

Black Star Co-Op Policy Register



Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page 1 of 34

Table of Contents

Section A. Ends	3
A Global Ends.....	3
Section B. Governance Process.....	4
B Global Governance Process	4
B1 Policy Governance	5
B2 Board Job Products.....	6
B3 Board Agenda & Meetings.....	7
B4 Board Officers	8
B5 Directors' Responsibilities & Code of Conduct.....	9
B6 Board Committees.....	11
B7 Member Linkage	12
B8 Board Perpetuation.....	13
B9 Cost of Governance.....	14
B10 Endorsements	15
B11 Governance During an Emergency State	16
B12 Management of MISO Program.....	17
Section C. Governance - Workers' Assembly Connection.....	18
C Global Governance Process – Workers' Assembly Connection.....	18
C1 Unity of Control	19
C2 Delegation to the Workers' Assembly	20
C3 Communication & Counsel to the Board.....	21
Section D. Workers' Assembly Limitations	22
D Global Workers' Assembly Limitations	22
D1 Self-Management	23
D2 Staff Treatment.....	24
D3 Remuneration of the Workers' Assembly	25
D4 Financial Condition	26
D5 Asset Protection.....	27
D6 Removed in 2015	28
D7 Planning & Budgeting.....	29
D8 Board-Staff Liaison Continuity.....	30

Black Star Co-Op Policy Register Manual	
Effective Date: 2021-12-12	Page 2 of 34

D9	Membership System.....	31
D10	Electronic Communication.....	32
D11	Allocation of Net Savings	33

Black Star Co-Op Policy Register Manual	
Effective Date: 2021-12-12	Page 3 of 34

Section A. Ends

A Global Ends

As a community owned brewpub, Black Star Co-Op leads in the creation of a world with:

- Inspired craft beer,
- A thriving cooperative community,
- A resilient food system, and
- A more just society

Black Star Co-Op Policy Register Manual	
Effective Date: 2021-12-12	Page 4 of 34

Section B. Governance Process

B Global Governance Process

The Board will govern lawfully, observing the principles of the Policy Governance model, with an emphasis on outward vision rather than internal preoccupation, encouragement of diversity in viewpoints, strategic leadership more than administrative detail, clear distinction of Board and Workers' Assembly roles, collective rather than individual decisions, future rather than past or present, and pro-activity rather than re-activity.

Policy Title:	Global Governance Process	Last Revised	2015-10-25
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Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page 5 of 34

B1 Policy Governance

B.1 The Board will govern using the Policy Governance model.

B.1.1 The Board as a group will be responsible for excellence in governance. The board will use the expertise of individual directors to enhance the abilities of the Board as a body rather than to substitute individual judgements for the Board's values.

B.1.2 The Board as a whole will be responsible for fulfilling its commitments and therefore, will allow no officer, individual, or committee of the Board to hinder or be an excuse for not fulfilling board commitments.

B.1.3 The Board will govern the Co-Op through careful establishment of broad written policies reflecting the Board's values and perspectives. The Board's major policy focus will be on the intended long-term effects on the Co-Op, not on administrative or operational means of attaining those effects.

B.1.3.1 The Board will assure performance by monitoring compliance with its policies at least annually and at each meeting using the Board policy monitoring calendar.

Policy Title:	Policy Governance	Last Revised	2017-07-05
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Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page 6 of 34

B2 Board Job Products

- B.2 The Board will produce outputs that ensure appropriate organizational performance. Accordingly, the Board will:
- B.2.1 Engage member-owners in the setting of the Ends.
 - B.2.2 Maintain linkage with member-owners.
 - B.2.3 Establish written governance policies that, at the broadest levels, address the Board governance process, the connecting between the Board and the Workers' Assembly, and the Workers' Assembly limitations.
 - B.2.4 Make all non-confidential information available to the Workers' Assembly for distribution to the member-owners.
 - B.2.5 Word all non-procedural decisions of the Board as formal resolutions.
 - B.2.6 Ensure that the Bylaws are current, complied with, and meet the needs of the Co-Op. As needed, the Board may propose Bylaws amendments to the member-owners for approval.
 - B.2.7 Ensure effective administration of the MISO program.
 - B.2.8 Annually review committee ROA (Results, Objectives, Activities) documents to establish committee goals and plans to achieve said goals
 - B.2.9 Annually review Black Star Co-Op Core Messaging Guideline, to ensure ongoing relevance, accuracy, and suitability.

Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page 7 of 34

B3 Board Agenda & Meetings

- B.3 The Board will follow an annual agenda that reexplores the Ends, develops member linkage, and continually improves Board performance. Board meetings will be planned to ensure that the Board accomplishes its annual agenda.
- B.3.1 The Board's annual governance cycle will start in October with the development of its agenda for the next calendar year. The annual agenda will include all Board events, such as membership meetings, Board training, monitoring schedule, and review of specific policies. The annual agenda will be reviewed at each meeting.
- B.3.2 Any director, member-owner, or meeting participant may, with the consent of the majority, add or delete items from the agenda at any time during the meeting.
- B.3.3 Board meetings will be facilitated to use meeting time effectively and efficiently, and to welcome a diversity of opinions, backgrounds, and interests.
- B.3.4 The Board will endeavor to accommodate any director with special needs, including reimbursement for out of pocket expenses or other arrangements that allow the director to attend meetings.
- B.3.5 Every meeting shall begin with an open session for comments from staff, member-owners, or other meeting participants. Each petitioner will be granted three (3) minutes to address the Board.
- B.3.6 All Board meetings will be open to the public except for internal sessions. Internal sessions may only address litigation, personnel, real estate transactions, or other matters deemed sensitive by the Board.
- B.3.6.1 The purpose of any internal session must be stated in the meeting minutes.
- B.3.6.2 The Board may invite anyone it chooses to attend an internal session.
- B.3.6.3 Minutes will be taken during internal session but will be kept confidential.
- B.3.6.4 Any action by the Board during internal session will be restated immediately after the internal session ends, for the benefit of meeting attendees who did not attend the internal session, and for recording in the public meeting minutes.
- B.3.7 Completed Board meeting materials will be made available to the Board prior to the date of every upcoming meeting; board materials will be available in advance of the meeting to ensure adequate time for board members to review the materials beforehand and to effect positive, informed discussions.

Policy Title:	Board Agenda & Meetings	Last Revised	2021-12-12
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Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page 8 of 34

B4 Board Officers

B.4 Board officers are empowered by the Board and accountable to the Board. Officers may delegate tasks but remain accountable for outcomes and accomplishments.

B.4.1 President

B.4.1.1 The President assures the integrity of the Board's process by ensuring that the Board functions effectively, follows its own policies, and adheres to obligations legitimately imposed upon the Board from outside the Co-Op.

B.4.1.2 The President exercises authority over the Board agenda and discussion, as described in the Board Agenda and Meetings policy.

B.4.1.3 The President will ensure a smooth transition to the next President.

B.4.1.3.1 The President will ensure pertinent documentation and organization of Board practices.

B.4.1.3.2 The President will prepare at least one person to be qualified to serve as President in emergency or planned succession.

B.4.1.4 The President will regularly communicate with the Board Staff Liaison to support Board-WA alignment.

B.4.2 Secretary – The Secretary's job is to ensure the integrity of the Board's documents including:

B.4.2.1 Maintaining the official records of the Board.

B.4.2.2 Maintaining the Board's policy register manual.

B.4.2.3 Ensuring that each Director receives timely copies of documentation needed to fulfill their duties.

B.4.2.4 Filing of all documents required by law, including the Annual Report of Financial Condition.

B.4.3 Official Signatures: Both the President and Secretary have authority to sign documents on behalf of the Co-Op or the Board when needed to effectuate Board resolutions or transact the ordinary business of the Co-Op. Any other Director may exercise this power only when specifically authorized by the Board.

Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page 9 of 34

B5 Directors' Responsibilities & Code of Conduct

B.5 Directors commit themselves to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum.

B.5.1 Each Director, upon being seated, will sign a Code of Conduct form reflecting the Board policies.

B.5.2 An individual Director is responsible at all times for discharging his/her duties in good faith in a manner which he/she reasonably believes to be in the best interests of the Co-Op and with such care as an ordinarily prudent person in a like position would use under similar circumstances.

