

Welcome

to Ownership at



menomonie

MARKET

FOOD CO-OP

OWNERSHIP BENEFITS

- Owner Deals throughout the store every month.
- Patronage Dividends based on annual purchases.
- Write checks for up to \$20 over purchase amount.
- Discounts on pre-ordered cases of product.
- Opportunity to use declining balance.
- Attend the annual and monthly board of directors meetings.
- Vote / run in board of directors elections.
- Complimentary subscription to The Morsel (our quarterly newsletter)
- Owner advertising rates in The Morsel.
- Free listing in the Owner Business Directory.
- Ownership of a thriving, local business!

OWNERSHIP RESPONSIBILITIES

- Shop regularly at your co-op, it helps build a stronger business and supports local farmers & suppliers!
- Stay informed by reading The Morsel, following us on Facebook, Twitter and other social media, and subscribing to the Weekly Morsel email list.
- Participate in co-op activities (events, meetings, etc.)
- Vote and participate in decision making processes.
- Understand the co-op principles and objectives.
- Update your additional shopper, phone number, email address, and mailing address as soon as they change.
- Share comments and suggestions with the staff and Board of Directors. There are forms in the lobby and on the website to express satisfaction, dissatisfaction, ask a question, or request a product. You can remain anonymous, or leave your name and phone number / email address. A response will be posted on the comment board.
- Tell your friends! Spread the word about why you love your co-op!

Benefits & Responsibilities



CO-OP PRINCIPLES & VALUES

Most co-ops share a set of principles & values developed by the International Cooperative Alliance. This framework helps co-ops maintain the spirit of cooperation, and they demonstrate how people-oriented cooperatives are at heart.

Principles

1. Voluntary and Open Membership
2. Democratic Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training, and Information
6. Cooperation Among Cooperatives
7. Concern for Community

Values

1. Self Help
2. Self Responsibility
3. Democracy
4. Equality
5. Equity
6. Solidarity

SHOPPING TIPS

Save money and reduce packaging waste by shopping in the bulk aisle:

- 1) Have empty containers weighed and marked by the front end staff when you bring them in.
- 2) Record the PLU number from the product label.
- 3) The cashier will deduct the weight of the empty container from your purchase.
- 4) Free paper and plastic bags are available in the store; glass and plastic containers are for sale.

We encourage you to reuse bags and containers. Each time you do, the cashier will give you a bean which you can deposit in the Hill O' Beans boxes on your way out. Each bean is worth 5¢ toward one of three causes posted. You may receive one bean per day.

Product information and educational materials are located throughout the store.

The Aisle 7 touch-screen computer is a comprehensive resource you can use to look up recipes, supplements, ingredients, herbs, and ailments.

Gift cards & declining balances can be convenient grocery budgeting tools. Both are reusable and rechargeable. Ask a cashier for more information!

For a quieter shopping experience, you may want to shop before 11am or after 6pm.



Principles & Shopping Tips

WHAT IS A CO-OP?

A co-op is a group of people who pool their resources to get what they need. Most of us are familiar with natural foods, electric, or farm cooperatives. However, a co-op can be any kind of business or service!

Co-ops are unique because they are owned by a membership. Each member contributes an amount of equity, and gets one vote for the Board of Directors, and other decisions brought to ballot. Cooperatives are member-owned, membership-governed businesses that operate for the benefit of their members, according to common principles agreed upon by the international cooperative community.

In co-ops, members pool resources to bring about economic results that are unobtainable by one person alone. Most simply put, a cooperative is a business 1) voluntarily owned by the people who use it, and 2) operated for the benefit of its members. Regardless of the goods and services provided, co-ops aim to meet their members' needs by following the 7 Cooperative Principles

The 7 principles provide guidance in the way to do business, while the management structure gives a basis for functioning as a business. To get an idea of how the co-op is set up and what your part is - take a look at the organizational structure:

Owners meet annually to ...

...Elect a board of directors, who create a vision, set policies, and hire...

...the general manager, who is responsible for the day-to-day operations and hiring of...

...department managers and all other staff, whose primary goal is to serve the owners.

