperative leaders and cooperative staff should share; the values should determine their way of thinking and acting. This list of ten values was proclaimed by the International Co-operative Alliance in 1995.

Self-help

Self-responsibility

Democracy

Equality

Equity

Solidarity

Honesty

Openness

Social responsibility

Caring for others

Policy Governance

The Grain Train Board operates using the Policy Governance model, which was developed to allow Boards to maintain accountability for organizational performance while focusing on providing visionary leadership around our 'big-picture' mission. Delegation is a significant component of the cooperative hierarchy. Members of the Board maintain written documentation of expectations for themselves, the organization, and for the General Manager. Board policies are the primary vehicle for recording these expectations, and they are monitored on a regular basis.

The relevance of this methodology stems from (1) the fact that a significant volume of information is required to fulfill our fiduciary duties; (2) the need to delegate authority in order to accomplish our organizational purpose; and (3) the desire to ensure that our Members and stakeholders are well served by organizational accomplishments.

The Policy Governance model is designed to allow the Board to delegate clearly by completing three steps: (1) expressing the expectations of the job being delegated; (2) assigning the expectations with no ambiguity to the party who is to be held accountable for meeting them; and (3) checking that expectations were met.

Board Policies

There are four different categories of board policies, and all board policies must fall into one of these categories:

1. ENDS (the intended results for the customers): Ends policies all deal with ends, while all other categories of board policies deal with means.
2. EXECUTIVE LIMITATIONS (the limitations put on the General Manager): Executive limitations policies all deal with means, but they are written IN THE NEGATIVE, telling what means the General Manager SHALL NOT USE, instead of what means the General Manager SHALL USE to accomplish the organizational goals (this avoids the two extremes of “micro-managing” and “rubber-stamping”).
3. BOARD-STAFF RELATIONSHIPS (how the board will interact with the General Manager): Board-Staff relationship policies all deal with means that the Board will use to interact with the Staff THROUGH the General Manager.
4. GOVERNANCE PROCESS (how the board will govern itself): Governance Process policies all deal with means that the Board will use to govern and monitor itself throughout the year.

Some Advantages of this Model over the “Conventional” Approach

1. It is a well-researched model of democracy in action, with clear guidelines, not a guessing game.
2. Policies are readable, streamlined, and addressed regularly, not put on a shelf in a big book.
3. The roles of the Board and the Staff are clearly defined and easily understood, and do not overlap.

4. The Board is freed from Staff and customer issues, to allow time to concentrate on community linkage.
5. It discourages people who have “private agendas” from serving on the Board, and encourages people to be on the Board if they have a true desire to serve the entire community.
6. It reduces the typical stress caused by splintered Boards, “micro-managing,” or “rubber stamping.”

The Policy Governance methodology was developed by John Carver as a means to structure Board process to allow for Board accountability on a meaningful level, and to empower the Board to lead their organizations at the highest level. Carver's website address is:

www.carvergovernance.com

Becoming a Director on the Grain Train Board

The Board of Directors is the governing body for the Members of the Grain Train. It is an elected group of seven to nine individuals who are Members in good standing with the Grain Train. Terms for directors are three years in length and staggered to ensure no more than three terms are scheduled to expire per year. Appointments to the Board may be made to fill vacated seats with terms that may vary.

The Board holds the fiduciary responsibility for ensuring organizational performance on behalf of all of Grain Train’s Members. This work includes developing clearly stated expectations through written policies; delegating responsibility for, and authority over, the achievement of stated objectives; and monitoring compliance with written policies.

The Board of the Grain Train endeavors to be strategic and visionary, with its view toward the future of our cooperative, rather than focusing solely on the short-term. This “big-picture” focus ensures that the Board spends its time:

- Anticipating trends in foods and food preparation that impact on the Grain Train’s relevance and survival;
- Positioning our organization for the maximum benefit of our Members;
- Enhancing the larger community in which we live.

The Board governs the organization and delegates all operational duties to one employee, the General Manager (GM). The Board is involved in strategic planning, financial oversight, Membership linkage, and community outreach.

Under typical conditions, the Board does not make decisions about, become involved with, or take part in any of the day-to-day activities or decisions regarding the operation of Grain Train, including its stores and Market Cafe.

