

Bylaws
of
The Menomonie Food Co-op
Effective _____, 2021

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.

Section 2: Ownership

- 2.1 On the effective date of the merger that formed the Cooperative, all of the eligible owners of The Menomonie Food Co-op and Just Local Food Cooperative were automatically admitted to ownership as specified in the merger plan dated July 21, 2021 (the "Merger Plan"). Thereafter, any eligible person or entity may be admitted to ownership upon submitting an application on a form and in the manner provided by the Cooperative and purchasing one (1) share of Class A stock and three (3) shares of Class B stock in an amount and on such terms as may be determined by the board of directors (the "Board"), and meeting other reasonable conditions of ownership as established by the Board. Each application shall be acted on by the Board at the first meeting of the Board following receipt of the application. The Board shall have full authority to approve or reject an ownership application based on policies established and approved by the Board. A copy of the Articles of Incorporation and Bylaws of the Cooperative shall be made available to each owner upon request to the Board.
- 2.2 Any natural person, cooperative, non-profit organization, partnership or business may be accepted into ownership on terms established by the Board of Directors of the cooperative by filling out an application form and purchasing the required stock.
- 2.3 This association shall not discriminate on social or political grounds or on the basis of race, creed, age, sex, handicap, sexual preference, gender, or marital status.
- 2.4 Failure to pay any installment by the due date or failure to keep a current address with the cooperative will result in the ownership being terminated. If an owner dies, or voluntarily terminates ownership in the cooperative, then the equity and patronage dividend amount allocated to that owner will be forfeited by the owner 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 owner may request reinstatement by written request to the Board of Directors. Refund of forfeitures and reinstatement of ownership are subject to approval by the Board of Directors.
- 2.5 Ownerships are non-transferable, except that owner equity may be transferred to a successor on death or to a successor entity on dissolution or in a merger with the consent of the Board (which may be given in a policy of general application).

2.6 Ownerships may be terminated by decision of the Board of Directors.

Section 3: Directors

- 3.1 The Board of Directors (the "Board") shall consist of not less than five (5) directors and not more than nine (9) directors, the exact number to be fixed from time to time by resolution of the Board, acting by not less than a majority of the directors then in office. Directors shall be elected from among owners of the Cooperative. Except for matters for which owner voting is required, the Board shall govern the Cooperative through policy, including, but not limited to, hiring a general manager and evaluating their performance, establishing compensation (if any) for the Board and assuring that the mission of the Cooperative is carried out.
- 3.2 Directors must be active owners of the Cooperative in good standing or the authorized representative of a legal entity that is an owner. Employees may not serve as directors.
- 3.3 The initial Board shall be determined as specified in the Merger Plan. Thereafter, elections shall occur annually, in a manner prescribed by the Board. Directors shall serve a term of three (3) years and shall serve staggered terms so that approximately one-third (1/3) of the Board is elected each year.
- 3.4 The Board 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 ownership at least two days before the meeting. Any owner may attend a meeting of the Board. Any owner 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. The Board may specify that a meeting will be conducted solely through one or more means of remote communication, provided that notice is given and that the quorum requirements are met. Remote communication includes any communication that is accomplished by means of electronics, telephone, video or internet conferencing, or such other means through which persons not physically present in the same location may communicate with each other on a substantially simultaneous basis. Participation in a meeting through a form of remote communication that is authorized by the Board constitutes personal presence at the meeting.
- 3.5 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, unless otherwise specified in these bylaws or the articles of incorporation.
- 3.6 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.
- 3.7 A director may only be removed upon an affirmative vote of two-thirds of the remaining

directors.

