

## **HAVERHILL MATTERS NOMINATING COMMITTEE**

### **Appointment and Structure**

Per Haverhill Matters Bylaws, a Nominating Committee is appointed by the Board of Directors, tasked with nominating candidates for election as Board members in the next Annual Meeting of Members. The Nominating Committee must consist of at least 3 members in good standing who are not on the Board and 1 member who is on the Board. The initial Nominating Committee will serve until the first annual meeting. Subsequent committees shall serve a 1-year term.

### **Nominating Committee Procedures**

The Nominating Committee will develop and/or review position descriptions for Directors and Officers prior to seeking candidates for election to the Board. The standing Board must review, modify as needed and approve the position descriptions prior to their distribution to potential nominees.

All candidates are elected as Directors, whether proposed by the Nominating Committee or self-nominated. A maximum number of nine Directors are to be elected to the Board. The Nominating Committee should make every effort to present nominees for all nine positions.

The Nominating Committee will designate 3 candidates for a one-year term, 3 candidates for a two-year term and 3 candidates for a 3-year term. Self-nominees will indicate the term length for which they are running.

The Nominating Committee will inform potential candidates of the following expectations for all Directors:

- Review and follow the Bylaws
- Understand expectations of Directors (see Individual and Committee roles below)
- Have a full understanding of the Haverhill Matters business model, including its relationship to the Banyan Project.
- Attend monthly meetings in person or by phone on a regular basis
- Respond to communications in a timely fashion (can be electronic)
- Provide committee reports as required
- Review officer and committee reports
- Other activities as needed

The Nominating Committee shall submit a report of recommended nominees, including qualifications and intended length of term, to the Board no later than the Board meeting scheduled at least 30 days prior to the required distribution to the membership. Any self-nominees received may be included in this report and designated as such.

## **Board Responsibilities**

The Board must review qualifications and accept by majority vote the final slate of Nominating Committee recommended candidates to be distributed to the membership.

Per Haverhill Matters Bylaws, the Board needs to notify the membership of the recommended slate of Directors at least 30 days prior to the annual meeting. The schedule of milestones is:

- **8/15 - Nominating Committee submits their recommended slate to the Board for review and vote** – ahead of August regular Board meeting.
- 9/2 - Latest date for self nominees to submit signatures of at minimum 50 members in good standing.
- 9/17 - Nominating Committee's recommended nominees and self nominees sent to membership.
- 10/17 - Scheduled Annual Meeting date.

Board officers and a new Nominating Committee will be elected by the newly-elected Directors at their first regular meeting.

Individual and committee roles:

- One Director must fulfill the role of President
  - The President shall preside at all meetings of the organization
  - The President shall be an ex-officio and voting member of all committees except the Nominating Committee
  - The President shall have the usual powers of supervision and management of the Board
- One Director must fulfill the role of Vice President
  - The Vice President shall perform the duties of the President in his/her absence
- One Director must fulfill the role of Clerk (Secretary)
  - The Clerk shall ensure that minutes of all meetings are taken and distributed to the Board and general membership on a timely basis
- One Director must fulfill the role of Treasurer
  - The Treasurer shall chair the Finance Committee, present periodic financial reports to the Board and an annual report to the general membership
- One Director must serve on the Nominating Committee
- One or more Directors should serve on the Finance Committee
- One or more Directors should serve on the Membership Committee
- One or more Directors should serve on the Bylaws and Procedure Committee

## **Appendix A – Haverhill Matters Bylaws**

### **Bylaws of the Haverhill Matters Cooperative Society, Inc. (As adopted on August 11, 2015)**

#### **Article 1 – Organization**

**1.1 Name:** The name of this organization is Haverhill Matters Cooperative Society, Inc. (referred to in these bylaws as "the Cooperative").

**1.2 Purpose:** The purpose of the Cooperative is to produce and disseminate local news and information on a cooperative basis for the benefit of its member-owners (hereafter referred to as "members") and other patrons, and to conduct such other business as is lawful and consistent with the Articles of Organization and these bylaws.

