

Policy Manual
of the
Northland Natural Food Co-Operative Ltd.

Incorporated as a co-operative company under the Co-Operative Companies Act 1996 and the
Companies Act 1993

1. GENERAL

1.1 The Policy Manual shall be made available to all members of the NNFC by publishing it on the website. A hard copy will also be made available at the NNFC's offices.

1.2 Unless otherwise specified, all policies become effective when properly enacted/reviewed by the Board of Directors and published to the NNFC's website. All policies must be in written form.

1.3 This Policy Manual contains all the policies of the NNFC, including policies established by the Board of Directors, the Officers of the Coop, the General Manager, Standing Committees, other Committees established by the Board or the General Manager, or other Managers for their area of responsibility. Each policy is identified as to its source, and if available, the date of enactment.

1.4 Policies may be changed by the Board, the General Operations Manager, a Standing Committee, other Committees established by the Board or the General Operations Manager, or other Managers for their area of responsibility, as appropriate to the authority-source of the individual policy. Each policy shall state its source of authority. The Board may review non-Board-established policies.

1.5 Chairpersons and members of the Standing Committees specified in the Articles of Incorporation of the Northland Natural Food Coop shall be appointed by the President of the Cooperative, with the advice and consent of the Board of Directors.

1.6 Throughout these policies, "staff" refers to both employees and volunteers holding defined positions in the NNFC.

1.7 In all questions of policy, the NNFC constitution and actions of the Board of Directors or an annual or special meeting of the NNFC are supreme.

1.8 The Standards committee is responsible for notifying the CIO to add sections/changes to the online policy manual.

1.9 Any Board action intending to make a change or addition or deletion to this policy manual must include a statement to that effect in its text.

2. DELIVERY DAY

2.1 The General Operations Manager (GOM) will supervise and/or manage all other members of the Delivery Day management team. The GOM reports to the President of the NNFC, or, if the President is unavailable, to another member of the Board of Directors.

2.2 The Delivery Day Floor Manager reports to the GOM. The Floor Manager leads and

supervises a team of volunteers to collect, sort, and record all the goods received by the NNFC on delivery day. These activities should be undertaken according to the procedures set out under Section 2.4 of the Policy Manual. The Delivery Day Floor Manager is also responsible for recording any injuries which occur in the workplace, and for arranging appropriate first aid attention.

2.3 The Delivery Day volunteers are responsible for collecting, recording, and sorting the goods received by the NNFC, under the supervision of the Floor Manager. These activities should be undertaken according to the procedures set out under Section 2.4 of the Policy Manual.

2.4 The procedure for collecting and sorting goods on Delivery Day is as follows:

(a) Prior to the receipt of goods, boxes and/or other appropriate packaging for customer orders should be prepared and laid out. A checklist of the items necessary to fill each customer's order should be affixed to their box. The boxes should be arranged in a logical manner (eg: in alphabetical order) so that they can be easily located. Containers for goods requiring freezing and/or refrigeration should be placed in the appropriate storage facility, and be similarly affixed with a checklist of the items necessary to fill each customer's order.

(b) On delivery day, producers will bring their goods, along with a copy of their order list, to the drop-off facility. All goods need to be dropped off before 3.00 p.m. on Delivery Day. When they arrive, a volunteer will check off each item on their list as it is unloaded. Any missing items or inconsistencies should be recorded. If a producer forgets to bring a copy of their order list, they will be asked to log in to the NNFC website, so their order list can be viewed online, and all their goods accounted for.

(c) Once goods have been received from the producers, they will be sorted and packed, ready for pick up and/or delivery. The producer's order list will show which customers have ordered each product, and how many units they should receive. Using this list, the correct number of items should be placed in each customer's box. Any goods which require freezing and/or refrigeration should be placed in their containers in the appropriate storage facility, and checked off the list.

(d) When goods are placed in the customer's box, the item should be checked off on both the producer's order list and the checklist affixed to each customer's box. If an item is missing or unavailable, this should be marked on the customer's checklist. When all items on the customer's checklist have been checked off (i.e. the order has been filled) the box should be clearly labelled "COMPLETE".

