

**GOVERNANCE PROCESS  
POLICY D2**

**BOARD RESPONSIBILITY**

The Board is responsible for determining what the desired performance of the cooperative will be and for the governance necessary to attain such performance.

Accordingly, the Board will:

1. Assure a satisfactory link between the cooperative and its members.
2. Provide and adhere to written governing policies which, at the broadest levels, address:
  - A. Ends: What the cooperative is to provide for its members
  - B. Executive Limitations: The ethical, fiducial, and prudential boundaries of managerial responsibility and activity
  - C. Board-Management Relationship: How authority is delegated to Management and its use is monitored
  - D. Governance Process: Specification of how the Board conceives, carries out and monitors its own tasks
3. Assure satisfactory managerial performance through at least annual monitoring of A Policies (Ends) and B Policies (Executive Limitations).
4. Assure satisfactory board performance as a trustee of members' assets.
5. Assure there is an annual board performance evaluation.

This policy will be monitored and reviewed in conjunction with the annual board evaluation.

Adopted 10/07/1998  
Modified 02/06/2008