**1.3 Principles:** The business of the Cooperative shall be conducted in accordance with the principles of the International Co-operative Alliance, as they are amended from time to time.

**1.4 Values:** The Cooperative, understanding news as the reliable information people need to make their best personal and civic decisions, will always strive to a) present the news and encourage civic engagement in ways that members experience as relevant, respectful and trustworthy; b) welcome members' collaboration in the news process, and c) bring together members from all neighborhoods and all walks of life.

**1.5 Business Office:** The business office of the Cooperative shall be in Haverhill, Massachusetts, or an adjacent community at a location to be determined by the Board of Directors.

**1.6 Fiscal Year:** The fiscal year of the Cooperative shall be determined by the Board of Directors.

#### **Article 2 – Membership**

**2.1 Eligibility:** Membership in the Cooperative shall be voluntary and open to all who live or work in Haverhill or live in an adjoining community (including institutions that have a presence in Haverhill or an adjoining community) and who are in accord with the Cooperative's purpose and principles, intend to make use of its services, and accept the responsibilities of membership. Memberships will be of two types: a) Individual Memberships and b) Institutional Memberships. For one year after full news coverage begins, persons living anywhere may enroll as Individual Members, if they have lived in Greater Haverhill at some time. Individual Members who move away from Greater Haverhill may continue their memberships if they choose.

**2.2 Admission:** Applicants shall be admitted to membership upon purchase of the requisite number of shares in the Cooperative, as determined by the Board of Directors. The board may from time to time change the number of shares necessary to qualify for membership, depending on the capital needs of the Cooperative. Memberships are not transferable.

**2.3 Rights:** Each active member as described in Section 2.4 shall receive a copy of these bylaws. Active members shall have equal rights in regard to the governance of the Cooperative through participation in membership meetings, eligibility to serve as a director, and otherwise as described in these bylaws. Individual Memberships shall be entitled to patronage dividends, as described in Section 12 and determined by the Board, on all purchases from the Cooperative. In addition, each Individual Membership will be entitled to one vote in all matters submitted to a vote of members. Institutional Memberships will each be entitled to one vote in all matters submitted to a vote of members, and will be entitled to patronage dividends as described in Section 12 and determined by the Board. An inactive member as defined in Section 2.7b may not serve as a director, will not be counted in calculation of any quorum requirement, will not be eligible for any member discounts and will not be eligible for patronage dividends.

**2.4 Responsibilities:** Members shall abide by these bylaws, by decisions made at membership and Board meetings, and by the means established in these bylaws to amend such decisions. The rights and obligations of members, including their rights and obligations concerning stock ownership, are subject to the bylaws as they may be amended from time to time. To maintain active membership, members shall be required to meet current stock ownership requirements, to access the Cooperative's web-based news portal at least once within a two-year period, and to keep the Cooperative advised of any changes of name, address, or other contact information.

**2.5 Benefits and fees:** The Cooperative will publish news and information on the Internet for all to read at no cost. Only members will enjoy the benefit of certain premium features of the co-op's digital publishing platform, as determined by the Board of Directors. In the first year of membership this access will be provided at no cost beyond a member's initial equity payment but in subsequent years members will be required to pay annual fees, to be determined by the Board of Directors, in order to maintain such access. Members who decide not to pay the fees will lose access to the premium features but will retain the rights set out in Section 2.3 and as well as patronage dividends as set out in Article 12. Access to the premium features may be regained at any time by payment of the appropriate fee as determined by the Board of Directors.

**2.6 Access to Information:** Reasonably adequate and timely information as to the organizational and financial affairs of the Cooperative shall be provided or made available to all members. Members shall be provided access to the financial information of the Cooperative for a proper purpose and at a reasonable time, subject to the approval of the Board.

**2.7 Termination:** Membership may be terminated in the following ways:

a) By a member upon notice to the Cooperative;

b) By the Board of Directors whenever a member has been inactive for two years: that is, whenever a member fails to meet the member equity requirements for two (2) consecutive years, or fails to patronize the Cooperative for a two-year period, or fails to advise the Cooperative of a change of address within a reasonable time.

c) By the Board of Directors for good cause after a fair hearing at which the member is given the opportunity to speak and to present evidence, provided that such person is accorded a right of appeal at the next membership meeting.

