

**EDUCATIONAL AND INSTITUTIONAL
COOPERATIVE SERVICES, INC.
STATEMENT OF POLICY**

Revised March 2, 2023

STATEMENT OF POLICY

1. **PREAMBLE** - The Certificate of Incorporation and the Bylaws set down a general policy to which the Management of the Educational and Institutional Cooperative Services, Inc. (hereinafter Cooperative or Corporation) must adhere. Over and above these legal obligations to the stockholders, there is also a moral obligation that the Corporation remains faithful to the ideals which inspired it. Changing times and personalities must not be permitted to interfere with the discharge of this moral obligation. This Statement of Policy has been prepared, therefore, so that the policies and procedures, so carefully worked out in the past, may be available as a guide for the future. It is hoped that, in this way, the essential nature of the Corporation may be better preserved and the obligations to the stockholders better discharged. Any changes to this Policy must be approved by the Corporation's Board of Directors.
2. **BOARD OF DIRECTORS** - The Board of Directors of the Corporation shall establish the overall and specific policies by which the Corporation shall operate. The detail work of managing and operating the Cooperative is delegated by the Board of Directors to the full-time officers and staff of the Cooperative. The Board shall have, in addition to an Executive Committee, a Nominating Committee, a Finance Committee, and an Audit Committee, plus other special, ad hoc committees as shall be appointed from time to time. All committees shall be designated by the Board, upon recommendation of the Chair of the Board.
3. **RE-ELECTION:** A Director shall not stand for re-election after serving three full terms of three years each plus, where applicable, one partial term of less than three years in the case of any Director whose initial term consisted of the unexpired portion of a term which became vacant between annual meetings.
4. **ADVISORS:** From time to time the Board of Directors, President & Chief Executive Officer (President & CEO), and/or senior staff members may deem it productive and beneficial to the Corporation to invite selected individuals (Advisors) to participate in and contribute to Board meetings and similar undertakings. Except as may be conferred to Cooperative Members at large, Advisors shall not have the right to vote, particularly on matters requiring action by the Board or its committees. Advisors shall not be compensated but may be reimbursed for associated travel expenses. A recommendation to appoint an Advisor may be made by a Director, President & CEO, or senior staff member. Authorization or denial shall be by Board action. Unless a longer time is addressed in a recommendation, or unless otherwise determined by the individual being recommended, the appointment of an Advisor shall not extend beyond one year from the date of the Advisor's first instance of participation (e.g., a Board meeting). Subsequent appointment may be authorized by Board action. Recommendation to terminate an Advisor's appointment may be made at any time by any of the individuals referenced above; approval or denial shall be by board action.
5. **BOARD MEETINGS** – Regular meetings of the Board shall be held three times a year as determined by the board and will be held either in person or via conference call at the discretion of the board. The Annual Meeting of Common Stockholders Meeting shall be held each year on a date, time, and place designated by the Board. Meetings

of the Board shall not conflict with NAEP sessions. The majority present at a Board meeting shall constitute a quorum. Expenses to attend will be paid for all Directors, Officers and required staff.

The Secretary shall serve proper notice of meetings at least ten (10) days and not more than forty (40) days prior to any regular meeting, or not less than five (5) nor more than twenty (20) days before a special meeting. There shall be prepared an Agenda and reports on all matters to be discussed at the meeting. Any matter not listed on the Agenda must have the majority consent of the Board before it may be considered. The report on each matter listed for consideration must consist of an analysis of the problem involved, and a recommended action. Roberts Rule of Order shall be observed. The Agenda shall include: (1) Roll Call, (2) Proof of Notice, (3) Minutes of the last Meeting, (4) Report of the Chair, (5) Report of the President & CEO, (6) Report of the Finance Committee, (7) Report of other Officers, (8) Report of Special and Standing Committees, (9) Items of Old and New Business, (10) Time and Place of Next Meeting, (11) Adjournment.

6. **COMMITTEES OF THE BOARD** - Unless otherwise noted below, standing and special ad hoc committees are designated by the Board upon recommendation of the Chair, from the directorate and/or such others as the Chair may deem appropriate and shall consist of a minimum of three and a maximum of five members. No Director, except members of the Executive Committee, may serve as Chair of more than one committee or as a member of more than two other committees unless otherwise approved by the Board.
7. **EXECUTIVE COMMITTEE** - The Committee shall consist of the Chair, First Vice Chair, Second Vice Chair, and Chair of the Finance Committee, all of whom must be affirmed by two-thirds of the entire Board of Directors. The Committee shall be an interim committee to act for the Board between meetings thereof. Meetings shall be called at the discretion of the Chair, in lieu of a special meeting of the Board, to act on any question requiring Board action. Two members shall constitute a quorum. The Committee may exercise any ministerial power possessed by the Board under the Certificate of Incorporation, except as outlined in Article IV 5 (a) of the Bylaws, and this Statement of Policy. The final validity of its action shall be contingent upon ratification by the Board at the next regular meeting thereof. The minutes of its meetings shall be included in full in the minutes of the meeting which ratifies its actions.
8. **NOMINATING COMMITTEE** - The Committee shall consist of five (5) members as follows:
 - One current Board Director, selected by the Chair from among the members of the board, who shall serve as the current year chairperson.
 - The prior year Committee chairperson, if available.
 - Three members from member institutions appointed by the Chair.

The Nominating Committee Charter sets forth the purpose, guidelines, and responsibilities of the Nominating Committee. Any changes to the Nominating Committee Charter must be approved by the Board of Directors. The Nominating Charter is at Attachment A

- 9. AUDIT COMMITTEE** - The Committee shall consist of three members selected by the Board Chair from among the members of the Board. The Chair of the Audit Committee shall be appointed by the Board Chair and approved by a two-thirds affirmative vote of the entire Board of Directors. The Policy Statement on Governance sets forth the guidelines and responsibilities of the Audit Committee. Any changes to the Policy Statement on Governance and/or the Audit Committee Charter must be approved by the Board of Directors. The Policy Statement on Governance is at Attachment B.
- 10. FINANCE COMMITTEE** - The Committee shall consist of three or more members, selected by the Board Chair from among the members of the Board. The Chair of the Finance Committee shall be appointed by the Board Chair and approved by a two-thirds affirmative vote of the entire Board of Directors. The Committee shall be the liaison between the Board and Corporation on financial matters. They shall be the channel through which the annual budget is submitted and shall make recommendations as to payment of patronage, dividends, disbursements of equity, and the purchase, sale or lease of real estate. The Finance Committee Chair shall approve any long-term borrowing of money and shall be kept informed of the financial standing when such borrowing may become imminent. Short-term borrowing - defined as indebtedness incurred for no more than 90 days - shall be the joint responsibility of the President & CEO and the Chief Operating Officer & Treasurer. Both must sign the short-term notes, except in cases where one is absent and emergency borrowing is necessary. In such cases, the counter-signer shall be an officer of the Corporation, but in all cases one of the signers must be the President & CEO or Chief Operating Officer & Treasurer. Management must report monthly to the Chair of the Finance Committee the status of all short-term borrowing. All Cooperative checks over \$2,000.00 shall be signed by two authorized signers recommended by the President & CEO and approved by the Board of Directors. The Budget shall be prepared by the Chief Operating Officer & Treasurer, approved by the President & CEO, and submitted to the Finance Committee by the President & CEO.

The Cooperative may not lend money without the approval of the Finance Committee. A monthly balance sheet and statement of operations shall be prepared for all Directors and Officers and those designated by the Chair. A monthly budget comparison shall be prepared for all Directors and Officers, sent to all Directors, Officers and certain Cooperative staff members designated by the Chair or President & CEO. The Committee shall prepare estimated annual earnings statements for the Fall Meeting of the Board and shall recommend the amount of patronage refunds. The Committee is charged with wage and salary administration and shall prepare the annual budget of all expenses for consideration at the Fall Meeting of the Board. Working capital shall not be allowed to accumulate beyond that needed by normal business and shall be determined by the Finance Committee of the Board in conjunction with the President & CEO.