2.5 Customers can collect their orders from the facility on Delivery Day. Orders will be available for collection from 3:00 p.m. A volunteer will assist the customer in finding their box, and should run through the checklist a final time to ensure all goods have been placed in it. If a customer arrives to collect their goods before their order has finished being packed, they may be invited to help with sorting and packing their own order.

2.6 The Route Managers report to the GOM. The responsibilities of the Route Managers are as

follows:

- (a) Organise a volunteer driver to collect customer orders on Delivery Day each month. They should provide their driver with a list of the orders to be collected, and with directions, if applicable. The driver may be the same each month, or the Route Manager may have several volunteers who alternate, or some other system.
- (b) Organise a central drop-off point at the end of their route, where customers in the area can collect their orders. The Route Manager should notify the GOM of the time and place that orders can be collected, so customers can then be told where to collect the orders. The time and place may be the same every month, or may vary from month to month.
- (c) Unloading and distributing goods at the drop-off point. The Route Manager should assist the driver in unloading orders from the vehicle, and customers in collecting them.

2.7 The volunteer drivers report to their corresponding Route Managers. On Delivery Day, they should bring with them the list of orders they are collecting. As they load each completed order into their vehicle, they should check it off their list, and inspect the box to ensure that the order has been correctly filled. Once all their orders have been loaded into the vehicle, they then drive to the drop-off location, as per their Route Manager's instructions.

2.8 Any person in a management position (Floor Manager, Route Manager etc.) who will be absent on Delivery Day shall notify the GOM and the other management parties of the upcoming absence and of any arrangements made to cover responsibilities. Volunteers who will be absent shall report to their respective managers.

2.9 All management are required to treat employees, volunteers, producers, customers, members and other management with respect and fairness. All management actions must be transparent, accountable and in accordance with our terms of service. Written complaints regarding senior management violations shall be filed with the Secretary and acted upon at the next Board meeting. Board action may include probation or termination at the Board's discretion.

3. MEETINGS OF THE BOARD OF DIRECTORS

3.1 The standard agenda for meetings of the Board of Directors is as follows:

- ☐ Adoption of the agenda
- ☐ Approval of the minutes for the previous meeting.
- ☐ Introduction of any NNFC members present
- ☐ Member presentations to the board.
- ☐ Financial report
- ☐ Old business
- ☐ New Business
- ☐ Board questions regarding reports
- ☐ Remarks of the president

- ☐ Remarks of the General Manager
- ☐ Adjournment

3.2 Reports are to be submitted in writing in advance of the meeting. Board members may ask questions about reports during the Board question session.

3.3 Board members who want an agenda item should request the item at least 3 days in advance of the board meeting. Board and office agenda items go in new business. Items not completed in the new business section will be automatically carried over to the next meeting's Old Business segment.

3.4 The secretary will note in the minutes of each meeting the items to be carried over to the next meeting's Old Business segment. The president will prepare and email the agenda including the old business carried over to the next meeting to the board 4 days in advance of the meeting, and again after the deadline for receiving any additions to the agenda. The President is responsible for preparing and submitting the agenda for each Board meeting. The day before the meeting, the President shall email the agenda to the members of the Board for their review and to the NNFC's general membership.

3.5 The Board is responsible for organizing and presenting the cooperative's Annual General Meeting (AGM).

3.6 All Board appointed committees can be altered only by action of the Board or members of the committee.

3.7 The Secretary shall take the minutes of each meeting and make the draft available to the Board. Changes may be suggested and incorporated into the final draft, which should be emailed to members of the Board of Directors no later than 7 days before the next meeting. Approval of the minutes of the previous meeting is part of the standing agenda for Board meetings, and the minutes shall be posted to the NNFC's website following approval.

3.8 Any decisions made by unanimous consent of the Board outside of a board meeting shall be included as part of the minutes of the next regularly scheduled meeting.