Upon termination of membership for any reason, stock owned by the member shall be redeemed in accordance with Article 8 below.

### **Article 3 - Membership Meetings**

**3.1 Annual Meeting:** A membership meeting shall be held each year at a time and place determined by the Board of Directors and announced no less than thirty (30) days in advance of the meeting via a membership-wide mailing and prominent notices on the web site of the Cooperative. To conduct a membership-wide mailing for purposes of this article, the Cooperative may employ U.S. Mail, electronic mail, or any combination of the two. The announcement of the annual membership meeting shall include the proposed agenda of the meeting and a description of any issues that will be voted upon by the membership. Decisions on issues not included in the notice of a meeting shall be of an advisory nature only. The purpose of the annual meeting shall be to hear reports on operations and finances, to review any important policy issues or other matters that vitally affect the Cooperative, to elect directors, and to conduct such other business as may properly come before the meeting.

**3.2 Special Meetings:** Special membership meetings may be called by the Board or by petition of at least 50 members or five percent (5%) of membership, whichever is greater, and subject to the same notice requirements and procedures as the annual meeting.

**3.3 Quorum:** The presence in person or by absentee ballot at the opening of the meeting of at least three percent (3%) for annual meetings and five percent (5%) for special meetings of all members shall be necessary and sufficient to constitute a quorum for the transaction of business at any membership meeting.

**3.4 Decisions:** Members may vote as described in Section 2.3, in person or by absentee ballot. In voting for directors, each member may cast as many votes as there are positions to be filled, but a member may cast no more than one vote for any candidate. Otherwise each member shall have one vote in all matters submitted to a vote of members. All issues shall be decided by a majority of members voting except where otherwise required by law or by these bylaws. Voting shall be by show of hands, general consent or written ballot, or absentee ballot, as

determined by the Board. The election of directors shall be conducted via ballots supplied by the Cooperative. The Board shall provide for absentee voting by written or electronic ballot, and shall establish fair means by which votes will be tallied.

#### **Article 4 - Board of Directors**

**4.1 Powers and Duties:** Except as to matters reserved to membership by law or by these bylaws, the business and affairs of the Cooperative shall be directed and controlled in the interests of members by a Board of Directors (referred to in these bylaws as "the Board"). The powers and duties of the Board shall include, but not be limited to: engaging and monitoring the performance of a general manager, overseeing the financial conditions, setting membership policies, ensuring good conditions of employment and assuring that the purpose and principles of the Cooperative are properly carried out.

**4.2 Requirements and Qualifications:** The Board shall consist of nine directors. To be qualified to serve as a director, a person shall be an active member of the Cooperative, be at least 18 years of age, and not be an employee of the Cooperative.

**4.3 Nomination:** The Board shall establish a nominating committee to solicit and review applications for nomination to the Board, and to present a slate of nominees for a vote of the members at the Cooperative's annual meeting. The nominating committee shall include at least one board member but board members may not exceed 25 percent of the committee membership; committee members will serve one-year terms but not more than three consecutive terms. Members in good standing not selected by the nominating committee shall be placed on the ballot upon submitting a petition signed by at least fifty (50) members in good standing. Said petition must be received not less than forty-five (45) days prior to the annual meeting. The Cooperative shall equitably provide information on all candidates to the members.

**4.4 Election and Term:** Directors shall be elected at the annual meeting of the members of the Cooperative except that until the first annual meeting is held, open positions may be filled by majority vote of the incorporating directors. Full terms for each director shall be three (3) years except at the first annual meeting directors shall be elected to initial terms of one, two and three years so that thenceforth terms shall be staggered with one-third (1/3) of the directors elected to full terms each year.

**4.5 Compensation:** The compensation, if any, of the directors shall be proposed by the Board and put to a vote of the members at an annual meeting. The level of compensation shall be reasonable, and shall be set at a level that will not jeopardize the interests of the Cooperative. The Cooperative shall reimburse directors for reasonable expenses incurred in carrying out their duties and responsibilities.