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 ownership of the Board of Directors.
- 4.2 The officers shall be elected annually at the first board meeting following the annual general ownership meeting.
- 4.3 The offices of Secretary and Treasurer may be held by the same individual.
- 4.4 Vacancies may be filled as in 3.6.
- 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 the Board of Directors 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 Ownership Meeting per year. Notice of the Annual Ownership Meeting must be posted in the store and announced to owners at least thirty (30) days 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 owners of the association, except that when the number of owners shall exceed five hundred (500), fifty (50) voting owners present shall constitute a quorum. Should there not be a quorum of owners at an ownership meeting, voting may take place by mail or by electronic or online or other methods as determined by the Board in order to obtain the requisite number of owners 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 ownership. Meetings are open to all owners. Such meetings must be announced to the ownership at least ten days in advance, along with an agenda.

Section 7: Voting

- 7.1 Each owner shall have one vote upon any matter submitted to a vote of the

owners.

- 7.2 An owner 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 ownership or on elections for directors may occur outside of a meeting by signed ballot or by electronic or online or other methods as determined by the Board.

Section 8: Allocations to Owners

- 8.1 The Cooperative shall allocate and distribute to owners the net profit from business done with them in such a manner as to qualify them as patronage dividends consistent with cooperative principles, applicable state and federal laws and generally accepted accounting principles. The Board shall determine when and how such allocations and distributions will be made, including the amount, if any, distributed in cash and the form of any amount distributed as patronage equity, whether the allocations will be made in one or more divisions, departments or allocation units, and whether all or part of the excess margins shall be set-aside in capital or other necessary reserves.
- 8.2 By obtaining or retaining ownership in the Cooperative, each owner consents to take into account, in the manner and to the extent required by federal and state tax law, any patronage dividend received from the Cooperative. Each owner also agrees that if his or her patronage dividend is not cashed within 90 days of the date on which it was issued by the Cooperative, the Cooperative shall have the right to make a contribution in the name of that owner to support other organizations aligned with the Cooperative's purpose in a manner as may be directed by the Board.
- 8.3 Amounts carried in reserves shall be allocated on the books of the Cooperative on a patronage basis or in lieu thereof the books and records of the Cooperative shall afford a means of doing so at any time so that in the event of distribution each owner and eligible patron may receive a pro rata share of such distribution. Amounts carried in reserves or unallocated surplus and not allocated to the owners and patrons may be so allocated by the Board at any time.
- 8.4 Margins produced by a transaction (such as income from the lease of premises, investment in securities, or from the sale or exchange of capital assets) which is directly related to the Cooperative's business will be deemed to be patronage sourced margins and may be distributed to owners (and any other patrons with whom the Cooperative has contracted to deal on a patronage basis) in proportion, insofar as is practicable, to their patronage during any period to which such margins are attributable, as determined by the Board.
- 8.5 Reserves.
 - a. Operating Losses. An operating loss will be apportioned among the owners and eligible patrons during the year of loss so that the loss will, to the extent practicable, be borne by those owners and patrons with respect to the loss year

on an equitable basis, including charging the loss against allocated reserves, unallocated surplus, or the patronage equity. Owners and patrons may not be directly assessed for any loss. The Board may also direct that all or part of any loss be carried forward or back so long as any carryforward or carryback will not place an inequitable burden upon past or future owners.

- b. Other Losses. If, in any fiscal year, the Cooperative incurs a loss other than an operating loss, the Board may determine the basis on which patronage capital furnished by the owners and eligible patrons may be reduced or such loss is to be otherwise equitably apportioned among the owners and eligible patrons.

Section 9: Amendments

- 9.1 These bylaws may be amended by signed ballot at any annual or special ownership meeting, or by electronic or online election, which may begin two weeks prior to an annual meeting and end on the date of such annual meeting, or other means as determined by the Board.
- 9.2 Amendments may be proposed by decision of the Board or by petition of at least 5% of active members, who shall deliver the petition to the Board. Proposed amendments will be placed on the agenda of the next annual or special ownership meeting, provided that they are submitted to the Board no later than 45 days prior to the meeting. The Board shall publicize the proposed amendments in the meeting notice and will post in the store at least 30 days prior to the meeting at which the amendment will be considered.
- 9.3 An amendment is adopted when approved by a majority of those voting as set forth in Section 9.1.
- 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 ownership at the next annual or special meeting. The general ownership has the final vote on all amendments.