3.9 The Board may meet in Executive Session (a meeting not open to NNFC members) to consider the following issues:

- (a) Personnel issues.
- (b) Matters involving Standards recommendation regarding problem producers
- (c) Filling vacancies to Board positions and officers.
- (d) Action on real estate and real property transactions.
- (e) Litigation and/or liability, existing or anticipated.
- (f) Threats to consumers or the organization.
- (g) Matters of competitive advantage
- (h) Owner-Member complaints against individuals rather than the NNFC itself

3.10 The presiding officer shall be the President, or in the absence of the President the Vice President shall preside

3.11 For each agenda item, the presiding officer shall call on someone to present the item. This person can have up to 5 uninterrupted minutes to make the presentation. Open discussion then follows, and the presiding officer may participate in the discussion.

3.12 All motions must be seconded before they can be discussed. The maker of the motion can have up to 5 uninterrupted minutes to present the motion, and open discussion follows. Amendments to motions can be made during discussions; they must be seconded, discussed, and submitted to a vote before the original motion is disposed of.

3.13 Special Motions:

(a) Motions to close or limit debate require at least a 2/3 vote for passage. Motions to limit debate should be specific, e.g. "I move that the remaining discussion of this motion be limited to 5 uninterrupted minutes per Board member."

(b) Certain motions are not debatable: to close or limit debate, to recess, or to adjourn

3.14 All votes with the exception of the election of a Board member shall be by show of hands. Only Board members present in person or via electronic communication can vote. The outcome of votes shall be recorded in the minutes; in case the vote is not unanimous, the names of members voting "no" or "abstain" shall be recorded in the minutes.

4. BOARD OF DIRECTORS' CONFLICT OF INTEREST AND ETHICS POLICY

4.1 The purpose of this policy is to set forth the principles associated with the NNFC's policy regarding a code of ethics and conflicts of interest for members of the Board of Directors. These policies apply to the Board process, and also to all NNFC management and committee work.

4.2 It is the policy of the Board of Directors to expect the highest level of ethical behavior of its members and others associated with the NNFC and to periodically update and restate its standards.

4.3 The NNFC's standards of ethical behavior as it relates to the Board of Directors will be defined and communicated to promote:

(a) Honest conduct, including the ethical handling of actual or apparent conflicts of interest between personal and cooperative business relationships. Under this policy, a conflict of interest exists when a director (or the director's close relative) may personally benefit from the decision.

(b) Full, fair, accurate, timely and understandable disclosure of the NNFC's periodic external reports. Compliance with applicable governmental rules and regulations. Prompt internal reporting of code violations to persons identified in the code.

Accountability for adherence to the code. Disclosure of interests that may have a bearing on action being considered by the Board or by employees of the NNFC.

4.4 The NNFC's Board will in all actions strive to apply the following position on decisions as it relates to ethical treatment:

- (a) Create a business philosophy and position of respect, trust, integrity and honesty.
- (b) Comply with applicable laws including whistleblower protection, records retention and other applicable statutes.
- (c) Avoid conflicts of interest including contractual relations involving the NNFC, gifts to Board members in consideration of participation with the NNFC, outside activities which might impair the NNFC's business, use of NNFC property for personal purposes or use of confidential NNFC information.
- (d) Directors shall disclose to the full Board any conflict of interest, or potential conflict of interest, prior to taking action on the matter. Directors deemed to have a conflict of interest will not be permitted to vote in the matter in which the conflict of interest arises.
- (e) Ensure accurate, complete and understandable preparation and communication of information in the Cooperative's annual report, press releases and other public disclosures.
- (f) Other actions as may be defined by the Board of Directors as acceptable conduct and not specifically referenced herein.

5. FINANCIAL POLICY

5.1 A member of the Board shall examine the NNFC's bank statements each month. They shall then prepare a financial report to present at the next meeting, outlining any issues, potential issues, or the lack thereof.

5.2 Expenses eligible for reimbursement must be submitted for reimbursement within 30 days of the date expense was incurred.