**4.6 Termination:** The term of office of a director may be terminated prior to its expiration in any of the following ways:

a) voluntarily by a director upon notice to the Cooperative's Board;

b) involuntarily, with or without cause, by action of a membership meeting; and

c) involuntarily for cause, which shall include but not be limited to termination of membership, absence from three (3) regularly scheduled consecutive Board meetings or four (4) meetings in a year. Such termination will require a two-thirds (2/3) vote of the Board after a fair hearing at which the director is given the opportunity to speak and present evidence, provided that such person is accorded a right of appeal at a membership meeting.

**4.7 Vacancies:** If a vacancy occurs on the Board between annual membership meetings, the remaining Board members may appoint a replacement to fill the term of the departing director.

## **Article 5 – Officers**

**5.1 Designation:** The officers of the Cooperative shall consist of a President, a Vice President, a Treasurer, a Clerk, and such other officers or assistant officers as is determined by the Board. The offices of Treasurer and Clerk may be held by the same person. All officers shall be directors.

**5.2 Election and Term:** Officers shall be elected annually by the Board at its first meeting following the annual membership meeting. Officers shall serve for terms of one year or until election of their successors.

**5.3 Duties:** Officers shall have the following duties and such additional duties as are determined by the Board:

a) The President shall preside at all Board and membership meetings and, as authorized by the Board, sign formal documents on behalf of the Cooperative;

b) The Vice President shall perform the duties of President in his or her absence and shall, as requested, assist the President in the performance of his or her duties;

c) The Treasurer will help develop the Board's budget in consultation with the President and General Manager and will facilitate the Board's understanding of the financial condition of the Cooperative, and shall, as authorized by the Board, sign formal documents on behalf of the Cooperative; and

d) The Clerk will assure the Board's documents are accurate, up to date and appropriately maintained and shall, as authorized by the Board, sign or attest to formal documents on behalf of the Cooperative.

## **Article 6 – Committees**

**6.1 Committees:** The Board may designate committees to perform designated functions. Committees exercising the powers of directors shall be composed of directors.

## **Article 7 - Meetings of the Board**

**7.1 Convening:** The Board of Directors shall meet on a regular basis. In addition, special meetings of the Board may be called by the President or any two directors, in which case notice of the time and place of such meeting will be required no less than five (5) days prior if notice is written, or two days prior if oral. Written notice may be provided by U.S. Mail or electronic mail. Notice of all Board meetings shall also be posted prominently on the Cooperative web site as soon as practicable after a meeting is set.

**7.2 Open Meetings:** Meetings of the Board shall be open to members unless closed by the Board for purposes of discussing a particular issue or issues of a sensitive nature. Such closed sessions shall be for purposes of discussion only, and no votes shall be taken at such sessions.

**7.3 Quorum and Decision Making:** The presence in person at the opening of the meeting of a majority of directors shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of the Board. Decisions of the Board shall be made by majority vote of directors present.

**7.4 Participation in Meetings by Electronic Means:** One or more Board members may participate in a meeting of the Board by electronic means and such participation shall be deemed to be in-person presence at the meeting provided that each participant is able to hear and communicate with all other participants. In the case of a Board member who is hearing-impaired, for purposes of this provision "hear" includes the use of any device such person customarily uses to participate in meetings.

## **Article 8 - Capital**

**8.1 Member Stock Ownership Requirements:** Member stock ownership requirements shall be determined by the Board of Directors in accordance with the current or prospective capital needs of the Cooperative and required stock purchases shall be made within the time specified by the Board.

**8.2 Accounting:** Shares of stock shall be credited on the books of the Cooperative to accounts in the names of members.

**8.3 Redemption:** Members must request redemption within thirty (30) days following termination of membership, pursuant to Section 2.6. Member shares shall be redeemed within sixty (60) days of approval by the Board of Directors following termination of membership and request for redemption. Withholding of approval shall only be for good cause, including that such payments would violate loan covenant or other contractual obligations of the Cooperative or would jeopardize the solvency of the Cooperative. In no event shall redemption proceeds exceed the par value of the capital shares owned by the departing member. Redemption proceeds shall at all times be subject to being offset by amounts otherwise due and payable to the Cooperative.