What is a Co-op?



Patronage

WHAT IS A PATRONAGE DIVIDEND?

A patronage dividend is the cooperative method to return a portion of any profit to our owners. Annually, the Board of Directors determines what portion of any profit can be returned to the owners and what portion is needed for the co-op's operation and growth. Because you provide your owner number at the checkout, the co-op can calculate the percentage of the dividend available for you in direct proportion to your purchases (patronage) during the year the profit was achieved.

Patronage dividends distinguish cooperatives from privately owned, and non-profit businesses. In a privately

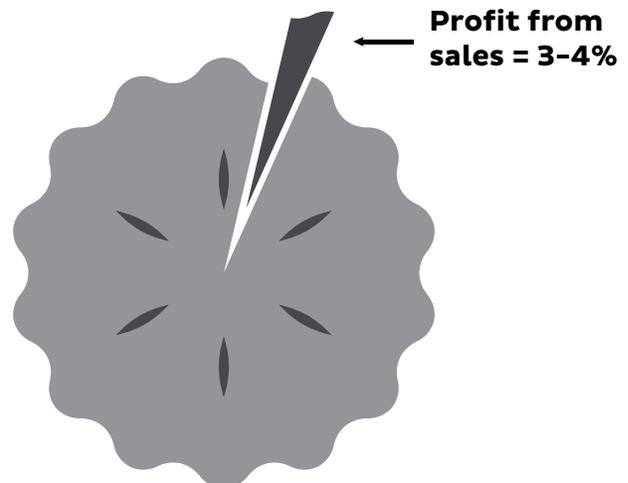
owned business or publicly traded corporation benefits are tied to the amount invested; the more shares you own, the more profit you take out. Benefits of co-op membership are tied to use; the more you shop, the more you benefit.

Who is eligible to receive a Patronage Dividend?

According to our bylaws, all owners in good standing (see footnote a) are eligible to receive a patronage dividend.

1. Total Sales

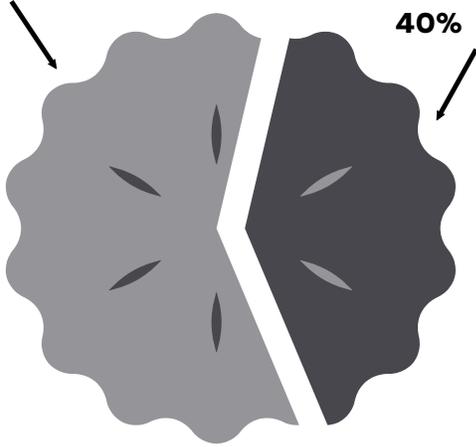
Following the close of the fiscal year, the BoD reviews the overall financial health and business strategy of the organization. The BoD then determines whether profit, if any, will be returned to owners as a patronage dividend.



2. Total Profit from Sales

Profit from sales to owners = 60%

Profit from sales to non-owners = 40%



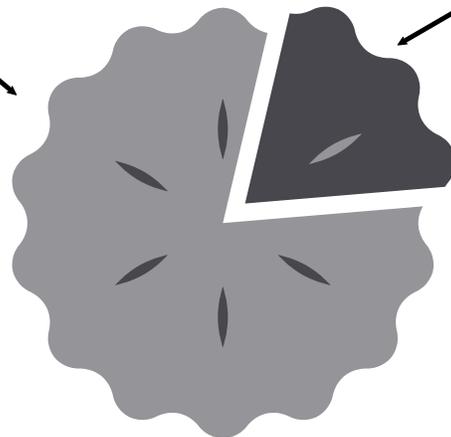
According to our bylaws, the dividend is based on the percentage of profit derived from owner purchases.

3. Total Dividend

If patronage is allocated, at least 20 percent of that dividend must be allocated as cash. The balance may be allocated as cash or retained in each owner's name as non voting shares of Class B stock.

Retained Dividends up to 80%

Cash Dividends at least 20%



If the BoD approves a patronage dividend, the amount of your dividend depends on the amount of your purchases (P) multiplied by the dividend percentage rate (R) set by the BoD: $\$P \times R\% = \text{your dividend}$.