The Directors, the President & CEO, and other employees who may be required to travel for the account of the Cooperative shall be reimbursed for all travel expenses in accordance with the Cooperative's Travel and Expense Reimbursement (T&E) Policy. It is the responsibility of management to periodically review and adjust the T&E Policy to meet regulatory requirements and the operational needs of the Cooperative.

Directors' travel expenses will be reimbursed for all meetings. The class of air travel is normally coach class but is left to the discretion of the individual Director and is directly reimbursable. Automobile travel on short trips to be reimbursed at the rate specified in the Cooperative's T&E Policy.

11. MEMBER VOLUNTEERS – In addition to serving on the Cooperative's Strategic Advisory Board and RFP teams, members may be asked to serve on other committees and teams as determined by the Board of Directors or the President & CEO, as the need arises.

12. OFFICERS OF THE BOARD -The Officers of the Board will consist of the Chair of the Board, First Vice Chair and Second Vice Chair.

A) Duties of the Chair of the Board

The Chair of the Board shall preside at all meetings of the Board of Directors and shall act as the presiding Board Officer at all meetings of the members. The Chair of the Board is a member of the Executive Committee and serves as its Chair. In addition, the Chair of the Board shall:

- Chair meetings of the Board after developing the agenda with the President & CEO.
- Provide leadership to the Board of Directors, who sets policy and to whom the President & CEO is accountable.
- Encourage Board's role in strategic planning.
- Appoint the chairpersons and members of other committees, in consultation with other Board members and affirmed as prescribed in this Statement of Policy and the Bylaws.
- Discuss issues confronting the organization with the President & CEO.
- Guide and mediate Board actions with respect to organizational priorities and governance concerns.
- Review with the President & CEO any issues of concern to the Board.
- Formally evaluate the performance of the President & CEO.
- Lead the Board's biennial self- assessment, discuss the results with the Board, and actions needed, if any, for improvement.
- Monitor financial reports.
- Perform other responsibilities assigned by the Board.

B) Duties of the First Vice Chair

The First Vice Chair is a member of the Executive Committee, The First Vice Chair shall perform Chair of the Board responsibilities when the Chair of the Board is not available. In the event the Chair of the Board resigned, is terminated or unable to continue to perform the duties of the Chair of the Board, the First Vice Chair shall become the Chair of the Board until the next annual election of Board Officers. In addition, the First Vice Chair shall:

- Report to the Board's Chair.
- Work closely with the Chair and other staff.
- Perform other responsibilities as assigned by the Board.

C) Duties of the Second Vice Chair

The Second Vice Chair is a member of the Executive Committee. The Second Vice Chair shall perform Chair of the Board responsibilities when the Chair and First Vice Chair are not available. In the event the First Vice Chair resigned, is terminated, unable to continue to perform the duties of the First Vice Chair or has become the Chair of the Board because the Chair of the Board can no longer fulfill their duties, the Second Vice Chair shall become the First Vice Chair of the Board until the next annual election of Board Officers. In addition, the Second Vice Chair shall:

- Report to the Board's Chair.
- Work closely with the Chair and other staff.
- Perform other responsibilities as assigned by the Board.

D) In the event the Second Vice Chair position becomes vacant because the incumbent resigned, is terminated, can no longer fulfill their duties, or has succeeded the First Vice Chair for reasons stated above, the Board of Directors, at its discretion, may elect from among its members a Second Vice Chair to serve until the next annual election.

13. ELECTION OF BOARD OFFICERS

The Board of Directors shall annually elect from among its members a Chair of the Board, First Vice Chair and Second Vice Chair who shall serve until their successors are elected.

The election process shall be conducted as follows:

- A. Forty-five (45) calendar days prior to the Fall Board meeting, the Secretary shall send a notice to the existing board members requesting nominations for the Chair of the Board, First Vice Chair and Second Vice Chair. Incumbents and Directors may self-nominate.
- B. Nominations are to be submitted to the Secretary no later than fifteen (15) calendar days before the Fall Board meeting.
- C. The Secretary shall announce the nominees for each position at the Fall Board meeting.
- D. During the Fall Board meeting, the directors shall discuss the nominees, time requirements, other pertinent information and finalize the nominees for each position. There may be two or more nominees for any given position.
- E. During January, the existing board members shall cast their vote for each position electronically via the platform then in use by the corporation.
- F. For each position, the candidate must receive a two-thirds majority to be elected.
- G. The results will be announced at the end of January. In the event, no candidate receives two-thirds of the vote for the given position, there will be a run-off election between the two candidates receiving the most votes. The run-off election will take place the first week in February. The candidate who receives a simple majority of the votes by the Board members is elected.
- H. The elected candidates will assume their elected position following the annual stockholders' meeting. Their term of office expires at the next annual stockholders' meeting unless they are again elected.

- I. For purposes of clarity, there is no automatic progression to the next position at any time, except as prescribed in Section 12 above. Each year the Board shall request nominations for the Chair of the Board, First Vice Chair and Second Vice Chair and the Board shall follow the procedures prescribed in this section for the determining the candidates for each position and their election.

14. OFFICERS OF THE CORPORATION

- A) President & Chief Executive Officer** - The President & Chief Executive Officer (President & CEO) is an officer of the Corporation appointed by the Board of Directors, and shall serve until a successor is duly appointed, or until the Officer's death, resignation, or removal at the discretion of the Board. The President & CEO reports, and is responsible to, the Board for the overall operation and long-range planning of the Cooperative.
- B) Chief Operating Officer and Treasurer** – The Chief Operating Officer and Treasurer (COO) is an officer of the Corporation and shall serve until a successor is duly appointed, or until the Officer's death, resignation, or removal at the discretion of the Board and CEO. The COO reports to the President & CEO and is primarily responsible for the financial, human resources, information technology, and administrative services and operations of the Cooperative.
- C) Senior Executive Coordinator and Secretary** - The Senior Executive Coordinator and Secretary (Secretary) is an officer of the Corporation and shall serve until a successor is duly appointed, or until the Officer's death, resignation, or removal at the discretion of the Board and CEO. The Secretary reports to the President and CEO and is primarily responsible for assisting the President and CEO, and the Board of Directors. This position is also responsible for preparing the minutes of all meetings of the Cooperative Stockholders and Directors, maintaining custody of the corporate minute books, and issuing notices of Stockholders' and Directors' Meetings.

15. AFFIRMATIVE ACTION & DIVERSITY PROGRAM - It is the Policy of the Cooperative to provide employment, training, compensation levels, transfer and promotion opportunities, and other aspects of employment without regard to sex, race, color, religion, national origin, or age, and to qualified handicapped individuals, disabled veterans, or veterans.

When we are hiring or promoting in those job categories in which women, minorities, handicapped individuals, or veterans are underutilized, we will take affirmative action to seek out qualified applicants without regard to sex, race, color, age, national origin, handicap, or veteran status.

In the Cooperative, all terms and conditions of employment are, and will continue to be, established based on the individual's qualification and ability to perform the job.

16. POLICY ON MEMBERSHIP - Membership in the Cooperative shall consist of the following:

- ***Voting Membership***

Voting membership in the Cooperative shall be open to those institutions who meet the requirements of Article II – Membership in the Bylaws.

▪ ***Non-Voting Membership (Contract Patron)***

Article VIIA in the Bylaws provides for membership in the Cooperative as a Non-voting member or Contract Patron. Such contract patrons have all the same rights and privileges as voting members except voting privileges. An institution that is eligible for voting membership will be permitted to join the Cooperative as a non-voting member when such institution is subject to statutory or internal institutional regulations that prevent them from owning stock in the Cooperative. In addition to these institutions, opportunities may develop by which entities who share a community of interest with the general membership, but who are not eligible for voting membership, desire access to participate in and/or purchase from E&I contracts. These entities should generally be organized as a non-profit organization as defined by the Internal Revenue Code. A listing of examples and descriptions of entities that are eligible for membership in the Cooperative are at Attachment C.

Both Voting and Non-voting members must be located within the territorial limits of the United States and Canada and be financially responsible for all its purchases.