6. SEXUAL HARASSMENT POLICY

6.1 The policy of the NNFC is that sexual harassment is a form of misconduct that undermines the integrity of the cooperative relationship. All employees and volunteers have the right to work in an environment free from all forms of discrimination and conduct which can be considered harassing, coercive, or disruptive, including sexual harassment. Anyone engaging in harassing conduct will be subject to discipline, ranging from a warning to termination to expulsion from the NNFC, depending on the degree of severity of the offense.

6.2 Sexual harassment is defined as any unwanted physical, verbal or visual sexual advances, requests for sexual favors, and other sexually oriented conduct which is offensive or objectionable to the recipient, including, but not limited to: epithets, derogatory or suggestive comments, slurs or gestures and offensive posters, cartoons, pictures, or drawings. Sexual

harassment does not refer to occasional compliments of a socially acceptable nature. It refers to behavior that is not welcome, that is personally offensive, that debilitates morale, violates personal dignity, and that interferes with cooperative effectiveness.

6.3 Any member or other person who believes that he or she has been the recipient of sexually harassing behavior within the NNFC should report it immediately to the Secretary. It is preferable to make a complaint in writing, but you can accompany or follow up your written complaint with a verbal complaint.

6.4 To the extent possible, the confidentiality of the complainant and the witnesses and the alleged harasser will be protected against unnecessary disclosure. No retaliation will be made against someone who brings a sexual harassment complaint

6.5 Within seven days after a written complaint is made, the Secretary of the NNFC, or another person or persons designated by the Secretary, will investigate the complaint. The person will speak with possible witnesses and will speak with the person named in your complaint.

6.6 The person making the complaint will be informed of the result of the investigation and the action taken. If the complainant is not satisfied with the results of the investigation, he or she may bring the matter to the Board. The Board will consider such appeals in Executive Session to protect the identities of the persons involved.

6.7 All volunteers and employees must receive a copy of this sexual harassment policy. They must sign a copy and return it to the cooperative before being allowed to work.

7. SAFETY IN THE WORKPLACE

7.1 To ensure safety, all NNFC volunteers and employees are required to observe and obey the following rules and guidelines

7.2 Any injury at work, no matter how small, must be reported immediately to the Delivery Day Manager, who will then record the details of the injury and arrange appropriate first aid attention. Serious conditions often arise from small injuries if they are not cared for at once.

7.3 Observe and practice the safety procedures established for the job.

7.4 In case of sickness or injury, no matter how slight, report at once to the Delivery Day Floor Manager. In no case should an employee or volunteer treat his own or someone else's injuries without first notifying the Floor Manager.

7.5 In case of injury resulting in possible fracture to legs, back, or neck, or any accident resulting in an unconscious condition, or a severe head injury, the employee or volunteer is not to be moved until medical attention has been given by authorized personnel, unless not moving the employee/volunteer would result in further serious injury or death.

7.6 Never distract the attention of another employee or volunteer, if this might cause them to be

injured. If necessary to get the attention of another volunteer or employee, wait until it can be done safely.

7.7 Where required, you must wear protective equipment, such as goggles, safety glasses, masks, gloves, hair nets, etc. Do not wear loose clothing or jewelry around machinery. It may catch on moving equipment and cause a serious injury. Safety equipment is designed for your protection. Be sure such equipment is adjusted for you.

7.8 Pile materials, skids, bins, boxes, or other equipment so as not to block aisles, exits, fire fighting extinguishers, electric lighting or power panel, valves, etc.

7.9 Fire doors and exits, as well as extinguishers must be kept clear and easily accessible.

7.10 Work areas should be kept clean. Keep machines and other objects (merchandise, boxes, shopping carts, etc.) out of the center of aisles. Clean up spills, drips, and leaks immediately to avoid slips and falls. Place trash and recycling in the proper receptacles. Stock shelves carefully so merchandise will not fall over upon volunteer or employee contact.

7.11 Trailers owned by the cooperative must be towed only by vehicles with hitch packages compatible and safe to use with the trailer's hitch and the size of the trailer.

7.12 Employees and/or volunteers who operate motor vehicles in their role with the NNFC must obey all relevant legislation while in their capacity as representatives of the NNFC. In particular, employees and volunteers must use seat belts whenever they operate a vehicle on company business. The driver is responsible for seeing that all passengers in front and rear seats are buckled up.