The revenue code requires that owners be mailed the cash portion of a dividend within 8.5 months of the close of the fiscal year (September 15th for us).

Patronage dividends are not income when they are derived from the purchase of goods that are generally for personal use, so neither the co-op nor our owners have to pay income tax on patronage dividends.

The co-op accounts for the portion of dividends it retains to invest in our business as member equity in the form of non-voting shares of Class B stock (see footnote b). This equity is held in each owner's name and is eventually distributed as cash.

Footnotes:

a. Owners in good standing are owners whose stock requirement is current or fully paid, who are not indebted to the co-op, and who have kept the co-op apprised of their current mailing address.

b. When an owner applies to terminate (sell his/her stock back to the co-op) the board repays termination requests in the order received and as subject to the financial health of MMFC for the face value of Class A & B stock purchased by the owner. Retained patronage dividends are not paid to owners on demand. However, the board may redeem Class B stock allocated as retained dividends in such manner and in such order as governed by the IRS.

MEMBER EQUITY

- **Represents ownership as opposed to debt.**
- **Helps us obtain financing.**
- **Increases operational flexibility.**
- **Ensures adequate cash flow.**
- **Protects our access to products and information we trust.**
- **Represents our shared commitment to our cooperative as a community resource and a legacy to the next generation.**

On behalf of the Menomonie Market ownership, we thank you for investing and welcome you to the co-op! We look forward to growing this organization with you.

We hope that you will glance at the Board of Directors area in the lobby, which is one of the main sources of communication between the board and owners. Board meeting minutes and dates are posted there and also on www.mmfc.coop. Owners are welcome to attend all board meetings throughout the year.

We love hearing from you!

Sincerely, the

MENOMONIE MARKET FOOD CO-OP

BOARD^{OF} DIRECTORS

MMFC BYLAWS

**Menomonie Market Food Co-op
Bylaws
Approved September 15, 2016**

Section 1: Purpose

- 1.1 The purpose of the cooperative is to engage in those activities for which co-ops may be organized under Chapter 185 of the Wisconsin State Statutes.
- 1.2 Menomonie Market Food Coop will create cooperative sustainable economic development that is nurturing to the community, including but not limited to operating a grocery store.
- 1.3 The Board of Directors of Menomonie Market Food Cooperative will develop an Ends Statement through policy.

Section 2: Membership

- 2.1 Any natural person, cooperative, non-profit organization, partnership or business may be accepted into membership on terms established by the Board of Directors of the cooperative by filling out an application form and purchasing the required stock.
- 2.2 This association shall not discriminate on social or political grounds or on the basis of race, creed, age, sex, handicap, sexual preference or marital status.
- 2.3 Each member must purchase one (1) share of Class A stock at \$25, and three (3) shares of Class B stock at \$25 each. Classes of stock are defined in the Articles of Incorporation.
- 2.4 Payment options for purchasing required stock are as follows: \$100 ****OR**** Four quarterly installments of \$30 within one calendar year, of which \$25 is to be toward stock and \$5 is to be a processing fee
- 2.5 Failure to pay any installment by the due date or failure to keep a current address with the cooperative will result in the membership being terminated. If a member dies, or voluntarily terminates membership in the cooperative, then the equity and patronage dividend amount allocated to that member will be forfeited by the member to the cooperative, in accordance with the notification provisions of Wisconsin Statutes, Chapter 185.03(10). Subsequent to such a forfeiture, the owner of forfeited funds may make a claim for such funds which, if found to be legitimate, shall result in a refund to the claimant. A terminated member may request reinstatement by written request to the Board of Directors. Refund of forfeitures and reinstatement of membership are subject to approval by the Board of Directors.
- 2.6 Memberships are non-transferable.
- 2.7 Memberships may be terminated by decision of the Board of Directors.