**8.4 Involuntary Redemption:** Members who do not maintain active membership as provided in Section 2.4 and whose membership is terminated by Board action shall be eligible for share redemption in accordance with Sections 8.3 and 8.6.

**8.5 Installment payments:** Members who choose to make required share purchases in installments must make required installment payments on time to remain in good standing. In the event that a member fails to make a required installment payment, the member will be placed in inactive status until the member's account is returned to good standing. Members who remain inactive for two (2) years, or who fail to notify the Cooperative of their intention to terminate their membership, may have their membership terminated, and redemption of their shares may be made in accordance with Section 8.3.

**8.6 No Known Address:** In case the Board deems it necessary to redeem a member's capital shares, notification of such a redemption and the sum of the refunded amount shall be sent to the member by U.S. regular mail delivery to the last known address for the member in the Cooperative's records. If any such notification is returned to the Cooperative as undeliverable, then the redemption proceeds shall be treated according to the applicable Massachusetts law concerning lost or abandoned property.

**8.7 Dividends:** There shall be no dividends on capital stock except the patronage dividends authorized pursuant to Article 12.

## **Article 9 – Notice**

**9.1 Notice:** Except as provided in Article 12, any notice required under these bylaws shall be deemed delivered when (1) deposited in the United States mail with names and addresses as they appear in the records of the Cooperative, or (2) transmitted electronically to the e-mail addresses of members as they appear in the records of the Cooperative.

**9.2 Waiver of Notice:** Any notice of a meeting required under these bylaws may be waived in writing at any time before or after the meeting for which notice is required. The attendance of any person at a meeting shall constitute a waiver of notice of the meeting except where the person attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully convened.

## **Article 10 – Indemnification**

**10.1 Liability:** No member of the Cooperative shall be liable for any indebtedness or obligation of the Cooperative in an amount exceeding such member's unpaid current dues, personal accounts payable, and any Board-authorized levy or special assessment.

**10.2 Indemnification:** Subject to the limitations in this Article, the Cooperative shall indemnify its current and former directors and officers against all losses and expenses, including reasonable attorneys' fees, to which they may become subject by reason of their positions with the Cooperative or their service in its behalf. Such indemnification shall apply whenever such person is a party or is threatened to be made a party to any action, suit, or proceeding, whether civil, criminal, administrative or investigative. Such indemnification shall include direct payment or settlement of liabilities and potential liabilities. Payment of expenses incurred in defending a suit or proceeding in advance of its final disposition may be made only upon receipt by the Cooperative of a contractual undertaking by or on behalf of such person to repay such amounts unless the Board determines that a person shall be entitled to indemnification under this article.

**10.3 Limitations:** Indemnification shall be provided only if the person is determined to have acted in good faith and in the reasonable belief that his or her action was in the best interests of the Cooperative, or, in regard to criminal actions, that such person had no reasonable cause to believe that his or her action was unlawful. If such determination is not made in a legal proceeding related to the claim, it may be made by a quorum of disinterested directors or by independent legal counsel selected by such quorum. If not made or able to be made by either, the determination shall be made by independent legal counsel selected at a membership meeting. In any action by or in the right of the Cooperative or in which such person is charged with receiving an improper personal benefit, indemnification shall be provided only as to reasonable expenses and only if the person is not adjudged liable to the Cooperative on such basis.

**10.4 Payments:** Indemnification payments and advances of expenses shall be made only in such increments and at such times as will not jeopardize the ability of the Cooperative to pay its other obligations as they become due. All such payments made shall be reported in writing to members with or before the notice of the next membership meeting.

## **Article 11 – Severability and Amendment of Bylaws**

**11.1 Severability:** In the event that any provision of these bylaws is determined to be invalid or unenforceable under any statute or rule of law, then such provision shall be deemed inoperative to such extent and shall be deemed modified to conform with such statute or rule of law without affecting the validity or enforceability of any other provision of these bylaws.

