

SAMPLE CODE OF ETHICS
for a
Cooperative Board of Directors

The Board of Directors believe it to be expedient and proper to adopt a Code of Ethics to clarify any uncertainty which may now or in the future exist, regarding the authority exercised by the board, or individual board members, and general rules applicable to board members' conduct of Association business. The bounds of authority as proposed herein appear to us as a medium by which greater unanimity and closer coordination can be effected between board members, and among board members, management, and employees.

The Board recognizes its authority as being limited to establishment of policies deemed beneficial to the Association; to employing a manager to have charge of the business of the Association under the direction of the board, and to effecting other duties as outlined by the Bylaws.

The Board member recognizes that, except when the board is in formal meeting, his authority is equal only to the rights and authority of any individual member of the Association.

The Board recognizes the authority of the manager given in the Bylaws. (Under the direction of the Board of Directors, the manager or acting manager shall employ, supervise, and discharge all employees, agents, and laborers.)

The Board agrees that while an individual board member may disagree with a policy or action adopted by majority vote of the board, he should support said policy or action as being the considered judgement of the board. The individual member shall have the right and duty to present further evidence and argument to the board, and the board shall have the duty of reconsidering upon proper evidence.

The Board agrees that an individual board member shall not discuss disputed board actions or policies with growers or others except for counsel and then with the utmost discretion and in a manner which will foster confidence in our Association.

CHI-76