The management of the Cooperative is responsible for determining if an applicant meets the criteria for membership set forth above. From time to time, the Cooperative's management may consider acceptance of an institution due to special or unusual situations, provided the applicant institution has a clearly communicable community of interest with existing members of the Cooperative. No changes in the Certificate of Incorporation, Bylaws, or Statement of Policy shall affect the rights of already existing members in good standing,

The Board of Directors of the Cooperative reserves the right to disqualify any voting or non-voting member meeting all criteria but which does not, in the Board's judgment, share a community of interest with the general membership of the Cooperative.

17. POLICY ON STRATEGIC SOURCING AND CONTRACT MANAGEMENT FOR MEMBERS OF THE COOPERATIVE - The President & CEO, through the Senior Vice President of Sourcing, shall be responsible for the Sourcing and Contract Management activities of the Cooperative. The Cooperative shall develop contracts using best procurement practices, including full and open competitive processes to the maximum practical extent. Contracts shall satisfy Member institutions' requirements for high quality, cost-effective goods, services, and solutions and shall be awarded to the most responsive and responsible Supplier(s), in accordance with the E&I solicitation criteria, whose proposal(s) offer(s) the best value to E&I and the Members. The Senior Vice President of Sourcing, or their designee, shall be the signature authority on all contractual documents pertaining to the procurement of goods, services, and solutions on behalf of the Cooperative.

The Senior Vice President of Sourcing shall constantly review the performance and utilization of existing contracts and at least once a year make recommendations to the President & CEO with respect thereto. All contracts shall be measured against objectives set forth by the Cooperative. It is the responsibility of the Senior Vice

President of Sourcing, or their designees, to maintain all contracts and supplier relations, including: (1) competitive position; (2) changes in management; (3) quality; and (4) service.

18. CONFLICT OF INTEREST POLICY: The Conflict of Interest Statement and Code of Ethics shall be signed on an annual basis prior to the Fall meeting by the Board of Directors, and Management/Officers, including the President & CEO, Chief Operating Officer and Treasurer, and Secretary. The signed forms will be maintained by the Secretary.

19. CLARIFICATION OF THE BYLAWS and PRACTICES

The purpose of this section is to provide clarity and consistent interpretation on certain section of the bylaws and practices.

A) Election of Directors:

Article III, § 6 – Voting: This section states that at all meetings of the members, all matters shall be determined by a two-thirds of the representatives voting, except questions the manner of which deciding is otherwise regulated by statute. The election of directors is regulated by NYS Cooperative Corporations Law Chapter 77, Article 3, §44 that states “Except as otherwise required by this chapter or by the bylaws, directors shall be elected by a plurality of the votes cast at a meeting by the members entitled to vote in the election.” Since the bylaws do not specifically address director elections, NYS law governs, and directors are elected by the plurality method.

B) Certificates of Equity:

Certificates of Equity represent an investment by the members in their Cooperative. This investment provides working capital for the Cooperative to invest in growth and services to the members.

Following are the practices that have been followed by the Cooperative regarding Certificates of Equity. These practices are commonly followed by Cooperatives.

- (1) Certificates of Equity issued as part of a patronage refund shall have no maturity date and shall be redeemable solely within the discretion of the Board of Directors.
- (2) The Board of Directors shall have no obligation to cause the Corporation to redeem Certificates of Equity and the holders of Certificates of Equity shall have no right to enforce their redemption.
- (3) Certificates of Equity, at the discretion of the board, shall bear no interest and shall be paid at face value, if and when, redeemed by the Corporation at the discretion of the Board of Directors.

C) Redemption of Certificates of Equity

The board has determined that it is in the best interests of the Cooperative to maintain sufficient cash and investments to cover a full year’s operating expenses. This level of coverage provides the Cooperative with the ability to continue to serve the membership during recessionary periods in the US economy. To the extent that cash and investments exceed the prior year’s

operating expenses, the Board shall consider using all or a portion of the excess to redeem certificates of equity.

20 MISCELLANEOUS

- A) *Stock Certificates*** - All Stock Certificates issued in the name of individual institutions shall be held in the custody of the Treasurer, or his/her duly appointed agent.
- B) *Certificates of Equity*** - Records of Certificates of Equity for each member and contract patron shall be held in the custody of the Treasurer or his/her duly appointed agent. Members and contract patrons will be notified, annually, of the amount of the certificate credited to their account for that year, at the time the annual patronage check is distributed. Information as to the total Certificates of Equity credited to a member's or contract patron's account will be furnished on request.

Attachments and Exhibits

ATTACHMENT A	12
NOMINATING COMMITTEE CHARTER, POLICIES & PROCEDURES.....	12
ATTACHMENT B	17
POLICY STATEMENT ON GOVERNANCE	17
CHARTER OF THE AUDIT COMMITTEE: EXHIBIT A	20
CERTIFICATION OF PRESIDENT & CEO: EXHIBIT B-1.....	23
CERTIFICATION OF COO & TREASURER: EXHIBIT B-2.....	24
CODE OF ETHICS FOR EMPLOYEES: EXHIBIT C-1	25
CODE OF ETHICS FOR BOARD OF DIRECTORS: EXHIBIT C-2	27
CONFLICT OF INTEREST POLICY: EXHIBIT D	31
WHISTLE BLOWER POLICY: EXHIBIT E	35
ATTACHMENT C	36
E&I MEMBERSHIP CATEGORY ELIGIBILITY	36

NOMINATING COMMITTEE CHARTER, POLICIES & PROCEDURES
FOR
EDUCATIONAL AND INSTITUTIONAL
COOPERATIVE SERVICES, INC.

I. PURPOSE

The purpose of the Nominating Committee (the “Committee”) of the Board of Directors (the “Board”) of E&I Cooperative Services, Inc. (the ‘Cooperative’) is to identify qualified candidates to fill open Board positions who have the needed expertise, background, affiliations, leadership skills and geographic representation as identified by the Board.

II. OPEN BOARD POSITIONS

There are five (5) types of open Board positions that may require the need for a Nominating Committee, as follows:

1. Position held by an existing director on the Board whose three (3) year term is expiring at the next annual meeting but is still eligible to stand for reelection as they have not completed their third – 3 Year term (“**Incumbent Director**”)
2. Position held by an existing director appointed by the Board to fill a vacant position whose term is expiring. (“**Appointed Director**”)
3. Position held by an existing director on the Board who will be completing their third 3-Year term at the next annual meeting and cannot stand for reelection per the Policy Statement (“**Expiring Director**”)
4. Position held by an existing director on the Board who is retiring prior to the expiration of their term, or has chosen not to run for reelection, or was not affirmed by the Board (“**Retiring Director**”)
5. The Board has elected to add a new board position in accordance with the Bylaws and Policy Statement (“**New Director**”)

III. INCUMBENT and APPOINTED DIRECTORS

By June 1st, the Secretary or their designee shall submit to the Board, the names of those directors whose terms will expire at the next annual meeting and whether they may stand for reelection according to the Policy Statement on term limitations. If there are Incumbent and/or Appointed Directors, the Chair of the Board, prior to August 1st shall discuss with those members of the Board whose terms will not expire (“non-expiring Board”) at the next annual meeting if the Incumbent and/or Appointed Directors should be permitted to stand for reelection at the next annual meeting. The Chair of the Board shall direct the non-expiring directors to vote on each Incumbent and Appointed Director. A two-thirds affirmative vote of the non-expiring Board is required to permit an Incumbent Director to stand for reelection and the Appointed Director’s name to be submitted to the Committee for their consideration.

If the Board affirms an Incumbent Director standing for reelection, the Chair of the Board shall contact the Incumbent Director to confirm their desire to stand for reelection. If all the Incumbent Directors agree to stand for reelection and there are **no other open** director positions to be filled, the Chair of the Board will:

- Notify the Board that all the Incumbent Directors have agreed to stand for reelection and having no open positions to fill that a Nominating Committee will not be formed for that year.
- Notify the Secretary no later than seventy-five (75) days prior to the Annual Stockholders Meeting for preparation of the ballots.

