

Grain Train Natural Foods Cooperative

Board Member Code of Ethics - Statement of Agreement

Revised - February 16, 2010

I. Code of Ethics

The Board of Directors of Grain Train Natural Foods 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 Foods 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 and except for officers of the Board when carrying out their duties as determined by the bylaws. No individual director may take action on behalf of the cooperative alone unless explicitly delegated that authority by action of the Board or the bylaws, and no individual director has any particular rights to information not made available to all directors.
- The **authority of the General Manager** is approved by the Board in the General Manager's job description and/or in Resolutions passed by the Board. 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 as a whole.
- 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 and will:

- Devote the time needed to fulfill the responsibilities of the position;
- Attend regular and special Board and committee meetings as required by the bylaws;
- Be prompt, attentive, and prepared for all Board and committee meetings;
- Contribute to and encourage open, respectful, and thorough discussions by the Board;
- Disclose confidential information which I have acquired by reason of my position;
- 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;
- Not solicit or accept for myself or another, any gift, including economic opportunity, favor, service, or loan (other than from a regular lending institution on generally available terms) or any other benefit from any person, organization or group of which:
 1. is attempting to influence the performance or nonperformance of my duties;
 2. is seeking to obtain a contract, loan, employment, or any financial relationship from or within the Grain Train;
 3. has a financial relationship with the Grain Train;
 4. is in a legal proceeding of which the Grain Train is an adverse party;
- Disclose waste, fraud, or corruption to the proper authorities;
- 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;
- Not participate in making any decision that involves a substantial personal or financial interest of mine or a member of my immediate family unless such interest is held in common with all co-op owners. I shall recuse myself from voting on or participating in any issue which could substantially affect such an interest. Should a dispute arise regarding whether a conflict of interest exists, the Board should delay vote on the matter and submit the details of that interest to the Grain Train attorney for an assessment on possible conflicts of interest. If the Grain Train's legal counsel recommends recusal due to conflict of interest, I must recuse myself;
- Directors who are also employees of the Grain Train shall not participate in making any decision regarding the General Manager. Directors shall recuse themselves from voting on or participating in any issue which could substantially affect the General Manager's employment;
- Work for continued and increased effectiveness in the coop's ability to serve its member/owners;
- 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 that 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