Section 3: Directors

- 3.1 The Board of Directors shall make policy decisions, oversee long range planning, work on committees, evaluate, hire and dismiss the General Manager, and carry out the mandates of the membership.
- 3.2 The Board of Directors shall consist of no fewer than five (5) individual members.
- 3.3 No employee of the co-op may serve on the Board of Directors.
- 3.4 A director's term is three (3) years. Terms shall be staggered within a three year cycle and filled by election at the Annual Owner Meeting. Each eligible owner may vote for as many candidates as there are expiring terms; the candidates with the highest number of votes will be elected. Directors shall not be limited in the number of terms they may serve.
- 3.5 The Board of Directors shall meet monthly, a minimum of ten times per year. These meetings shall be held at a regular, established time and an agenda will be made available to the membership at least two days before the meeting. Any member may attend a meeting of the Board of Directors. Any member wishing to address the board may do so during the Public Comments agenda item. The board may include a closed session in the agenda at any given meeting. Any person, other than Directors, may be asked to leave at the time of the closed session. Binding decisions may not be made during closed session of the Board.
- 3.6 A majority of the Directors shall constitute a quorum at all meetings of the board, and a majority of the Directors present shall decide all questions.
- 3.7 Any Director may resign at any time by written notice to any Officer. Vacancies occurring between elections shall be filled by the Board for the remaining length of the term of the vacated position, at which time it will be filled by election.
- 3.8 A director may be removed by a majority vote at any Annual Membership or Special Meeting.
- 3.9 Compensation of the Board of Directors shall be approved by the membership. The Board may recommend schedules and amounts of compensation.

Section 4: Officers

- 4.1 The principal officers of the co-op shall be the President, Vice President, Secretary and Treasurer, each of whom shall be elected by the Board of Directors from the membership of the Board of Directors.

- 4.2 The officers shall be elected annually at the first board meeting following the annual general membership meeting.
- 4.3 The offices of Secretary and Treasurer may be held by the same individual.
- 4.4 Vacancies may be filled as in 3.8.
- 4.5 An officer may be removed from office by a majority vote of the directors.

Section 5: Committees

- 5.1 Committees may be formed as needed by either the Board of Directors or the membership in compliance with board policy.
- 5.2 Each committee shall have a chairperson and at least one person who is a member of the board. The chairperson shall be responsible for the actions of the committee, and for making activity and progress reports at the monthly meetings of the Board of Directors.

Section 6: Meetings

- 6.1 There shall be one Annual Membership Meeting per year. Notice of the Annual Membership Meeting must be posted in the store and announced to members at least two weeks prior to the meeting.
- 6.2 A quorum necessary for the transaction of business shall be at least ten percent (10%) of the total number of voting members of the association, except that when the number of members shall exceed five hundred (500), fifty (50) voting members present shall constitute a quorum. Should there not be a quorum of members at a membership meeting, voting may take place by mail in order to obtain the requisite number of members for the transaction of business.
- 6.3 Special Meetings may be called by the president or upon petition by at least twenty percent of the general membership. Meetings are open to all members. Such meetings must be announced to the membership at least ten days in advance, along with an agenda.

Section 7: Voting

- 7.1 Each member shall have one vote upon any matter submitted to a vote of the members.
- 7.2 A member must have purchased the required Class A and B stock in order to be eligible to vote.
- 7.3 Voting on motions put to the membership or on elections for Directors may occur outside of a meeting by signed ballot.

Section 8: Allocations to Members

- 8.1 Distribution of profits from the cooperative shall be made in accordance with all applicable State and Federal laws.
- 8.2 Annual net income from patronage with members available for distribution as determined by the Board of Directors shall belong to the members of the cooperative and be allocated to them on the basis of patronage.
- 8.3 All or part of the patronage refund declared by the Board may be paid in cash or Class B stock, as determined by the Board of Directors.

Section 9: Amendments

- 9.1 These bylaws may be amended at any annual or special membership meeting.
- 9.2 Proposed amendments must be published in the newsletter and posted in the store at least thirty (30) days prior to the meeting at which the amendment will be considered.
- 9.3 An amendment is adopted when approved by a majority in attendance at the meeting.
- 9.4 Bylaws may also be amended by the Board of Directors by a three-fourths majority vote. Any bylaws so amended will be subject to approval of the general membership at the next annual or special meeting. The general membership has the final vote on all amendments.