If the Board affirms an Appointed Director standing for reelection, the Chair of the Board shall contact the Appointed Director to confirm their desire to stand for reelection. If the Appointed Director agrees to stand for reelection, the Chair of the Board will submit their name to the Committee for the Committee's consideration.

In the event, an Incumbent Director and/or Appointed Director is not affirmed by the Board or elects not to stand for reelection, the Incumbent and/or Appointed Director's position will be treated as a Retiring Director.

IV. EXPIRING, RETIRING and NEW DIRECTOR POSITIONS

If there are any Expiring, Retiring or New Director Positions to be filled at the next annual meeting, the Chair of the Board will create a Nominating Committee for that year to identify qualified candidates.

V. COMPOSITION OF THE COMMITTEE

The Committee shall consist of five members as follows:

- One current Board director, selected by the Chair of the Board from among the members of the Board, who shall serve as the current year chairperson.
- The prior year Committee chairperson, if available. If not available, the Chair of the Board shall select another current Board director from among the members of the Board. with the intent that this person would serve as Chairperson the following year. Three members from member institutions appointed by the Chair of the Board.
- The members appointed to the Committee should be representative of the membership. As an example, members should be from small, medium, large, public, private, etc. institutions.

The above members shall be appointed no later than the first day of September and shall serve for a period of one year. No Committee members shall serve more than three (3) successive terms.

VI. BOARD and STAFF RESPONSIBILITIES

Prior to August, the Board of Directors shall document the desired characteristics of the Board's makeup (e.g., professional expertise, geographic representation, school size, school type, etc.), the then-existing characteristics, and a statement of the characteristics needed to address any resulting gaps.

On or about September 1st, the Executive Committee shall provide the Committee Chairperson with a list of the open positions and related key criteria in rank order for each open position. The Executive Committee may also provide the Committee a list of potential candidates for the Committee's consideration. Regarding each potential candidate, the Executive Committee shall provide the Committee documentation about each candidate's background, qualifications, expertise, etc. The documentation shall also include the Executive Committee's rationale for putting the candidate's name forward.

On or about September 1st, E&I staff will communicate to E&I's membership via available communication channels such as, but not limited to, E-blasts, website, and social media the following:

- Criteria for the selection of the members named to the Committee.
- The names and institutions represented by the members of the Committee.
- Number of open Board positions and the attributes, qualifications, other criteria for each open board position and application form and process.

The above information shall also be communicated through our NAEP Heritage Partner and during E&I's Annual Stockholders' Meeting.

On or about September 1st, E&I staff shall also notify associations who are not members of E&I and E&I business partners of open Board positions, required qualifications and attributes and application form and process.

During E&I's annual Stockholders Meeting, the Teller of Ballots shall include in their report to the stockholders:

- Criteria for selection of the members of the Nominating Committee.
- The members of the Nominating Committee and the institution they represent.
- Criteria for each open Board position.
- That all members of E&I were informed of the open Board positions, the qualifications, and attributes for each position and how they could apply for the open position.
- The candidate for each position and the number of votes received.

VII. COMMITTEE RESPONSIBILITIES

1. It is the responsibility of the Committee to evaluate candidates for the open positions and present a slate of qualified, acceptable candidates to the Executive Committee who will then review and obtain approval by two-thirds affirmative vote from the non-expiring Board for submission to the membership for a vote. The Committee will consider those individuals recommended by the Executive Committee, suggestions from the membership and the Committee's knowledge of possible candidates.
2. The Committee will conduct its business via meetings, conference calls, email and such other means as deemed necessary by the Chairperson.
3. Committee members are to treat as confidential all specific discussions related to potential and final nominees.

4. Copies of all Committee minutes and correspondence with potential and final nominees are to be forwarded to the Secretary for retention in the national office. All such documents and communications shall be treated as confidential.

VIII. COMMITTEE CHAIRPERSON RESPONSIBILITIES

1. Review the policies and procedures of the Nominating Committee with the committee members to ensure that all activities of the Committee are in compliance.
2. Work with the staff to develop a calendar of events for the submission of a final slate to the Board for their approval.
3. Preside at all Nominating Committee meetings ensuring that the nomination process follows the policies and procedures.
4. Present the final slate of nominees to the Executive Committee.
5. Notify the nominees of their selection.

IX. COMMITTEE MEMBER RESPONSIBILITIES

1. Review the Nominating Committee Charter to ensure compliance with the policies and procedures.
2. Participate in the Nominating Committee meetings and conference calls.

X. NOMINATING PROCEDURES

The Committee will consider recommendations for nominees submitted by the Executive Committee, management of the Cooperative, the membership and the Committee's knowledge of potential candidates. Any member of the Committee whose name may be put forward for nomination, and who wishes to be so considered, must then resign from the Committee. The Committee Chairperson will then determine if the now open Committee position should be filled. If so, the Chairperson shall request the Chair of the Board to appoint a replacement.

As to each recommended candidate the Committee believes merits consideration, the Committee will:

1. Cause the Secretary or their designee to collect information regarding their leadership qualities, past accomplishments, support of cooperative purchasing and related qualifications, as well as a summary of their institution's purchases through the Cooperative's contracts for the past five (5) years.
2. Determine if the candidate possesses the specific qualities and skills that the Board has outlined for this open director's position.
3. Review and discuss each candidate's qualifications for the open position(s).
4. In its discretion, the Committee may, in whole or in part, interview any proposed candidate.
5. Meet through conference call or similar means to list the candidates in hierarchical order. For those vacancies that require specific expertise, the Committee should list the candidates qualified for that vacancy in hierarchical order.

The Committee shall submit its recommendations to the Executive Committee for review and approval. Should the Executive Committee have reservations regarding

any of the potential candidates or their rankings, the Chair of the Board and the Committee Chairperson shall meet to discuss and resolve the differences. The final decision shall rest with the Board.

Once the candidates and their rankings have been approved by the Board during E&I's Fall Board of Directors meeting, the Chairperson shall then make personal contact with the highest-ranking candidate to affirm their interest in their nomination. Should the highest-ranking candidate decline the nomination, the Chairperson will then contact the next highest-ranking candidate on the list and continue through the list until a candidate is found who accepts the nomination.

XI. VOTING PROCESS

Upon acceptance by the individual(s) selected, the completed slate of candidates shall be submitted to the Secretary no later than seventy-five (75) days prior to the Annual Stockholders Meeting for preparation of the ballots. The ballots, together with the notice of the Annual Stockholders' Meeting and a brief professional biography of each nominee, shall be sent by mail or electronic transmission, as described in the Bylaws of the Cooperative, to all voting member institutions not less than ten (10) days nor more than forty (40) days prior to the Annual Stockholders Meeting. The member of record of each voting member institution will be asked to ratify the Directors on the ballot. Unless the Board determines otherwise, the policy is to provide one name for each open position and to provide the voting members with the option to submit write-in names of their choice in lieu of each of the names on the ballot. For clarity, if there are three open positions, voting members will have the option to submit up to three write-in names in lieu of the listed candidates.

The election of directors is based on plurality. For clarity, if there are three open positions, the three candidates, inclusive of any write in candidates, who receive the most affirmative votes are elected.

The ballots will be sent by the voting member institutions to the Teller of Ballots appointed by the President & CEO when the Nominating Committee is selected. The Teller of Ballots shall be a representative of a voting member institution or contract patron of the Cooperative, who is not a Director of the Board, located in the geographic area of the Annual Stockholders' Meeting. The Teller shall count the ballots and turn the tabulated ballots over to the Secretary for verification and shall certify the results of the count to the Secretary.

POLICY STATEMENT ON GOVERNANCE
FOR
EDUCATIONAL AND INSTITUTIONAL
COOPERATIVE SERVICES, INC.

The Board of Directors of Educational and Institutional Cooperative Services, Inc. ("E&I") has approved and adopted this Policy Statement, addressing issues concerning auditor independence, corporate responsibility, accountability, and financial disclosure. This Policy Statement includes Exhibits A-E, inclusive, which are part of this Statement. Accordingly, set forth below is the Policy Statement on Governance of E&I.