Board Member Rights and Responsibilities

Once elected, Directors must yearly sign the Board Member Statement of Agreement and the Code of Ethics / Code of Conduct documents.

New Directors must attend a mandatory orientation session provided by our consulting agency, Columinate, within the first year after elections. “CBLD 101” is often held in Mt. Pleasant, Michigan (usually in the month of May), and is an expense-paid, day-long training that provides important Board information and insights into the cooperative grocers’ industry.

Time Commitment

Attend monthly Board meeting, either in person or via virtual technology. The regular meeting is two to three hours each month. Beyond this regular meeting, the time commitment for a Director typically averages three-four hours per month, including preparation for regular monthly meetings. Participation on standing and ad hoc committees, as well as being an officer, is expected, and often requires additional time commitments.

Compensation

Each Director receives a 20% store discount, applicable at both the stores and Market Café for most purchases throughout their term. The Director discount may not apply to alcohol purchases or items that are currently discounted.

Process for Becoming a Candidate for the Board

Board of Director Member Requirements:

1. Candidates must be members of Grain Train in good standing.
2. Candidates must have no substantial conflict of interest:
 - a. Board members may not have close family member(s) working at or for the Grain Train to eliminate personal conflicts of interest.
 - b. Board members may not have an affiliation with any enterprise that is in competition with the Co-op (See Bylaws, Article 5.1) may not serve on the Board.
 - c. Board members may not be entrepreneurs who have an economic sales relationship with the Grain Train.

Procedural Requirements:

1. Candidates are required to fill out a Board Candidate Application (in this packet or online) detailing their attributes and interest in serving on the Board. Previous board experience is helpful. Candidates should have a willingness to work closely and

- cooperatively with the other Directors as well as a commitment to providing the time and energy necessary to accomplish the Board's objectives while fulfilling the required term.
2. Please email your completed application to the Nominations Committee at board@graintrain.coop or bring it to the Administrative Office.
 3. Candidates must meet with member(s) of the Board for an interview and review of their New Board Candidate Application.
 4. Candidates are required to introduce themselves and convey their attributes and interest in running for the Board during the Open Member Forum portion of the Board Agenda during a monthly meeting - currently the third Tuesday of the month held at the Grain Train Offices.
 5. Candidates are required to attend an entire Board meeting, to better understand the general activities of being a Board member. (Please refrain from comments during the meeting.)
 6. Candidates are required to provide a small (approximately 2 x 1 ½") portrait photo headshot (without hat) for inclusion on the Grain Train website to accompany the biographic information provided within your Board Candidate Application. This photograph, along with your answers to the essay questions, will be published in the Co-op newsletter and posted on-line.

Nominating Committee Endorsement:

By fulfilling the previously detailed Board Member Requirements, candidates may receive a Nominating Committee endorsement, which will be conveyed to the Member / Owners within election-related information.

Grain Train Natural Food Cooperative
Board Member Code of Ethics - Statement of Agreement

Revised by T. Shattuck: 2/14

I. Code of Ethics

The Board of Directors of Grain Train Natural Food Cooperative adopts the following Code of Ethics to clarify any uncertainty regarding the authority of the Board or individual directors. This Code of Ethics is proposed to create greater unanimity and closer coordination between directors, and among directors, management, and employees.

To that end, we, the directors of Grain Train Natural Food Cooperative agree that:

- The **Board's authority** is limited to overseeing the affairs of the cooperative in a manner deemed beneficial to the cooperative as a whole. To do this, we employ a General Manager to be responsible for the overall and day-to-day management of the business under the direction of the Board and work with management to set the future direction of the cooperative. The Board is also responsible for carrying out other duties as provided by the Bylaws or by general or specific corporate laws.
- Each **director's authority** is equal only to the rights and authority of any individual Member of the cooperative except when the Board is in formal meeting. No individual director may take action on behalf of the cooperative alone unless explicitly delegated that authority by recorded action of the Board, and no individual director has any particular rights to information not made available to all directors.
- The **authority of the General Manager**, as approved by the Board in the General Manager's job description, is to manage the affairs of the cooperative. The General Manager shall employ, supervise, and discharge all employees, agents and laborers and engage in all negotiations and discussions on behalf of the cooperative as necessary and/or directed by the Board.
- While an individual director may **disagree** with a policy approved by or action taken by the majority of the Board, s/he will support that policy or action as being the considered judgment of the Board. An individual director shall have the right to present further evidence and argument to the Board for further consideration in a manner consistent with the Board's practices. The Board shall have the duty to reconsider its actions appropriately.
- All directors will maintain **confidentiality** as needed to protect the cooperatives' interests and financial viability. This means that all directors shall not discuss disputed or confidential corporate actions, policies, or issues with co-op members, employees, or the general public unless all directors agree that such information is no longer

confidential. All issues related to personnel, real estate, market strategy and goals, pending litigation, and details of the coop's financial status will be considered sensitive issues subject to confidentiality unless or until full disclosure is approved by the Board.

