

- member, and not be associated with interests adverse to the Co-op.
- d) **Notification of Candidates:** The Board, or its designated agent, will notify the elected directors and all candidates whose names were on the ballot of election results within ten days of the election.
- 2) **TERMS OF OFFICE:** Each elected Director’s term of office shall be three years. Terms shall be staggered in a 3-year cycle. Each Director shall hold office for the term for which elected and until a successor takes office. Successors shall take office beginning with the inaugural Board meeting following member’s election at the Annual Meeting.
- 3) **VACANCIES:** The Board, at its discretion, may fill, or leave vacant for the term held by the vacating director, any seat vacated prior to the completion of the full term. If the Board fills the seat, the newly appointed director will complete the remaining term associated with that seat.
- 4) **DUTIES AND RESPONSIBILITIES:** The Board acting by resolution may decide all matters lawfully within its authority.
- 5) **OFFICERS:** Officers of the Cooperative shall be President, Vice President, Secretary and Treasurer. Other Cooperative officials may be established by Board policy. The duties of the officers shall be determined by the Board and shall be in accordance with any applicable state statutes. The president shall provide the agenda for the Board meeting to the directors. The officers shall be elected at the inaugural meeting following the annual meeting.
- 6) **INDEMNIFICATION:** The People’s Food Cooperative shall indemnify or reimburse directors and officers pursuant to the mandatory indemnification provisions of §185.035, Wis. Stat. (1995- 96). In addition to the mandatory indemnification requirements, the Co-op may reimburse a director or officer under §185.037, Wis. Stat. (1995-96) for expenses as they occur. The Co-op may purchase insurance on behalf of management employees, directors or officers of the Co-op against liability asserted against and incurred by the individual in such capacity. In determining the right to indemnification, the Co-op shall first use the method found in §185.036 (1), Wis. Stat. (1995-96). If a quorum or committee is unobtainable, then the Co-op shall appoint an independent counsel under §185.036 (2). If an independent counsel cannot be appointed, then the person(s) seeking indemnification shall seek a court ruling pursuant to §185.039. If none of the methods listed in this bylaw are possible, the person(s) seeking indemnification may request any other method available under Wisconsin law. The foregoing shall not be exclusive of any other rights to which directors and officers may be lawfully entitled. A conflicted director assumes personal liability.
- 7) **REMOVAL OF A DIRECTOR:**
- a) At a meeting, after establishing quorum, the Board of Directors may remove a director upon unanimous vote

- of all non-conflicted directors. The Board shall give itself at least a seven (7) day written notice by certified mail of its intent to remove a director and the basis for removal. Notice will be complete upon mailing. The director will have an opportunity to present a response. The Board will hear the director’s response, deliberate and vote in a closed session unless the affected director and a majority of the remaining directors vote to open the meeting, or any portion of it. Outside counsel or witnesses will be allowed only upon a majority vote of the unaffected directors. Notice of the removal shall be given to the director by certified mail and to the membership in the newsletter.
- b) Directors may be removed from office by a two thirds (2/3) vote of the membership. Written notice shall be given in accordance with bylaw VII-2 and shall include a statement of intent to remove.
- c) A director’s position shall be considered vacant after:
- i) two (2) consecutive unnotified absences from any Board meetings,
- ii) any four (4) absences from any Board meetings in any twelve (12) month period. Board meetings include special meetings, special Board meetings and orientation/ training sessions. The absent director must notify the Board president, vice president or designated agent by telephone, in person, or by e-mail prior to the start of the meeting.

**Bylaw IX • MEETINGS OF THE BOARD**

- 1) The Board shall meet at least once quarterly. The inaugural Board meeting shall take place no later than 60 days after the annual meeting.
- 2) Notice of regular Board meeting shall be given to directors not less than seven (7) nor more than sixty (60) days in advance. Such notice shall be given in accordance with Wisconsin state statutes. Notice of Board meeting, including place, day and hour, shall be posted at the Co-op at least one week before the meeting is held.
- 3) Special Board meetings can be called by the president or any two directors. At least seven (7) days notice must be given to directors, either personally, by mail, or by e-mail.
- 4) A quorum shall be a majority of directors in office.
- 5) All meetings of the Board shall be open to members unless the Board votes to convene in executive session.
- 6) Any action which may be taken at a meeting may be taken without a meeting if a writing setting forth and approving the action taken shall be signed by all of the directors. Such consent shall have the same force and effect as a unanimous vote at a meeting.

**Bylaw X • COMMITTEES OF THE BOARD**

The Board of directors may establish an executive committee

and shall, as it deems necessary, appoint standing committees and ad hoc committees.

