

Wedge Community Co-op
Board of Directors
Code of Ethics and Conduct

The Board of Directors adopts the following Code of Ethics and Conduct (this “Code”) to guide the behavior of the Directors and to clarify any uncertainty that may exist now or in the future. This Code addresses two principal issues:

1. The authority of the Board and of individual Directors;
2. General rules applicable to the Board’s and each individual Director’s conduct of the Co-op’s business.

The purpose of this Code is to serve as a medium by which greater unanimity and closer coordination can be effected between Directors, and among Directors, management, and Co-op employees.

AUTHORITY: The Board has broad authority to govern the Co-op on behalf of the owners of the Co-op, in the best interests of the Co-op. The Board has a fiduciary duty, a special obligation, to the Co-op and the owners as a whole, rather than to a constituency or group of owners. The Board’s fiduciary duty includes the duty of care to carry out the Board’s responsibilities, and the duty of loyalty to put the Co-op’s interests ahead of personal or constituent interests.

Board Duty of Care - to carry out the Board’s responsibilities:

- Employ a Chief Executive Officer (“CEO”) to be responsible for the overall and day-to-day management of the Co-op under the direction of the Board
- Financial oversight
- Legal compliance
- Long-range strategic planning
- Recruitment of directors and oversight of elections
- Recommend updates to the Articles and Bylaws
- Carry out other duties as provided by the Bylaws and applicable law.

Board Duty of Loyalty - to put the Co-op’s interests ahead of personal or constituent interests:

- Fair dealing. Each Director shall deal fairly with the Co-op, and shall not compete with the Co-op or usurp a Co-op opportunity.
- Disclose Conflicts of Interest. Each Director shall disclose any conflict of interest. A conflict of interest may arise from a personal, professional or financial relationship with an individual, organization, association or business entity. Each year, each Director will disclose all such conflicts of interest on the signature page

of this Code. Each Director will promptly disclose to the Board any additional conflicts of interest that arise during the year, and update his/her signature page to reflect such updates.

- Refrain from Self-dealing. Directors will refrain from self-dealing, and will not conduct any private business or provide personal or professional services with or for the Co-op, the CEO or staff, unless and until the nature of this activity is fully disclosed to and approved by the Board.
- Recusal. When the Board is required to decide an issue about which a Director has a conflict of interest, the Director with the conflict of interest will recuse him/herself from deliberation and any vote taken on the issue.
- Influence. No Director will use his/her status on the Board to obtain employment with the Co-op for family members or close associates. Directors may inform others of opportunities at the Co-op and may provide letters of recommendation in accordance with the Co-op's standard personnel practices.

LIMITS TO AUTHORITY: Each Director understands and acknowledges the following:

1. Except when the Board is in formal meeting, his/her authority is equal only to the rights and authority of any individual owner of the Co-op.
2. Directors do not pursue individual projects as representatives of the Board, without the approval of the Board.
3. No individual Director may take action on behalf of the Co-op alone unless explicitly delegated that authority by action of the Board.
4. Any Director may make suggestions, as an owner of the Co-op, to the staff and using the vehicles available for owners; however, no individual Director may direct the work of the CEO or the staff.
5. Any direction given to the CEO must be made by the Board as a whole, through formal Board action, or through the President of the Board acting as an agent of the Board.

MANAGERIAL AUTHORITY: The Board recognizes the authority of the CEO, as provided in the Bylaws and as established by general cooperative practice, to manage the affairs of the Co-op. The CEO shall hire, supervise, and discharge all employees, agents, and laborers; and shall engage in all negotiations and discussions on behalf of the Co-op, as necessary and/or directed by the Board.

PROFESSIONAL CONDUCT: At all times, the Directors shall recognize that they project an image as a representative of the Co-op and shall conduct themselves in a professional manner, which fosters confidence and reflects positively on the Co-op, its owners, and its staff. All Directors will respect the rights of others, including their colleagues, staff, Co-op owners and the public with whom they have contact in their capacity as a Director, to communicate their ideas free from interruption and without intimidation. The Board and

each of its Directors shall conduct themselves and Board business in a non-discriminatory manner.

CONFIDENTIALITY: The Board and each Director agree to respect the confidentiality appropriate to issues of a sensitive nature under consideration by the Board. The Board and each Director agree to discuss disputed or confidential Co-op matters, actions, policies, and issues only with the appropriate individuals as authorized by the Board. The Board deems all personnel, real estate, marketing, legal, strategic planning, and financial matters to be among the sensitive issues that are subject to these confidentiality obligations, unless or until the Board determines otherwise. Each Director agrees to abide by these confidentiality obligations during and after his/her term of service on the Board.

CONSENSUS AND DISAGREEMENT: The Board will seek consensus through discussion and each Director will have an opportunity to present his/her position. The Board will finalize and document decisions through the use of motions, seconds and majority vote. Although a Director may disagree with a policy or action adopted by a majority vote of the Board, each Director will support such policy or action as the legitimate decision of the Board.

PROCESSING CONCERNS REGARDING CODE OF CONDUCT VIOLATIONS:

Any Director who does not follow these Code of Conduct agreements can be removed from the Board by a $\frac{3}{4}$ majority vote of the remaining Board, as provided in the Bylaws and below in this Code. In the event any Director has a concern regarding a potential violation of this Code, such Director and the Board will follow the steps below:

Step 1: The concerned Director will bring his/her concerns to the Board President for possible resolution. If that discussion does not result in resolution satisfactory to the concerned Director, then the Board President will request that the concerned Director submit his/her concerns in writing for consideration by the Leadership Committee. Additionally, the Board President may elect to invite the concerned Director to come in person to a Leadership Committee meeting. If the issue of concern involves the Board President directly, then the Leadership Committee will designate one of the other officers to process the situation with the concerned Director, following the process outlined in Steps 1-5.

Step 2: The Leadership Committee will review the written concern(s) presented to it by the concerned Director. The Leadership Committee will then invite the Director of concern to come in person to a Leadership Committee meeting to discuss the concerns raised about such Director, before it arrives at any conclusions.

Step 3: When the Leadership Committee has completed its deliberations, it will then communicate whatever decisions are made to the concerned Director and the Director of concern. The decision whether or not to communicate these deliberations to the full Board will be determined by the Leadership Committee.

Step 4: If the Leadership Committee is unable to resolve the matter of concern during the preceding steps, it will bring the matter to a full hearing of the Board in Executive Session. If the matter remains unresolved after such Executive Session, the matter will be considered and discussed by the Board.

Step 5: The Board will consider and discuss the resolution of the matter of concern. The Board will vote on proposed resolution(s). If appropriate, the Board may vote to remove the Director of concern by a $\frac{3}{4}$ majority vote of the Board in accordance with the Bylaws and this Code.

AGREEMENT TO COMPLY WITH CODE OF CONDUCT: The undersigned Director, by his/her signature below, hereby agrees to the agreements stated in this Code of Conduct.

WEDGE COMMUNITY COOPERATIVE
BOARD OF DIRECTORS

Director

Date

DISCLOSURE OF CONFLICTS OF INTEREST

The Director named above hereby discloses below all conflicts of interest regarding such Director's service on the Board, effective as of the date above:

Please list and describe all conflicts of interest or indicate that there are none, as applicable, in the space below or attached sheet.