**11.2 Amendment:** These bylaws may be amended or repealed in whole or in part by vote of two-thirds (2/3) majority of the active members voting at a membership meeting or by absentee ballot, provided that notice stating the substance of the proposed amendment was included in the notice of the meeting. The directors may amend or repeal these bylaws in whole or in part, except with respect to any provision thereof which by law, the Articles of Organization, or these bylaws, requires action by the members. Within sixty (60) days of any such repeal or amendment of the bylaws by the directors, notice stating the substance of the change shall be given to the members. In addition, notice of any repeal or amendment of the bylaws by the directors must be included in the notice of the next membership meeting. Any action by the directors to repeal or amend a bylaw must be ratified by a two-thirds (2/3) majority of the active members voting at the next membership meeting or by absentee ballot, or such action will be deemed to be nullified.

## **Article 12- Patronage Dividends**

**12.1 Distributable Net Earnings:** At the end of the fiscal year, the Board of Directors shall determine the amount of net earnings to be distributed as patronage dividends. Distributable net earnings may not exceed the net income attributable to goods or services sold to members. Income from activities other than the sale of goods and services to members shall also be excluded. The Board of Directors shall set aside not less than ten per cent of the Cooperative's net earnings as a reserve fund until the fund comprises not less than thirty per cent of its paid-up capital stock.

**12.2 Allocation to Members:** Distributable net earnings as determined by the Board of Directors shall be allocated among active members in proportion to their patronage and distributed as patronage dividends. Patronage shall be measured by the dollar amount of purchases from the Cooperative. Any allocations of such a nominal amount as not to justify the expenses of distribution may, as determined by the Board of Directors, be excluded from distribution, provided that they are not then or later distributed to other members.

**12.3 Notice and Distribution:** Patronage dividends shall be evidenced by written notice of allocation delivered to recipient members within eight (8) months and fifteen (15) days following the close of the fiscal year. Each notice shall state the dollar amount of the patronage dividend. All notices, except those subject to Section 12.6 of this article, shall be accompanied by checks in amounts determined by the Board of Directors, which must be at least twenty percent (20%) of the amount allocated to each member. The amount of any patronage dividend not paid in cash shall be credited to each member as capital stock.

**12.4 Consent of Members:** By becoming a member of the Cooperative and receiving a copy of these bylaws, each member shall thereby consent to take into account, in the manner and to the extent required by Sections 1381 through 1388 of the Internal Revenue Code or any successor provision thereto, the stated dollar amount of any qualified written notice of allocation in the taxable year in which such notice is received.

**12.5 Deferred Amounts:** Patronage dividends not currently distributed under Section 12.3 of this article shall be credited to revolving capital accounts in the names of recipient members. Such deferred patronage dividends shall accrue no monetary return on investment and shall not be transferable. They shall be redeemed at no more than their carrying value on the books of the Cooperative when determined by the Board of Directors to be no longer needed for capital purposes of the Cooperative. At that time they shall be redeemed in the order of the oldest outstanding amounts and on a pro rata basis among such amounts and shall be payable only to persons who are then members in good standing or who become so within ninety (90) days of the effective date of redemption.

**12.6 Allocation of Net Loss:** In the event the Cooperative shall incur a net loss in any fiscal year, such loss may be charged against retained earnings or other unallocated members' equity accounts. If the net loss exceeds such amounts, or in any event if the Board of Directors so determines, the amount of such loss may either be carried forward to offset adjusted net earnings of subsequent fiscal years or allocated to members in the same manner as for adjusted net earnings except that such allocation shall not exceed the total of invested capital. Any such allocated net loss shall be charged first against retained patronage dividends of prior fiscal years and then against patronage dividend allocations of subsequent fiscal years. Allocated net losses shall not otherwise be assessed to or collected from members.

**12.7 No Known Address:** Patronage dividends and/or notice of patronage dividends shall be sent to members by U.S. regular mail delivery to the member's address in the Cooperative's records. If any such notice or dividend is returned to the Cooperative as undeliverable, then the patronage dividend allocated to the member in question shall be forfeited by the member and retained by the Cooperative as taxable income.