B.5.3 Directors must loyally represent the interests of the Co-Op's member-owners. This accountability supersedes any conflicting loyalties including, but not limited to, advocacy or interest groups, employers, and service on other Boards. This accountability also supersedes the personal interest of any Director acting as an individual consumer of the organizations' services.

B.5.4 Directors must avoid any conflict of interest with respect to their fiduciary responsibility.

B.5.4.1 Individual Directors shall be under an affirmative duty to disclose their actual or potential conflicts of interest in any matter under consideration by the Board. Directors having such an interest may not participate in the decision of the matter, nor, unless otherwise determined by the Board, in the discussion of the matter.

B.5.4.1.1 If a Director, a member of a Director's immediate family, or any organization of which the Director is a director or officer holds MISO shares, this is considered an actual conflict of interest when the Board is determining the amount or timing of a MISO dividend or put-right request. At the beginning of any Board discussion relating to a MISO dividend or put-right request, each conflicted Director shall disclose this conflict. These disclosures shall be noted in the minutes. All Directors may participate in discussion of MISO issues, regardless of conflicts. However, conflicted Directors shall abstain from any vote on the amount or timing of MISO dividends or put-right requests.

B.5.4.1.2 At its discretion, the Board may appoint a disinterested individual, committee, or organization to provide a written opinion on whether a proposed dividend amount (including 0%) is fair to the Co-Op at that time. The Board shall provide the appointed entity with adequate information and other resources to prepare its opinion. All directors, regardless of conflicts, may vote on whether to adopt a fairness opinion. The Board shall adopt a fairness opinion if it is supported by appropriate data and sound reasoning. If the Board adopts an opinion that a dividend amount is fair to the Co-Op, all Directors may vote on a resolution to promptly declare a dividend in that amount, regardless of conflicts.

B.5.4.2 An individual Director shall not, during her/his term of office, be a party to a contract for profit with the Co-Op differing in any way from the business relations accorded each member-owner or upon terms differing from those generally current among member-owners.

B.5.4.2.1 Directors are prohibited from accepting consulting fees or other compensation from the Co-Op, other than fees for service on the Board or compensation for paid employees as discussed in policy.

Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page 10 of 34

- B.5.4.3 Directors must not use their positions to obtain for themselves, family members, or close associates, employment within the organization or a business relationship with the Co-Op.
- B.5.5 Directors may not attempt to exercise individual authority over the Co-Op except for representation of the Board or the Co-Op as explicitly set forth in Board policies.
- B.5.6 Individual Directors shall maintain confidentiality as needed to protect the Co-Op's interest and financial viability.
 - B.5.6.1 Directors shall not discuss disputed or confidential corporate actions, policies, or issues with family members, the Co-Op's member-owners, workers, or others, unless the Board has decided that such information is no longer confidential.
 - B.5.6.2 All issues related to personnel, real estate, business strategies and goals, pending litigation, and the details of the Co-Op's financial status will be considered sensitive issues subject to confidentiality unless or until full disclosure is approved by the Board as a whole.
 - B.5.6.3 The expiration of service on the Board does not terminate this obligation.
 - B.5.6.4 Directors will maintain and dispose of confidential materials in an appropriate manner. Confidential materials may be turned over to the Board-Staff Liaison for proper disposal.
- B.5.7 An individual Director may disagree with a policy approved by or action taken by the majority of the Board. However, once such an action is taken, he/she will support that policy or action as being the considered judgement of the Board.
 - B.5.7.1 An individual Director shall have the right to present further evidence and argument to the Board for further consideration.
- B.5.8 Any Director who is also a paid employee of the Co-Op has the same duties and responsibilities as any other Director, and in addition has the duty of ensuring segregation of staff and Board responsibilities.

Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page 11 of 34

B6 Board Committees

B.6 The Board may delegate work to committees but may not delegate its responsibilities.

B.6.1 When the Board forms a committee, it will approve a charter containing the committee's expectations, composition, authority, timeline, and resources.

B.6.2 Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes.

B.6.3 The Leadership Development Committee is a standing committee charged to seek and cultivate competent candidates for the Board and develop the leadership capabilities of the sitting Board. Directors shall be appointed to the committee each year in December.