I. Audit Committee

The Board of Directors established the Audit Committee, to promote the independence of the audit function from the management of E&I. To advance that goal:

- (1) The Audit Committee shall consist of three members selected by the Chair of the Board from among the members of the Board. The Chair of the Audit Committee shall be appointed by the Board Chair and approved by a two-thirds affirmative vote of the entire Board of Directors.
- (2) The Audit Committee shall function independently of management. Therefore, no officer, director who is also an officer, or employee of E&I shall serve as a member of the Audit Committee.
- (3) The members of the Audit Committee shall not receive any compensation for their service as members of the Audit Committee.
- (4) The Audit Committee has a Charter, which describes the duties and responsibilities of the Audit Committee. The Charter is at Exhibit A.
- (5) The external auditor shall report directly to the Chair of the Audit Committee.
- (6) Whenever E&I desires to send a financial statement to the members of E&I, the statement shall be reviewed by the external auditors. The external auditors shall discuss with the Audit Committee, and the Audit Committee shall convene a meeting or conference call to discuss possible issues before the financial statement is distributed to members.
- (7) At all times, at least one member of the Audit Committee shall possess "financial expertise." In considering whether an individual qualifies as a "financial expert," the Board of Directors shall consider the education and/or practical experience of an individual in accounting or a related field. If the members of the Audit Committee are unable to obtain a financial expert within the Board of Directors that fact shall be stated in the minutes of the Audit Committee.
- (8) The Audit Committee has the authority to retain an independent financial advisor, or other advisors, without the consent of the other directors. E&I shall pay the ordinary and necessary expenses of obtaining such an expert.
- (9) The Audit Committee should receive the audit engagement letter and take direct responsibility for overseeing the audit.

II. Independent Auditors

The Board believes that it is desirable that E&I's external auditors never be called upon to audit an activity or transaction in which they were directly or indirectly involved. Accordingly:

- (1) The external auditors may provide E&I with non-auditing services, other than those listed in paragraphs (2 and 3), below, only if extenuating circumstances exist and only if the activity is approved in advance by the Board of Directors.
- (2) The external auditors shall not provide E&I non-audit services, such as bookkeeping, internal audit outsourcing, design of financial systems, implementation of financial systems, appraisal or valuation services, actuarial services, human resources or management functions, investment advisor or investment banking services, or fairness opinions.
- (3) The external auditors shall not perform management functions.
- (4) The lead audit partner of the external auditor should be rotated every five (5) years, with a timeout of two (2) years.
- (5) The Audit Committee shall evaluate the performance of the external auditor on a regular basis.
- (6) The external auditor may not have employed the President & CEO, COO, or person of equivalent function or senior management position within the period of at least two year's preceding the audit.

III. Corporate Responsibility and Senior Management

- (1) The E&I President & CEO and COO & Treasurer shall sign letters, in the form attached as Exhibits B-1 and B-2 (without variation therefrom) and include same in any financial document which is to be sent to the members.
- (2) The President & CEO and COO & Treasurer are aware E&I must certify that the financial statement of E&I for each year accurately and fairly discloses the financial information of which the President & CEO and COO & Treasurer are aware. They shall also certify that, to the best of their knowledge, the financial statements have no material misrepresentation or omissions.
- (3) E&I shall establish, document, and maintain adequate and necessary internal controls of financial data and statements; the President & CEO and COO & Treasurer should evaluate such internal controls on an annual basis to ensure the adequacy and organizational compliance with such controls.
- (4) E&I requires that all officers, directors, and employees of E&I read and abide by the Code of Ethics and Conflict of Interest Policy, attached hereto as Exhibits C-1 and C-2, and Exhibit D, respectively. Further, each shall acknowledge on an annual basis that they have read and abided by the Code of Ethics and Conflict of Interest Policy by signing the Acknowledgement on the Code of Ethics and completing the Conflict of Interest Disclosure Form and returning the form as follows:
 - a) Employees shall send the signed form to Human Resources.
 - b) Non-Employee Directors shall send the signed form to the Corporate Secretary.

- c)** The signed forms will be retained for a period of five (5) years at the corporate office by Human Resources for employees and by the Secretary for Non-Employee Directors
- (5)** Such Code of Ethics:

 - a)** promotes honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest; and
 - b)** requires full, fair, and accurate, timely and adequate disclosure in the financial reports produced by E&I.
- (6)** Any change in E&I's Code of Ethics shall be immediately disclosed to the officers, directors and employees, and a signed receipt of such disclosure shall be executed by each.
- (7)** E&I believes that it is desirable to encourage those employees who have constructive criticisms, regarding the accounting, auditing, or internal control procedures of E&I, to voice such criticisms without the fear of retribution. Accordingly, no retribution of any kind will be taken by E&I against an employee who reports a criticism in accordance with E&I's procedures, which are set forth in E&I's "Whistle Blower Policy" attached hereto as Exhibit E.

CHARTER OF THE AUDIT COMMITTEE

The Board of Directors (“Board”) of Educational and Institutional Cooperative Services, Inc. (“E&I”) by resolution adopted by a majority of the entire Board has established the Audit Committee (the “Committee”).

The Committee shall consist of three members selected from among the members of the Board. At least one member thereof shall possess “financial expertise”. If none of the members of the Committee is considered a financial expert that fact shall be stated in the minutes of the Committee. Each Committee member and all Committee members collectively, shall meet any other requirements as adopted by the Board from time to time. Members of the Committee may be removed at any time by the Board upon recommendation of two-thirds vote of the entire Board of Directors.

The Committee will have all the authority of the Board in acting on behalf of E&I with respect to the oversight of the auditing of E&I’s financial position.

The Committee is responsible to assist the Board of Directors in overseeing:

- (1) the integrity of E&I’s financial statements and its systems of internal accounting and financial controls,
- (2) E&I’s compliance with legal and regulatory requirements,
- (3) the independence, qualifications, and performance of E&I’s independent auditor,

With respect to the systems of internal accounting and financial controls, the Committee in assessing E&I’s controls, may rely upon the work performed by the external auditors as part of the annual audit of E&I. The COO & Treasurer or their designee will direct the external auditors to provide the Committee with a copy of the process used by the external auditors to assess E&I’s internal controls and their findings. The Committee will review these with the external auditors during one of the Committee meetings.

The legal and regulatory requirements that are required of most companies today are a constantly changing environment that reaches beyond the oversight of the auditing of E&I’s financial position. Nonetheless, deficiencies in compliance may have financial consequences to E&I. While the Board of Directors of E&I and the Audit Committee realize it is the responsibility of E&I’s management to ensure that E&I complies with applicable legal and regulatory requirements, the Committee should take certain actions, as it deems necessary, to provide the Committee some assurance that there are no significant noncompliance issues that would give rise to a material impact on the financial statements. This would include but is not limited to:

- (1) The timely filing of corporate income tax returns and payment of taxes
- (2) The timely filing of payroll information and tax forms
- (3) The timely payment of payroll taxes
- (4) Compliance with applicable labor laws

The Committee will be deemed to have performed their due diligence in this area by:

- (1) Receiving a certification from the COO & Treasurer that E&I has filed all applicable income and payroll tax returns and remitted all payments to the applicable government agency in a timely manner.
- (2) Periodically asking the external auditors to confirm that the tax filings and payments have been made in a timely manner.
- (3) Reviewing the responses made by E&I's legal counsel to the annual audit confirmation request. Such responses generally include any litigation or significant matters that the legal firm has been engaged to provide counsel. The COO & Treasurer or their designee is responsible for providing the responses to the Committee.
- (4) Receiving a written statement from E&I's Director of Human Resources outlining the procedures followed to ensure that E&I is aware of current and proposed changes to labor laws and regulations and that E&I is in compliance with all applicable labor laws and regulations.

The Board and the Committee recognize that E&I may be subject to other types of risk and sources of exposure that may or may not manifest themselves in the current financial statements or during a financial statement audit. It is management's responsibility to be aware of those risks and implement appropriate actions to mitigate those risks, where possible. The role of the Committee in this area will be to query management, as it deems necessary, regarding specific items that give the Committee concern. Based on the response received, the Committee may elect to bring the matter to the attention of the board for a broader discussion by the entire board and management.