7.13 Do not tamper with electric controls or switches.

7.14 Do not operate machines or equipment without proper instruction and authorization. Furthermore, do not adjust, clean, or oil moving machinery. Keep machine guards in their intended place.

7.15 Do not engage in such other practices as may be inconsistent with ordinary and reasonable common sense safety rules

7.16 Use correct lifting techniques when carrying objects. Ask for assistance with heavy loads.

7.17 It's every employee's and volunteer's responsibility to be on the lookout for possible hazards. If you spot any possible hazardous situation-report it to the Delivery Day Manager immediately.

7.18 The management staff will ensure that employees and volunteers receive the protective clothing and equipment required for the job. The NNFC will designate which jobs and work areas require safety shoes. Under no circumstances will an employee or volunteer be permitted to work in sandals or open-toe shoes.

7.19 The wearing of safety glasses by employees operating lawnmowers, weed whackers, and etc. is mandatory. Strict adherence to this policy can significantly reduce the risk of eye injuries.

8. PROBLEM MEMBER PROCEDURE

8.1 Any of the following actions will initiate the problem member procedure:

- (a) Abuse of a volunteer or other NNFC member or employee. Abuse is defined as complaints or verbal attacks that go beyond the general realm of voicing a concern or problem and which make volunteers feel threatened or personally insulted.
- (b) Failing to pick up an order. Some exceptions are possible if the member gives the site manager notice or if there are extenuating circumstances. If volunteers are not able to wait for a late-arriving member, the member is considered a no-show.
- (c) Other violations of the terms of service as set out in the constitution or policy manual
- (d) Illegal activity that directly affects the operation of the NNFC or takes place while the member is serving as an employee or volunteer of the NNFC. This includes, but is not limited to, theft of property, illegal drug use while working/volunteering, and willful destruction of property.

8.2 The Board of Directors will be notified when a member violates one of these rules. The member will be sent an email explaining the problem and this procedure, and, if necessary, a phone call will also be made. The tone of these contacts will be congenial and informative, if possible. After a second offense, a certified letter will be sent to the member. After a third offense in a 12 month period, the member's case will be brought before the Board, which will vote to determine if the membership should be canceled. As stated in the constitution, the Board may also vote to expel a member after a single offense in extreme circumstances. In the case of expulsion, the membership fee will not be refunded, but will rather be retained by the NNFC.

9.

9.1 In order to sell goods through the NNFC's systems, members must apply for and be approved as Producer members, using the application form published at the NNFC's website. No member may sell goods without applying for and being approved as Producer members. Members who are found to have provided false information about their food production practices in their applications will face serious repercussions, including potential expulsion from

membership in the co-operative.

9.2 Producers may only sell Northland grown or made products which they, or the members of their household or business have grown or processed themselves. In the case of processed goods (e.g. baked goods) ingredients which are not sourced from local producers may be used only if those ingredients cannot be sourced locally (e.g. wheat). In this case, the ingredients list for the product must clearly state which ingredients are not from local sources, and, where possible, their country or place of origin.

9.3 Upselling is not permitted. No member will be permitted to buy wholesale goods and then retail through our service, unless they are buying ingredients for processed foods. If ingredients are bought, value must be added to the product by the producer. Repackaging the ingredients does not constitute adding value.

9.4 No genetically engineered and/or modified foods or products may be sold through the NNFC. GE crops, meat and animal products derived from animals which have been fed GE products, and processed foods (eg baked goods) containing genetically modified ingredients cannot be sold through the NNFC. Producers who are found to have provided false information about the genetically modified nature of their products will face serious repercussions, including potential expulsion from membership in the co-operative.

9.5 No meat, poultry or egg products from Confined Animal Feeding Operations may be sold through the NNFC, nor may they be used as ingredients in processed foods.

9.6 All products sold through the NNFC are required to have a product description and if relevant a compact list of all ingredients involved with the preparation of the product. The product description must clearly describe what the customer is getting and how much they are getting. If you find a product with a problem (no ingredient list, unclear or missing info about amount, etc), please contact the Food Standards Committee so it can be resolved.