Policy Title:	Board Committees	Last Revised	2021-12-12
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Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page 12 of 34

B7 Member Linkage

- B.7 The Board obtains its authority from, and is representative of, and accountable to the member-owners. The Board is responsible for maintaining linkage with member-owners.
- B.7.1 The Board will make appropriate efforts to understand the values and needs of the member-owners and sustain a sense of ownership, pride, and loyalty among member-owners. Outreach will occur as needed to link the Board to member-owner viewpoints and values, such as surveys, forums, focus groups, and Members' Assembly meetings.
- B.7.2 Member equity program – The Board will ensure that the member equity programs contribute adequate capital for the Co-Op. Member equity may include active and inactive member capital and Member-Investor Shares.
- B.7.3 The Board shall, from time to time, by majority vote, determine terms and conditions of membership including the capital requirements, membership benefits, and member-owner responsibilities.

Policy Title:	Member Linkage	Last Revised	2015-10-25
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Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page 13 of 34

B8 Board Perpetuation

- B.8 The Board will ensure perpetuation of a governing body that provides effective leadership over time and irrespective of individual Directors. The Board accomplishes self-perpetuation through recruitment, election, and development of skilled, committed, and motivated Directors. The Leadership Development Committee is responsible for organizing activities to comply with this policy.
- B.8.1 Board development – Board skills, supports and methods will be sufficient to assure governing with excellence. Education and training will be used liberally to orient new Directors and candidates, as well as to maintain and increase the skills of existing Directors. This includes, but is not limited to, use of consultants, attendance at conferences, purchasing resources, and workshops.
- B.8.2 Board Recruitment – The Board will identify and recruit qualified, skilled candidates throughout the year for appointment as needed and for future elections. The Board shall recruit enough candidates each year to ensure a competitive election.

Policy Title:	Board Perpetuation	Last Revised	2015-10-25
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Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page 14 of 34

B9 Cost of Governance

B.9 The Board will invest in its governance capacity. Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability.

B.9.1 Board budget may include investment in:

B.9.1.1 Board perpetuation costs, such as recruitment and election.

B.9.1.2 Training and retraining, which will be used liberally to orient new members.

B.9.1.3 Outside monitoring assistance, which will be arranged so that the Board can exercise confident control over organizational performance. This includes, but is not limited to, financial audits.

B.9.1.4 Outreach mechanisms, which will be used as needed to ensure the Board's ability to listen to member-owner viewpoints and values.

B.9.2 Board costs will be determined annually in September by Board action.

Policy Title:	Cost of Governance	Last Revised	2015-10-25
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Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page 15 of 34

B10 Endorsements

- B.10 The Board's consideration of written endorsements shall be in harmony with the Co-Op's Mission Statement and Ends policies.
- B.10.1 Product endorsements are the purview of the Workers' Assembly.
- B.10.2 The Board will not consider any endorsements of political candidates.
- B.10.3 The Board will consider other endorsements proposed by Co-Op Owners that are in harmony with the Ends policies.
- B.10.4 Endorsement proposals shall be sponsored by any current, non-conflicted Board member. The proposal will:
- Outline the issue or initiative brought forth by a Co-Op Owner;
 - Present balanced information on the issue including opposing views;
 - Indicate how the issue/initiative supports the Co-Op's Ends; and
 - Recommend how the Board's support should be manifested.
- B.10.5 Endorsements must be approved by a unanimous vote of the non-interested members of the Board.

Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page 16 of 34

B11 Governance During an Emergency State

- B.11 Enactment of the Emergency Policy Governance allows for the temporary change in protocols, in response to unexpected events by which the Co-Op may be financially, structurally, or otherwise majorly impacted. The primary goals of the Emergency Policy include maintaining employee safety, securing and protecting assets, and keeping the business in operation.
- B.11.1 The Board acknowledges that it cannot foresee every emergency. Emergencies that may result in the enactment of the Emergency Policy include, but are not limited to, natural disasters, public health emergencies, sudden and unexpected loss of Black Star team members, physical or technological security breaches, financial hardships impacting ongoing operation of the Co-Op, and any other qualifying event as agreed upon by the Board and the Workers' Assembly.
- B.11.1.2 As a member of the group, any Board member can request a vote to enter into an Emergency State. The Board will review for qualifying emergency events and will vote to enter into an Emergency State or not. Board quorum is required in order to effect change. Quorum is also required in order to exit Emergency State.
- B.11.1.3 When in an Emergency State, the Co-Op's status will be reviewed at each board meeting. Additional reporting requirements, specific to monitoring the Co-Op's performance during an emergency, may be drafted, depending on the circumstances.
- B.11.1.4 When in an Emergency State, the BSL will present to the Board any formal requests from members of the Workers' Assembly to exit Emergency State.
- B.11.2 When operating in an Emergency State, the regularly scheduled Policy Governance work may not be possible. As a result, the Board will:
- B.11.2.1 Review the Policy Governance Calendar and will revise the reporting requirements, as needed. Updated policy reporting requirements will be communicated to the BSL.
- B.11.2.2 Upon exiting the emergency state, provide updated reporting requirements to the BSL for the remainder of that calendar year.
- B.11.3 When entering into an Emergency State, the Board may need to meet more frequently and at undefined intervals. An Emergency Meeting schedule will be developed and communicated to both the Board and the BSL. The Emergency Meeting schedule will include frequency, method (virtual or in-person), as well as other information relevant to maintaining communication during the Emergency State.

Policy Title:	Governance During an Emergency State	Last Revised	2020-10-25
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Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page 17 of 34

B12 Management of MISO Program

B.12.1 The Board oversees the administration of a MISO put-right request waitlist

B.12.1.1 In instances where MISO put-right requests cannot be paid immediately upon receipt of the request, the put-right request is added to the Waitlist

B.12.1.2 MISO put-right requests will be reviewed in order of receipt; the Board votes to amend the put-right request Waitlist, as new requests are received and/or paid out

B.12.2 Board authorization for the repayment of MISO shares

B.12.2.1 MISO repayment authorization is granted at the sole discretion of the Co-Op's Board of Directors. The Board will not approve MISO repayment if completing such repurchase would render the Co-Op unable to pay its obligations as they become due or would involve the Co-Op in a violation or breach of the laws of the State of Texas, the terms and provisions of the Co-Op's Certificate of Formation, or the Co-Op's Bylaws.

B.12.2.2 The Board reviews financial data and sustained operational metrics to determine whether MISO repayments can be distributed. At a minimum, the Co-Op must have a minimum of two consecutively profitable quarters prior to MISO repayment authorization.

B.12.3 The Board authorizes the transference of MISO shares, provided that the transfer of ownership complies with the original Subscription Agreement Form.

Black Star Co-Op Policy Register Manual	
Effective Date: 2021-12-12	Page 18 of 34

Section C. Governance - Workers' Assembly Connection

C Global Governance Process – Workers' Assembly Connection

The Board's sole official connection to operations will be through an elected representative of the Workers' Assembly titled the Board-Staff Liaison ("the Liaison"). The Workers' Assembly will speak with one voice through the Liaison.

Policy Title:	Governance – Workers' Assembly Connection	Last Revised	2015-10-25
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Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page 19 of 34

C1 Unity of Control

C.1 Only decisions of the Board acting as a body are binding on the Workers' Assembly.

C.1.1 When Directors or committees request information or assistance without Board authorization, the Liaison can only refuse such requests that require an excessive amount of staff time or funds. The Liaison will notify the Board when such a request is made and give the reason for refusal.

Policy Title:	Unity of Control	Last Revised	2015-10-25
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Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page 20 of 34

C2 Delegation to the Workers' Assembly

- C.2 The Board will instruct the Workers' Assembly through written Ends policies and Workers' Assembly Limitations.
 - C.2.1 The Board will allow the Board-Staff Liaison to use any reasonable interpretation of the Ends and Workers' Assembly Limitations policies.
 - C.2.2 When the Board changes its Workers' Assembly Limitations policies, the Board will specify the expected compliance date.
 - C.2.3 The Board will never give direction to any individual member of the Workers' Assembly, allowing the Board-Staff Liaison and the organization of the Workers' Assembly to delegate and prioritize objectives autonomously.
 - C.2.4 The Board will refrain from evaluating, either formally or informally, any individual member of the Workers' Assembly.
 - C.2.5 The Board will view Workers' Assembly performance as identical to organizational performance, so that organizational accomplishment of stated Ends policies and compliance with Workers' Assembly Limitations policies will be viewed as successful Workers' Assembly performance.
 - C.2.6 The Board of Directors, acting as an informed agent of the member-owners, reserves the right to replace the Workers' Assembly, should its actions violate Board policy or organizational Bylaws or jeopardize the financial or legal standing of the Co-Op.