The Committee exercises sole authority to appoint, terminate and compensate the independent auditor, who reports directly to the Committee.

The Committee has the authority to retain and terminate special legal, accounting or other consultants to advise the Committee. The Committee exercises sole authority to approve the fees and other retention terms for such consultants, who report directly to the Committee. The Committee may request any officer or employee of E&I or E&I's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

E&I shall pay for all ordinary and necessary expenses of any advisors to the Committee.

The Committee establishes procedures for the receipt, retention and treatment of complaints received by E&I regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting, auditing, or business practices.

With respect to the above paragraph, the Committee will be deemed to have performed their due diligence in this area by reviewing the monthly reports from the company engaged by E&I under its Whistle Blower policy, reviewing the responses from legal counsel to the audit confirmation requests and making inquiries of management. It is the

responsibility of the COO & Treasurer to provide the Committee with the copies of these reports and legal confirmation responses. In the event any of these reports contain personnel related issues, the information provided to the Committee will be limited to the potential financial impact, if material, to E&I. Due to the potential sensitive nature of such issues, details such as names of the individuals and description of the issue will not be provided in order to protect the privacy of the individuals involved. Should the Committee request more details, E&I will review the request with outside legal counsel to determine what information we are permitted to release.

The Committee makes regular reports to the Board concerning the Committee's actions, conclusions, and recommendations.

CERTIFICATION OF PRESIDENT & CEO

I, _____, certify that:

1. I have reviewed this annual report on _____ of _____;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report.
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this annual report.

Date:

/s/ _____

CERTIFICATION OF COO & TREASURER

I, _____, certify that:

1. I have reviewed this annual report on _____ of _____;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report.
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this annual report.

Date:

/s/ _____

**CODE OF ETHICS
FOR EMPLOYEES OF
EDUCATIONAL AND INSTITUTIONAL
COOPERATIVE SERVICES, INC.**

Recognizing the importance of the tax-exempt purposes of its members to society at large, Educational and Institutional Cooperative Services, Inc. ("E&I"), hereby adopts the following Code of Ethics, which should be adhered to by its employees (hereinafter, "employees"):

- (1) E&I employees shall always conduct themselves with integrity and dignity in support of the objectives and policies of E&I.
- (2) Every E&I employee shall, always, conduct his or her activities in accordance with the highest professional ethical and business standards.
- (3) Every E&I employee is expected to become familiar with those laws, regulations and rules which are applicable to his or her position, and to comply with both their letter and spirit.
- (4) E&I employees shall avoid placing themselves in a position whereby their personal interest and the interest of E&I and/or its members are, or appear to be, in conflict.
- (5) E&I employees should strive for competence, both in self and in others.
- (6) E&I employees should understand and shall support the objectives and policies of E&I. Each E&I employee is expected to faithfully carry out his or her professional duties in furtherance of E&I's mission.
- (7) E&I employees shall strive for the fair and just treatment to all. No officer, or director or employee of E&I may commit any criminal act against E&I.
- (8) No officer or employee of E&I may abuse the use of any substance which would adversely affect his/her performance while working on E&I business.
- (9) E&I employees shall be tolerant of the views of others.
- (10) E&I employees shall decline to accept inappropriate gifts or gratuities from those with whom he or she stands in a business relationship or prospective business relationship.
- (11) E&I employees shall give equal consideration to all competitive suppliers.
- (12) E&I employees shall foster fair, ethical, and legal trade practices.
- (13) E&I employees shall strive to achieve honesty in sales representation, whether offered through the medium of a verbal or written statement, an advertisement, or sample of a product.
- (14) E&I employees shall practice impartiality in dealing with E&I employees, or employees of those with whom they do business.
- (15) No officer or employee of E&I shall fraudulently coerce an auditor (internal or external) engaged in the performance of an audit for the purpose of rendering a resulting financial statement materially misleading.
- (16) No officer or employee of E&I shall be engaged in a business which competes with E&I while serving as such officer or employee of E&I.

- (17) No officer or employee shall own an interest in any business which competes with E&I while serving as such officer or employee of E&I.
- (18) E&I shall make no loans, or extend any form of credit to an officer or employee of E&I.
- (19) Receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes.
- (20) Violations of the Code of Ethics by an employee are extremely serious. E&I may consider actions up to and including disciplinary measures with employees committing violations. E&I will, however, seek disciplinary action against any employee who is shown to have knowingly filed a false report with the intent to injure another.

The undersigned hereby acknowledge that he or she has read the above Code of Ethics and has abided by said Code of Ethics during the past year and will continue to abide by said Code of Ethics during their tenure as an Employee of E&I Cooperative Services, Inc.

Signature

Signed By (Print Name)

Date

**CODE OF ETHICS
FOR
BOARD OF DIRECTORS OF
EDUCATIONAL AND INSTITUTIONAL
COOPERATIVE SERVICES, INC.**

Recognizing the importance of the tax-exempt purposes of its members to society at large Educational & Institutional Cooperative Services, Inc. ("E&I") has adopted the following Code of Ethics that all Board members to the E&I Board, agree to adhere to by signing below:

1. Prohibition Against and Procedures for Managing Conflicts of Interest

No member of the Board of Directors shall derive any personal profit or gain, directly or indirectly, by reason of his or her service as a Board member of, E&I. Members of the board shall conduct their personal affairs in such a manner as to avoid any possible conflict of interest with their duties and responsibilities as members of the Board. Nevertheless, conflicts may arise from time to time.

- a) When there is a decision to be made or an action to be approved that will result in a conflict between the best interests of E&I and its membership and the Board member's personal interests or the interests of the institutions they represent, the Board member has a duty to immediately disclose the conflict of interest to E&I's Executive Committee or the entire Board of Directors so that the rest of the Board's decision making will be informed about the conflict.
- b) It is every Board member's obligation, in accordance with this policy, to ensure that decisions made by the Board reflect independent thinking. Consequently, if any Board member receives compensation from E&I for services other than director service, such compensation will be approved by the full Board or the Executive Committee in advance.
- c) Board members shall decline to accept gifts or gratuities from those with whom the board member or E&I stands in a business relationship or prospective business relationship, except for de minimis gifts valued at \$50.00 or less.
- d) Any conflicts of interest, including, but not limited to financial interests, on the part of any Board Member, shall be disclosed to the Board when the matter that reflects a conflict of interest becomes a matter of Board action, and through an annual procedure for all Board members to disclose conflicts of interest.
- e) Any Board Member having a conflict of interest shall not use his or her personal influence to address the matter, and the Board member shall not vote nor be counted in determining the quorum for the meeting.

- f) All conflicts disclosed to the Board will be made a matter of record in the minutes of the meeting in which the disclosure was made, which shall also note that the Board member with a conflict was not present for any discussion and the Board member abstained from the vote and was not included in the count for the quorum for that meeting.
- g) Any new Board member will be advised of this policy during board orientation and all Board members will be reminded of the Board Member Code of Ethics and of the procedures for disclosure of conflicts and for managing conflicts on a regular basis, at least once a year.
- h) This policy shall also apply to any Board member's immediate family or any person acting on his or her behalf.

2. Prohibition Against Sexual Harassment

E&I strives to maintain a workplace that is free from illegal discrimination and harassment. While all forms of harassment are prohibited, it is E&I's policy to emphasize that sexual harassment is specifically prohibited. Any board member who engages in discriminatory or harassing conduct towards any board member, E&I employee, E&I member, or E&I business partner is subject to removal from the Board. Complaints alleging misconduct on the part of Board members will be investigated promptly and as confidentially as possible by a task force of the Board appointed by the Executive Committee.

3. Confidentiality

Board members are reminded that confidential financial, personnel and other matters concerning the organization, staff, members, or business partners may be included in board materials or discussed from time to time. Board members should not disclose such confidential information to anyone.