9.7 As part of the product description for every product sold through the NNFC, members must declare all chemical fertilizers, pesticides, herbicides and insecticides used in production. In the case of meat and other animal products, all chemical drenches, antibiotics, and other medicines used in the care and raising of the animals must also be declared. As a natural food co-op, we encourage producers to declare the various organic and or/alternative methods used by them, as a way of promoting these methods. However, declaration of these methods is not compulsory. It is only the use of chemical fertilisers, pesticides, herbicides and insecticides, along with antibiotics, drenches and medicines which must be declared.

9.8 The NNFC recognises the certification of the following bodies:

- ☐ AsureQuality
- ☐ BioGrow NZ
- ☐ Demeter Biodynamic
- ☐ Organic Farm NZ
- ☐ SPCA FRENZ

9.9 Producers set their own prices, and receive the full retail price they set for their products. Producers who are registered for GST should include the GST amount in the price they set for their products. GST is not added to products automatically. The NNFC's 10% mark-up fee will be added to the final sale price.

9.10 To protect the integrity of our marketing system, the NNFC reserves the right to verify the production claims and geographic production location of everything sold through our marketplace.

9.11 It is the individual producer's responsibility to ensure that they comply with all legislation relevant to the production and processing of their food products. The NNFC is not liable for any individual producer's failure to comply with legislation.

10. FOOD STANDARDS COMMITTEE

10.1 The Food Standards Committee has the duty of handling complaints regarding Food Product Standards, and of recommending changes to the Product Standards to the Board of Directors.

10.2 The procedure for amending the Standards is as follows:

- (a) Any member may suggest a change in the product standards to the Standards Committee. If a suggestion is made, the Standards Committee will informally discuss the issue.
- (b) If after discussion, the Standards Committee agrees that a change should be considered, the Standards Committee shall notify the Board of Directors, the General Membership, and the Producers that a change is being considered. This notification may include suggested wording of the changes if that is available, or it may be a simple announcement of consideration of a change and its nature.
- (c) The members and producers of the NNFC may discuss the issue. Members may email comments to the Standards Committee, which it shall read and consider. The Standards Committee may continue its discussion.
- (d) All members of the Standards committee will participate in any vote to recommend change in the present standards. Once the vote has been called by the Chair, members have four days to vote. Any member that does not vote in the four day time-period will be recorded as an abstention. The secretary of standards will record the vote and report it to the Board for its action and the membership. The final action on the change is the approval or rejection by the Board.

10.3 Members of the Standards Committee are appointed by the Board of Directors. Members are assigned to the sub-committees by the Chair of Standards Committee. Terms of service are indefinite. With the consent of the Chair of the Standards Committee and the Board of Directors, the president may remove members of the Committee.

10.4 Any complaint that a product does not meet the NNFC's Product Standards should be sent to the Standards Committee. When a complaint is received, the Standards Committee shall immediately notify the affected producer that a complaint has been received about the suitability of one or more of their products under our Standards, and that the Standards Committee is investigating the situation. The Compliance sub-committee has the responsibility of investigating the product and making a recommendation about the product to the full Standards Committee. The producer shall have the right to review the complaint and respond to the Standards Committee. The decision of the Standards Committee may be appealed by the producer, or the complainant, to the Board of Directors. If the complaint is from a producer who would possibly gain financial advantage if the product was delisted, the complaint must state that conflict of interest.

10.5 In the event of an emergency situation regarding a product, the chair of the Standards Committee, after consulting with the President of the NNFC and the General Manager, may immediately delist a product. The chair shall notify the members of the Standards Committee, the Board and the affected producer of the reasons for the action. For the purposes of this procedure, "Emergency", is defined as:

- (a) Certification claim without evidence of certification
- (b) No ingredient list
- (c) Failure to declare the use of chemical fertilisers, pesticides, herbicides, and insecticides, and/or the use of antibiotics, drenching and medicines.
- (d) Evidence of the use of genetically modified organisms in any stage of the production process