- Directors **serve as representatives** of the cooperative. The Board members shall conduct themselves in a professional manner which fosters confidence and reflects positively on the cooperative, its members, and its staff. We respect the rights of others directors, staff and members - to communicate their ideas free from interruption and without intimidation. All directors shall affirmatively and, at all times, disclose any/all economic conflicts of interest.

II. Code of Conduct

As a co-op director, I pledge to do my best for Grain Train Natural Foods Cooperative, Inc. and will:

- Devote the time needed to fulfill the responsibilities of the position;
- Attend all regular and special Board and committee meetings;
- Be prompt, attentive, and prepared for all Board and committee meetings;
- Contribute to and encourage open, respectful, and thorough discussions by the Board;
- Attend and actively participate in the Board's training sessions and annual planning retreat to enhance Board understanding and cohesiveness;
- Consider the business of the co-op and its members to be confidential in nature;
- Disclose any personal or organizational conflict of interest that I may have and refrain from discussing or voting on any issues related to that conflict;
- Be honest, helpful, diligent, and respectful in my dealings with the co-op, with other directors, and with the co-op's management, staff, and members;
- Refrain from becoming financially involved or associated with any business or agency that has interests that are, or could be perceived to be, in conflict the co-op's
- Work for continued and increased effectiveness in the coop's ability to serve its member/Members;
- Be a team player and agree to abide by the majority action of the Board, even if it is not my own personal opinion;
- Present the agreed-upon view of the Board of Directors, rather than my own, when I speak for the co-op to employees, members, shoppers, and the general public;
- Refrain from asking for special privileges as a Board member and from interfering with management's authority;
- Work to ensure that the co-op is controlled in a democratic fashion by its members and that all elections are open, fair, and encourage the participation of all members

- Strive at all times to keep members informed of the co-op's status and plans, and of the Board's work, as appropriate;
- Continually seek to learn more about the co-op and its operations and about my responsibilities as a Board member by pursuing educational opportunities.

As a co-op director, I agree to abide by this Statement of Agreement. I agree that if, in the opinion of the majority of the directors, I have violated the letter or spirit of this agreement, I shall offer to resign my position on the Board immediately, and shall not seek to cause continued disruption to the cooperative and the Board for such a transgression. The Board shall review the director's transgression, and determine in Closed Session whether to accept the director's resignation. The Board reserves the right to admonish without termination, in the hope of rectifying behaviors or actions.

Signature of co-op director

Date

Please review the enclosed materials and contact us if you have any questions:
board@graintrain.coop

Grain Train

Natural Foods Market...since 1971

Board Candidate Application

Any Grain Train Owner is able to run for a seat on the Board of Directors. Please fill out this application form so that your information may be included in Grain Train media communications. This application gives voters information about your background and expertise. These answers will be your way of communicating with other Grain Train Owners as to why you should be a Board member.

Due to a limitation of printed space, try to be succinct with your responses.

Name _____

Address _____

Phone # _____

E-mail _____

Education _____

1. Why do you want to serve on the Board of Directors of Grain Train Co-op?
2. What are you passionate about? How could we see that passion in action in your day-to-day life?
3. Describe an experience where you worked on a team. What did you offer the team? How did you compromise for the team's benefit?
4. Do you have other experiences that you see as being related to the work of the Board?
5. Is there anything else you'd like to tell us?

**Please include a close-up photograph of your smiling face
for inclusion in the newsletter.**

What's next? Campaign! At this point you should have sat in on a Board meeting, met with Board members and answered your questions. Now it's time to meet the membership. Consider bagging at the front-end, checkout registers to meet the Owners. Take part in Community Day events to further your campaign.

Best of luck during the election