4. Responsibilities of Board Members

Board members are expected to exercise the duties and responsibilities of their positions with integrity, collegiality, loyalty, and care. This includes:

- (a) Making attendance at all meetings of the board a high priority.
- (b) Being familiar with the governing documents of E&I, its Certificate of Incorporation, its bylaws, its Statement of Policy, and its policies and procedures, as well as the rules of procedure and proper conduct of a meeting so that any decision of the Board may be made in an efficient, knowledgeable, and expeditious fashion.
- (c) Being prepared to discuss the issues and business on the agenda.
- (d) Cooperating with and respecting the opinions of fellow Board members and leaving personal prejudices out of all board discussions, as well as supporting actions of the Board even when the Board member personally did not support the action taken (unless the action involves a change of control or ownership of E&I).
- (e) Putting the interests of E&I above personal interests.

- (f) Representing E&I in a positive and supportive manner at all times and in all places.
- (g) Showing respect and courteous conduct in all board and committee meetings.
- (h) Refraining from intruding on administrative issues that are the responsibility of management, except to monitor the results and ensure that procedures are consistent with board policy.
- (i) No Board Member shall attempt to influence or mislead an auditor (internal or external) engaged in the performance of an audit for the purpose of rendering a resulting financial statement materially misleading.
- (j) No Board member shall be employed by, serve as a consultant or advisor to or be a member of an advisory group of a competitor to E&I without the written consent of the Executive Committee. Copies of such consents shall be retained by E&I's corporate Secretary for a period of three years. On an annual basis, and more frequently as circumstances may warrant, the Board of Directors, at their sole discretion, shall identify competitors for purposes of this Section 4j. The list of competitors is at Appendix A.
- (k) Observing established lines of communication and directing requests for information or assistance to the Chief Executive Officer or their designee.

The undersigned recognizes the important responsibility he or she is undertaking in serving as a member of the Board of Directors of E&I, and hereby pledges to carry out in a trustworthy and diligent manner the duties and obligations associated with my role as a Board member and abide by this Code of Ethics. I understand that failure to abide by this Code of Ethics may result in my removal as a Board Member.

Signature _____
 Print Name _____
 Date _____

CODE OF ETHICS

Appendix A – Competitors to E&I for purposes of Section 4.(j)

For purposes of Section 4.(j), the following entities are defined as competitors to E&I:

- Amazon
- Omnia Partners and its subsidiaries
- Sourcewell
- NASPO Value Point

**Conflict of Interest Policy
FOR
BOARD DIRECTORS, E&I MANAGERS
EDUCATIONAL & INSTITUTIONAL COOPERATIVE SERVICES, INC.**

All decisions of the Board of Directors and Management of E&I Cooperative Services, Inc. ("E&I") are to be made solely based on a desire to promote the best interests of E&I. It is, therefore, the policy of the Board and E&I:

1. That all activities or behavior which conflict with the best interests of E&I are prohibited. Clear examples would include the following:
 - (a) **Use of E&I Resources:** For a Board Director, or E&I Manager to make unauthorized use of any E&I resource, including the services of E&I employees, for his/her own personal benefit.
 - (b) Use of your position to derive any personal benefit from any relationship between a potential supplier or existing supplier, and E&I.

Disclosure of Confidential Information: For a Board Director, or E&I Manager, without proper authorization, to give or release to anyone not authorized to receive such information, any data of a confidential nature secured through his/her relationship with E&I.

2. That if a Board Director, or E&I Manager shall be called upon to consider a transaction involving E&I and (i) a Board Director, or E&I Manager (or a member of his/her immediate family), or (ii) an organization with which a Board Director, or E&I Manager is "affiliated", such Board Director or E&I Manager, as soon as he/she has knowledge of the transaction, shall:
 - (a) Disclose fully to the precise nature of his/her interest or involvement in such transaction and/or such organization; and
 - (b) Refrain from participation in E&I's consideration of the proposed transaction.

For the purpose of section 2 of this Conflict of Interest Policy, a Board Director, or E&I Manager is "affiliated" with any organization of which he/she (or a member of his/her immediate family residing in his/her household) is a Board Director, officer, trustee, partner, or has a financial interest of five percent (5%) or greater.

The E&I Managers must include the President & CEO, COO, & Treasurer, CSO, all Vice Presidents, the Secretary, and those managers whom the President & CEO shall deem appropriate. The Conflict of Interest Disclosure Statement shall be distributed, signed, and collected for all E&I Managers by the Secretary prior to the Fall Meeting; and distributed, signed, and collected from all Board Directors at the Fall Meeting. The signed form shall be maintained by the President & CEO.

Each Board Director and E&I Manager shall identify any company, organization, or other entity, whether or not for profit, of which he/she is a Board Director, officer, trustee, partner, or has a financial interest of five percent (5%) or greater. Further, they shall identify any advisory or consulting services provided to E&I's competitors, as defined below.

All disclosures are required to be made hereunder, and all known violations, disputes, and other issues arising out of the application of this policy shall be referred to the President & CEO of E&I and the Board's Executive Committee for appropriate action.

Educational & Institutional Cooperative Services, Inc.

Disclosure Report for Board Directors and E&I Managers

PRINT NAME

Please list in the spaces below, the name of each company, organization, or entity (whether or not for profit and including public benefit corporations) in which you, or a member of your household is a Board Director, officer, trustee, partner, or has a financial interest of five percent (5%) or greater.

Organization	Position	Have a 5% or Greater Financial Interest	
		Yes	No

(Please attach additional sheet, if necessary)

Please indicate below if you have provided advisory and/or consulting services to any of the following E&I competitors:

Competitor	No	Yes	If YES, describe service
Amazon			
Omnia Partners & subsidiaries			
Sourcewell			
NASPO Value Point			

(Please attach additional sheet, if necessary)

I have read the attached Conflict-of-Interest Policy adopted by the Board Directors of the Educational & Institutional Cooperative Services, Inc. To the best of my knowledge and belief, I am currently in compliance with the Policy. I agree to continue to abide by its terms and to report on a timely basis any new information required by the Policy.

Signature:
E&I Manager/Board Director:

Reviewed by:
Management Officer/Board Chair:

Signature

Signature

Date

Date

WHISTLE BLOWER POLICY
FOR
EDUCATIONAL AND INSTITUTIONAL
COOPERATIVE SERVICES, INC.

Educational and Institutional Cooperative Services, Inc. ("E&I") is committed to conduct its business in accordance with the highest ethical standards. A "Whistle Blower Policy" (the "Policy") exists for employees to formally register a complaint regarding perceived irregularities in accounting, auditing or internal control procedures, or perceived violations of the Code of Ethics. E&I promises that there will be no adverse action, retribution, or other reprisal for the good faith reporting of a suspected violation of the Code of Ethics, even if the allegations ultimately prove to be without merit. The Policy is designed to protect the anonymity of the employee, and, thus, to keep him or her free of any form of retribution.

PROCEDURE

The Policy gives the employee three means by which to make his/her complaint:

- (1) by calling an "800" number,
- (2) by sending an e-mail message to a secure address, or
- (3) by going to a secure Internet web site.

If the employee chooses to use the telephone number, he or she will be connected with an independent third-party company (initially, "AlertLine", offered by Global Compliance Services) and asked whether he or she wishes to make his or her complaint anonymously or under his or her name. If the caller chooses to make his or her comment anonymously, he or she will be given a "PIN" number for security purposes. When a response from E&I is required or requested, AlertLine will contact E&I's legal counsel, Jim Morris, and describe the situation. Mr. Morris will evaluate the issue and make a judgment as to whether the Audit Committee should be contacted and asked for its opinion. The Audit Committee may then begin an investigation of the matter and appropriate action will be taken. AlertLine will deliver its response to the employee by fax, e-mail, or to a secured Internet-based application. When a caller requests anonymity, he or she is given a follow-up date on which to call AlertLine back, when he or she will be asked to provide the original report number and PIN, to protect his or her anonymity. At that point he or she will be given E&I's response to the employee's comment. A written report of the call is prepared and ultimately sent to Mr. Morris by AlertLine.

This service will be available at no cost to employees 24 hours a day, seven days per week.