Policy Title:	Delegation to the Workers' Assembly	Last Revised	2015-10-25
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Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page 21 of 34

C3 Communication & Counsel to the Board

- C.3 Acting as an informed agent of the Workers' Assembly, the Liaison shall not cause or allow the Board to be uninformed or unsupported in its work. Accordingly, the Liaison will not:
 - C.3.1 Fail to inform the Board of relevant trends, public events, or internal or external changes which affect the assumptions upon which Board policy has previously been based or that affect the business or public relations.
 - C.3.1.1 Fail to provide the Board with the current business plan.
 - C.3.1.2 Fail to notify the Board of significant changes to the business plan.
 - C.3.2 Fail to submit monitoring reports that are timely and accurate, or that lack the operational definitions and verifiable data directly related to each section of the policy.
 - C.3.3 Fail to report in a timely manner any actual or anticipated noncompliance with any policy of the Board, along with a plan for reaching compliance.
 - C.3.4 Fail to inform the Board of trends, issues, suggestions, or requests brought to the Workers' Assembly that may require Board review or approval in advance of each Board meeting.
 - C.3.5 Fail to inform the Board when changing conditions require Board action, or a Board policy will have unintended effects that are not in the best interests of the Co-Op.
 - C.3.6 Fail to provide the Board with sufficient mechanisms and support for administration and communication.
 - C.3.7 Fail to respond to direct questions via email within 48 hours.
 - C.3.8 Fail to make the following information available for monthly Board meeting materials: sales per labor hour, profit and loss statement, average daily bank balance, and how these metrics compare to those projected in our business plan.
 - C.3.9 The Board may censure the Liaison, citing specific instances of failure to comply with policies.
 - C.3.10 After considering the nature, severity, or frequency of the Liaison's noncompliance, the Board may instruct the WA to immediately recall the Liaison.

Black Star Co-Op Policy Register Manual	
Effective Date: 2021-12-12	Page 22 of 34

Section D. Workers' Assembly Limitations

D Global Workers' Assembly Limitations

The Workers' Assembly shall not violate laws, the Bylaws, the cooperative values and principles, or commonly accepted business and professional ethics.

Black Star Co-Op Policy Register Manual	
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Effective Date: 2021-12-12	Page 23 of 34
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D1 Self-Management

D.1 The Workers' Assembly is accountable for all operational aspects of the Co-Op.

Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page 24 of 34

D2 Staff Treatment

- D.2 With respect to the treatment of paid and volunteer staff, the Workers' Assembly shall not allow working conditions, procedures, or decisions that are discriminatory, disrespectful, unsafe, or fail to provide appropriate confidentiality and privacy.
- D.2.1 The Workers' Assembly is empowered to create written personnel rules that (a) clarify rules for staff, (b) provide for a fair and effective handling of grievances, (c) protect against wrongful conditions and (d) codify remuneration for individual members of the Workers' Assembly. Further, the Workers' Assembly shall not:
- D.2.1.1 Discriminate against any staff member for non-disruptive expression of ethical dissent.
 - D.2.1.2 Allow hiring not open to current staff.

Policy Title:	Staff Treatment	Last Revised	2015-10-25
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Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page 25 of 34

D3 Remuneration of the Workers' Assembly

- D.3 With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the Workers' Assembly shall not cause or allow jeopardy to financial integrity or public image, or discrimination based on race, sex, age, creed, marital status, religion, sexual orientation, national origin, color or disability.
- D.3.1 The Workers' Assembly will not allow disparity between the remuneration of any two workers to exceed a ratio of 4:1.
- D.3.2 The Workers' Assembly will not accept gratuities to supplement wages paid by the Co-Op.