ARTICLES

ARTICLES OF THE MENOMONIE MARKET FOOD CO-OP Revised and adopted January 21, 2008

The Menomonie Food Co-op
521 Second Street East
Menomonie, WI 54751

County of Principal Office of the Menomonie Food Co-op is Dunn County, Wisconsin.

The Articles of Incorporation for the Menomonie Food Co-op, filed with the Wisconsin Department of State on August 27, 1974 are hereby restated according to Wisconsin Statute 185.54 in their entirety with the text set forth below.

Article 1. Name of the cooperative:
The Menomonie Food Co-op

Article 2. Its term of existence shall be perpetual.

Article 3. The cooperative is organized to engage in any lawful activity within the purposes for which a cooperative may be organized under Chapter 185 of the Wisconsin Statutes.

Article 4. The address of the cooperative's principal office in Wisconsin is:
521 Second Street East
Menomonie, WI 54751

Article 5. The number of directors constituting the Board of Directors shall be fixed by bylaw.

Article 6. The classes of members are all of a single class.

Article 7. The cooperative is organized with capital stock.

Article 8. The cooperative is authorized to issue 12500 shares of capital stock of the following description:
Class A: 2000 shares; \$25 par value per share
Class B: 9000 shares; \$25 par value per share
Class C: 1500 shares; \$500 par value per share

The preferences, limitations, designation, and relative rights of each class of stock are as follows:

Class A stock may be issued for cash to any eligible person or entity according to the bylaws. Class A stock shall be the membership stock of the cooperative. Each member shall hold only one share of Class A stock and eligible holders shall be entitled to one vote in any meeting of the stockholders. No dividends shall be paid on Class A stock. Class A stock is not transferable and shall only be traded on the books of the cooperative. Class A stockholders may request the cooperative's Board of Directors to redeem their stock at any time. Any redemption request requires approval of the co-op's Board of Directors.

Class B stock may be issued for cash or in payment of patronage refunds to any member. Class B is preferred stock without voting rights, except as provided in Wisconsin Statute Sections 185.52, 185.61, and 185.63.

No dividends shall be paid on Class B stock. Class B stock is not transferable and shall only be traded on the books of the cooperative. Class B stockholders may request the cooperative's Board of Directors to redeem their stock at any time. Any redemption request requires approval of the co-op's Board of Directors.

Class C stock may be issued for cash. Class C is preferred stock without voting rights, except as provided in Wisconsin Statute Sections 185.52, 185.61, and 185.63. The rate of dividend on Class C stock shall not exceed 8% of its par value for any year. Dividends of this class shall be cumulative. Class C stock is not transferable and shall only be traded on the books of the cooperative. The cooperative shall have a lien on all of its issued Class C stock for all indebtedness of the stockholders to the cooperative. Class C stockholders may request the cooperative's Board of Directors to redeem their stock at any time, subject to the terms and conditions of each series of stock. Any redemption request requires approval of the cooperative's Board of Directors.

The Board of Directors has the authority to issue Class C stock in multiple series. The Board shall establish the number of shares offered, rate of dividend, redemption terms, and any such additional terms and conditions as the Board deems appropriate at the time of issuance for each series of Class C Stock.

At the discretion of the Board of Directors, all dividends or distributions may be paid in certificates of Class C stock or credits on stock or ad interim certificates representing fractional parts thereof, subject to conversion into full shares.

The cooperative reserves the right to acquire or recall any stock, and shall pay the stockholder the par value of their stock, or its book value, whichever is lower, plus any dividend declared thereon.

In the case of dissolution or liquidation of the cooperative, there shall be given a preference to holders of Class C, then Class B, and finally Class A stock. The holders of Class B and Class C stock shall be entitled to receive the par value of their stock, or its book value, whichever is lower, plus any dividend declared thereon.

Article 9. The basis of distribution of assets upon dissolution, voluntary or involuntary, shall be provided by law, except as may be set forth in the Bylaws of this cooperative in any provision not prohibited by law.

Article 10. These articles of incorporation may be amended to change the foregoing basis for distribution of assets upon liquidation of the cooperative.