ATTACHMENT C

E&I Membership Category Eligibility

Sectors	
Higher Education	Libraries
K-12	Religious Organizations
Research Institutes	Laboratories
Technical Schools	Healthcare
Educational Associations/Cooperatives	Cultural Organizations

Category Details	
Sector	Eligibility Requirements
<i>Higher Education</i>	Accredited College or University
<i>K-12</i>	<p>Private Schools are not funded by the federal, state, or local government; the majority of private schools in the US are operated by religious institutions and organizations and are generally exempt from most educational regulations.</p> <p>Public Schools</p> <ul style="list-style-type: none"> ▪ An elementary school includes kindergarten and grades one through five (sometimes six) ▪ A middle school includes grades six through eight (in some places, the alternative terms junior high school or intermediate school are still used). ▪ Junior high school often referred to schools that covered grades seven through nine. ▪ Intermediate school is often used for schools that cover grades 3-5 or so when they are separated from elementary schools. ▪ A high school includes grades nine through twelve and may include grades seven and above. <p>Public Districts</p> <ul style="list-style-type: none"> ▪ A unified school district includes elementary and secondary (middle school and high school) educational levels. ▪ <i>Central</i> in a district's name indicates that there is one central administration that oversees the entire district. ▪ <i>Union</i> or <i>consolidated</i> in a district's name indicates that it was formed from two or more districts. <p>Charter School</p> <ul style="list-style-type: none"> ▪ Receives public funding but operates independently. <p>Pre-K (Private/Public) offering early childhood education to children between the ages of three and five, prior to primary school</p>

Sector	Eligibility Requirements
	<p>Educational Service Agencies (ESA's) (NOTE: Individual School Districts required to join E&I directly)</p> <ul style="list-style-type: none"> ▪ Play key roles in the economic and efficient provision of a wide range of educational services to their component school districts. ▪ ESA's are known by a variety of names including Educational Service Units (ESUs), Local Educational Agencies (LEAs). ▪ ESA services may include: <ul style="list-style-type: none"> · Instructional-level services · Instructional support-level services · Non-instructional-level services <p>Vocational School</p> <ul style="list-style-type: none"> ▪ Students taught the job-specific skills needed to perform a particular job (i.e., BOCES–Board of Coop Educational Services)
Research Institutes	<ul style="list-style-type: none"> ▪ Accredited Education ▪ Research & Development
Technical Schools	Employment preparation skills for trained labor (i.e., welding, culinary arts, office management etc.)
Educational Associations/Cooperatives	<ul style="list-style-type: none"> ▪ Represents member institutions in policy issues related to higher education at the state and federal levels, raises funds for student scholarships, coordinates member services and facilitates information sharing and collaboration among member institutions. ▪ Based only on organization utilization with E&I; members of organization not eligible for group benefits.
Libraries	<ul style="list-style-type: none"> ▪ A private library is under the care of private ownership and is usually only established for the use of a small number of people. ▪ A public library is accessible by the general public and is generally funded from public sources, such as taxes operated by librarians.
Religious Organizations -	<ul style="list-style-type: none"> ▪ Archdiocese ▪ Church ▪ Ministry ▪ Temple (Above requires K-12 Affiliation)
Laboratories	Research and Development (biology, genetics, scientific services) <ul style="list-style-type: none"> ▪ Tax exempt, non-profit ▪ A research institute is an establishment endowed for doing research. Research institutes may specialize in basic research or may be oriented to applied research (i.e., natural science, historical, etc.)

Sector	Eligibility Requirements
<p>Healthcare</p>	<p>Hospitals</p> <ul style="list-style-type: none"> ▪ Tax exempt, non-profit ▪ Teaching or Not <p>Association/Organization</p> <ul style="list-style-type: none"> ▪ Tax exempt, non-profit ▪ Responsible for management/leadership of hospitals groups <p>Ambulatory Surgery Center</p> <ul style="list-style-type: none"> ▪ Tax exempt, non-profit ▪ Outpatient center/same day surgery center that serves as a health care facility where surgical procedures, not requiring an overnight hospital stay, are performed. Surgery is less complicated than that requiring hospitalization. <p>Medical Clinics</p> <ul style="list-style-type: none"> ▪ Tax exempt, non-profit ▪ Directly affiliated with a hospital as stand-alone facility on hospital campus ▪ A clinic (or outpatient clinic or ambulatory care clinic) is a health care facility that is primarily devoted to the care of outpatients. Clinics can be privately operated or publicly managed and funded, and typically cover the primary health care needs of populations in local communities, in contrast to larger hospitals which offer specialized treatments and admit inpatients for overnight stays. <p>Behavioral</p> <ul style="list-style-type: none"> ▪ Tax exempt, non-profit ▪ Directly affiliated with a hospital as stand-alone facility on hospital campus ▪ Mental health and addiction treatment services <p>Rehabilitation</p> <ul style="list-style-type: none"> ▪ Tax exempt, non-profit ▪ Directly affiliated with a hospital as stand-alone facility on hospital campus ▪ Inpatient, outpatient, and follow-up treatment services <p>Hospice</p> <ul style="list-style-type: none"> ▪ Tax exempt, non-profit ▪ Directly affiliated with a hospital as stand-alone facility on hospital campus ▪ Palliative/Terminal care <p>Nursing Homes/Skilled Nursing Facility (SNF)</p> <ul style="list-style-type: none"> ▪ Tax exempt, non-profit. ▪ Provides residential nursing care.

Sector	Eligibility Requirements
Cultural Organizations	<p>Museums</p> <ul style="list-style-type: none"> ▪ Tax exempt, non-profit. ▪ Conserves a collection of artifacts and other objects of scientific, artistic, cultural, or historical importance and makes them available for public viewing through exhibits. <p>Performing Arts Centers</p> <ul style="list-style-type: none"> ▪ Tax exempt, non-profit. ▪ Affiliated with accredited education sector. ▪ Provides core education curriculum. ▪ Presents artistic programming in arts, education, and community relations. ▪ Provides arts and education programs to area schools. <p>Aquariums</p> <ul style="list-style-type: none"> ▪ Tax exempt, non-profit. ▪ Displays marine life and provides educational and research opportunities for schools involved with research related to the marine life. <p>Zoos</p> <ul style="list-style-type: none"> ▪ Tax exempt, non-profit ▪ Operated by conservation organizations with a focus on educating school children on important issues affecting wildlife. <p>Botanical Gardens</p> <ul style="list-style-type: none"> ▪ Tax exempt, non-profit. ▪ Affiliated with education sector. ▪ Operated by universities or other scientific research organizations with associated research programs in aspects of botanical science. Role is to maintain documented collections of living plants for the purposes of scientific research, conservation, display and education.

The Following Types of Organizations are NOT Eligible for Membership in E&I

Types	Description
HMO (Health Maintenance Organization)	Organization that provides or arranges managed care for health insurance, self-funded health care benefit plans, individuals and other entities in the United States and acts as a liaison with health care providers (hospitals, doctors, etc.) on a prepaid basis.
Primary Care Provider/Physician	<ul style="list-style-type: none"> • General practitioner (family physician, pediatrician, and internist) • Practice Group of Specialists • Specialty surgical clinics/facilities
Community Health Centers	<ul style="list-style-type: none"> • Provides research-based advocacy for health centers and their patients. • Educates the public about the mission and value of health centers. • Trains and provides technical assistance to health center staff and boards. • Develops alliances with private partners and key stakeholders to foster the delivery of primary health care services to communities in need
Laboratories	Companies that offer blood drawing services and specimen collection for patients by order of prescription and covered under HMO/PPO plan.
Children's Services	Residential campuses and group homes, foster care homes, supervised independent living programs, day treatment and a variety of community-based services
Family Services	<ul style="list-style-type: none"> • Adoption Agencies • Domestic Violence • Foster Care • Homeless • Unemployment
Salvation Army	Food distribution, disaster relief, rehabilitation centers, anti-human trafficking efforts, etc. Work is funded through kettle donations, corporate contributions and the sale of goods donated to Salvation Army Family Stores.
YMCA	Cause is to strengthen community.
Boy/Girl Scouts	Youth development organizations.
Housing Authority	Increase opportunities for low- and moderate-income by providing safe, affordable housing and facilitating access to social and community services