Policy Title:	Remuneration of Workers' Assembly	Last Revised	2015-10-25
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Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page 26 of 34

D4 Financial Condition

- D.4 With respect to the financial condition and activities of the Co-Op, the Workers' Assembly may not cause or allow the Cooperative to be unprepared for future opportunities, the development of fiscal jeopardy, or key operational indicators to be below average for our industry. The Workers' Assembly may not:
- D.4.1 Allow sales growth to be inadequate.
 - D.4.2 Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.
 - D.4.3 Allow use of restricted funds for any purpose other than that required by the restriction.
 - D.4.4 Allow liquidity (the ability to meet cash needs in a timely and efficient fashion) to be insufficient.
 - D.4.5 Allow solvency (the relationship of debt to equity) to be insufficient.
 - D.4.6 Allow late payment or nonpayment of contracts, payroll, loans, or other financial obligations.
 - D.4.7 Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed, or the proof of tax payments to be made unavailable to the Board at the following month's Board of Directors meeting.
 - D.4.8 Allow operations to generate inadequate net income.
 - D.4.9 Allow financial record keeping systems to be inadequate or out of conformity with GAAP.
 - D.4.10 Fail to report out-of-the-ordinary fiscal events to the Board.
 - D.4.11 Fail to obtain Board pre-approval of the disposal of fixed assets with greater than \$5000 book value, or single purchases or commitments of greater than \$10,000.

Policy Title:	Financial Condition	Last Revised	2015-10-25
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Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page 27 of 34

D5 Asset Protection

- D.5 The Workers' Assembly will not allow assets to be unprotected, unreasonably risked, or inadequately maintained. The Workers' Assembly will not:
 - D.5.1 Allow equipment and facilities to be inadequately insured, or otherwise unable to be replaced if damaged or destroyed, including coverage for any losses incurred due to business interruption.
 - D.5.2 Allow the Co-Op to be inadequately insured for liability losses to Directors, staff, and the organization.
 - D.5.3 Fail to provide prudent protection against loss through employee dishonesty.
 - D.5.3.1 Allow purchasing to be uncontrolled or subject to conflicts of interests.
 - D.5.3.2 Allow any one individual to have complete authority over a financial transaction.
 - D.5.4 Fail to properly and proactively maintain building and equipment.
 - D.5.5 Fail to ensure safeguards against theft, loss, or damage of property.
 - D.5.6 Fail to protect intellectual property, information, and files from loss or significant damage.
 - D.5.7 Endanger the organization's public image.
 - D.5.8 Vest expertise of crucial aspects of operation in only one worker.

Policy Title:	Asset Protection	Last Revised	2015-10-25
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Black Star Co-Op Policy Register Manual
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Effective Date: 2021-12-12	Page 28 of 34
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D6 Removed in 2015

Policy Title:	N/A	Last Revised	N/A
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Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page 29 of 34

D7 Planning & Budgeting

D.7 The Workers' Assembly must not operate without annual and multi-year budgets and plans that address intentional and improved Ends accomplishment along with avoidance of fiscal jeopardy. The Workers' Assembly must not:

D.7.1 Create plans or budgets that:

D.7.1.1 Risk incurring those situations or conditions described as unacceptable in the Board policy "Financial Condition;"

D.7.1.2 Omit credible projection of revenues and expenses, owner investment and return, separation of capital and operational items, cash flow, and disclosure of planning assumptions;

D.7.1.3 Do not address excellence in business systems and operations; or

D.7.1.4 Have not been tested for feasibility.

D.7.2 Provide less for Board prerogatives during the year than is set forth in the board budget.

Black Star Co-Op Policy Register Manual	
Effective Date: 2021-12-12	Page 30 of 34

D8 Board-Staff Liaison Continuity

To protect the Co-Op from sudden loss of the Liaison's services, the Workers' Assembly shall not permit the Co-Op to be without a designated staff person sufficiently familiar with Board and Liaison issues, documentation, and processes to be able to be accountable for business operations in a planned or emergency absence of the Liaison. This individual may not be an active Director.

Policy Title:	Board-Staff Liaison Continuity	Last Revised	2015-10-25
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Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page 31 of 34

D9 Membership System

The Workers' Assembly will not allow the Co-Op to be without a growing number of member-owners or an efficient administration of membership benefits and responsibilities. The Workers' Assembly shall not:

- D.9.1 Fail to refer to the Board communications from member-owners, customers that pertain to the organization, policies, or structures of the Co-Op.
- D.9.2 Allow member-owners to be without education opportunities or a published newsletter.
- D.9.3 Allow the database of member-owners, including addresses, telephone numbers, and membership status information to be out of date, unprotected or used for any purpose not consistent with the purpose and values of the Co-Op.
- D.9.4 Allow member benefits to any member-owner not currently in good standing.

Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page 32 of 34

D10 Electronic Communication

The Workers' Assembly will manage all electronic dissemination of public information to the membership, except for information that is under the purview of the Board of Directors. Further, without limiting the scope of the previous statement by the following, the Workers' Assembly shall not fail to:

D.10.1 Provide member-owners with adequate notice of upcoming Co-Op events.

D.10.1.1 Offer a current calendar of pub events for viewing and electronic subscription.

D.10.1.2 Post or update content as requested by the Board.

D.10.2 Maintain a website for the Co-Op that includes:

D.10.2.1 An option to join the Co-Op.

D.10.2.2 Current versions of the Co-Op's Bylaws, Board policies, and minutes of the Board and Members' Assembly Meetings; and

D.10.2.3 Current information on Board members, including photos, biographies, and contact information.

Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page 33 of 34

D11 Allocation of Net Savings

- D.11 The Workers' Assembly shall not fail to provide an annual recommended allocation of the net savings from the prior fiscal year to the Board of Directors by May of each calendar year. The recommendation will allocate the net savings among: MISO dividends, payment of MISO put-right requests, educational and general welfare funds, retained earnings, and patronage rebates.
- D.11.1 The recommendation of the Workers' Assembly for the allocation of MISO dividends shall not cause or allow said allocation to:
- D.11.1.1 Hinder the Co-Op's ability to attract and retain investment from member-owners;
 - D.11.1.2 Fail to benefit member-investors by providing a reasonable return on invested funds;
 - D.11.1.3 Fail to benefit the Co-Op by providing a reasonable cost of borrowed capital;
 - D.11.1.4 Be out of compliance with applicable statutes, such as being less than or equal to 50 percent of the net savings for the fiscal year and less than eight percent of the amount invested; or
 - D.11.1.5 Undermine the cooperative purpose of issuing a patronage rebate.
- D.11.2 The recommendation of the Workers' Assembly for the allocation of MISO put-right requests shall not cause or allow said allocation to render the Co-Op unable to pay its obligations as they become due.
- D.11.3 The Workers' Assembly shall not fail to recommend an allocation to an educational and general welfare fund that supports any purposes for such funds stated in resolutions of the Board of Directors or the Members' Assembly.
- D.11.4 The Workers' Assembly shall not fail to recommend an allocation to retained earnings that supports expansion of the Co-Op's services, reduction of prices charged to patrons, or other purposes consistent with the Ends policies and the Bylaws.
- D.11.5 The Workers' Assembly shall not fail to recommend an allocation of patronage rebates to be distributed to the member-owners in that fiscal year, and an allocation of patronage rebates to be retained by the Co-Op.
- D.11.5.1 The allocation to distributed patronage rebates must not:
 - D.11.5.1.1 Impair the Co-Op's ability to attract and retain member-owners; and
 - D.11.5.1.2 Discourage or negatively influence patronage of the Co-Op by member-owners.
 - D.11.5.2 The allocation of retained patronage rebates shall not be for any purpose except those that:
 - D.11.5.2.1 Support the Co-Op's stability; and
 - D.11.5.2.2 Support the Co-Op's growth.
 - D.11.5.3 The Workers' Assembly will not fail to address the Co-Op's present and future tax liability.
 - D.11.5.4 The Workers' Assembly will not recommend allocations to patronage rebates that violate applicable laws such as exceeding the amount of net savings attributable to member-

Black Star Co-Op Policy Register Manual

Effective Date: 2021-12-12

Page **34** of **34**

owner patronage, or exceeding the allowable ratio of retained patronage to distributed patronage.

- D.11.6 Until the Board of Directors determines the allocation of the net savings for a particular fiscal year, The Workers' Assembly will treat that money as a restricted fund.
- D.11.7 The Workers' Assembly shall not cause or allow a failure to report the amount of net savings for a particular fiscal year to the Board of Directors based on the applicable laws and Generally Accepted Accounting Principles.