

ARTICLE V  
Duties of Directors

Section 1. Management of Business. The Board of Directors shall have general supervision and control of the business and the affairs of the Cooperative and shall make all rules and regulations not inconsistent with law or with these By-laws for the management of the business and the guidance of the patrons, officers, employees and agents of the Cooperative. They shall require an accounting system which shall be adequate for the requirements of the business, and shall require proper records to be kept of all business transactions.

Section 2. Employment of Manager. The Board of Directors may employ a general manager, define his/her duties, fix his/her compensation, and may dismiss him/her with or without cause at any time. The Board of Directors may authorize the employment of such agents and counsel as it from time to time deems necessary.

Section 3. Reports of Business. The Board of Directors shall present at each annual meeting of the stockholders a detailed report of the business of the preceding year. Such report shall show the financial condition of the Cooperative at the end of the fiscal year in such form as shall fully exhibit to the stockholders the assets and liabilities of the Cooperative and other facts and figures required to understand the Cooperative's financial results for the period.

Section 4. Bonds and Insurance. The Board of Directors shall require the manager and all other officers, agents and employees charged by the Cooperative with responsibility for the custody of any of its funds or negotiable instruments to give adequate fidelity bonds. Such bonds, unless cash security is given, shall be furnished by a responsible bonding company and approved by the Board of Directors. The cost thereof shall be paid by the Cooperative. The Board of Directors shall provide for the adequate insurance of the property owned by the Cooperative or stored by it, and not otherwise adequately insured, and liability insurance in the form and amounts normal for the activities of the Cooperative.

Section 5. Reports of Cash and Inventory. Prior to the close of every annual fiscal period for which an audit is made of the books and accounts of the Cooperative, the Board of Directors shall cause a complete inventory report to be prepared for use in the audit. Said report shall be certified as true and correct by those responsible for its preparation and made available to the auditor and maintained as a part of the permanent records of the Cooperative.

Section 6. Audits. The Board of Directors shall have an audit of the Cooperative made at least every five years, provided that an independent review compilation of the financial records of the Cooperative are conducted annually, and at other times as they deem necessary. The audit shall meet these requirements:

- (a) The audit shall be performed by a competent, certified and licensed, independent public auditing and accounting firm employed by the Board of Directors of the