**Bylaw XI • AMENDMENT OF BYLAWS**

- 1) Before a vote is taken to adopt, repeal, or amend any bylaw, members shall have an opportunity to respond to such a proposal at a regular membership meeting or a special meeting called for that purpose. The cooperative shall provide members with the wording of proposed changes by publishing them in the Co-op newsletter or mailing them to each membership at least 14 days, but no more than 30 days, before this meeting. The wording of proposed changes shall also be included on or with the ballot.
- 2) At the Board’s discretion, voting on proposed changes may occur by ballot at the meeting called to discuss the changes or within 21 days of that meeting. Based on member input, the Board may also decide to rescind the proposals, and a vote shall not take place.
- 3) Any bylaw may be adopted, amended or repealed, after establishing a quorum, by a majority of eligible votes cast. Quorum as defined in bylaw VII-3)a) is required.

(Approved by general membership April 1980; additions and deletions approved January 1982, September 1982, June 1983, January 1984, January 1985, January 1986, January 1988, January 1989, November 1989, January 1991, May 1992, November 1994, January 1997, January 1999, and November 1999, January 2001, January 2004, August 2009, August 2011.)

**People’s FOOD CO-OP**

**Articles of Incorporation and Bylaws**

- Article 1**
- The name of the corporation is People’s Food Cooperative, Inc.
- Article 2**
- The period of existence shall be perpetual.
- Article 3**
- The purpose shall be 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 cooperative is organized with capital stock.
- CLASS A:** 15,000 shares of membership stock at par value equal to member fee according to bylaw. The Board shall retire a member’s share upon demand by that member if it can do so consistent with pertinent legal standards. Only one share shall be issued to each member.
- CLASS B:** Non-voting shares may be issued by the Board of Directors. There shall be 50,000 authorized shares with par value of \$25.00 per share. The rate of dividend shall be set by the Board as in accordance with bylaw, but not in excess of the statutory interest upon dividend. Such stock is not transferable by the holder. The Board shall reserve the right to recall such stock at any time. Upon liquidation, Class B shares shall be given preference as these shares constitute liability over member shares.
- CLASS C:** Class C Stock is preferred stock without voting rights, except as provided in Wisconsin Statute Sections 185.52, 185.61, and 185.63. In Class C, Series 1 there will be 39,000 authorized shares with par value of \$25.00 per share. The rate of dividend upon said class of stock shall not exceed 8% of its par value for any year. Dividends of this class shall be cumulative. At the discretion of the Board of Directors, all dividends or distributions of the cooperative or any part thereof may be paid in certificates of preferred stock or credits on preferred stock or ad interim certificates representing fractional parts thereof, subject to conversion into full shares. The Board of Directors has the authority to issue Class C Stock in multiple series. The Board shall establish the numbers 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. The cooperative reserves the prior right to acquire any Class C stock offered for sale by any shareholder or the right to recall the Class C stock of any shareholder.

The consideration paid for sale by any Class C stock shall be its par value and accrued unpaid dividends, provided that if the book value of such stock is less than par value, the consideration shall be such book value. Class C stock shall only be traded on the books of the cooperative. The cooperative shall have a lien on all of its issued Class C preferred stock for all indebtedness of the holders thereof of the cooperative. Upon liquidation, the holders of Class C preferred stock shall be entitled to receive the par value of their stock, or its book value, whichever is lower, plus any dividend declared thereon before any distribution is made. 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. Upon liquidation, the holders of Class C preferred stock shall be entitled to receive the par value of their stock, or its book value, whichever is lower, plus any dividend declared thereon before any payment is made to holders of Class B shares.

Article 5

The principal location of the corporation is 315 Fifth Avenue South, La Crosse, WI 54601.

Article 6

The number of Directors shall be fixed by the bylaws, but shall not be less than five.

Article 7

The names of the current Board of Directors are: Vernadette Simon, Andrea Niesen, Sarah Miller, Elizabeth Leighton, Michael Sersch, Lana Christian, Tom Halada, Liz Gamble and Robin Roberts.

Bylaw I • ARTICLES

The provisions of the articles of incorporation of this association are hereby made a part of these bylaws.

Bylaw II • FISCAL YEAR

The fiscal year for the People’s Food Cooperative will end on the last Sunday of September per the 52–53 week year as set by the IRS Tax Code.

Bylaw III • EDUCATIONAL FUNDS

In the annual budget money shall be directed to projects relating to the educational goals of the Co-op. Amount shall be approved by the Board of Directors.

Bylaw IV • MEMBERSHIP

- 1) The Co-op is owned by its members. Membership is open to any person, eighteen and older, interested in purchasing the goods or utilizing the services offered by the cooperative.
- 2) A member is a person, household, or organization which has received membership materials, as listed in the Membership Policies, and is current in her/his/its membership share purchase requirement. The amount and number of the

- membership shares and schedule for the installment plan shall be determined by the Board of Directors.
- 3) Members may not share their discount privileges with nonmembers.
- 4) Membership may be terminated in the following three ways:
  - a) Voluntarily by written notice from the member to the People’s Food Co-op;
  - b) Automatically when a member is delinquent in the payment of her/his/its share investment to the extent determined by the Board;
  - c) By decision of the Board of Directors with the right of appeal to the general membership
- 5) Members are required to notify the Co-op of changes in address and/or name.
- 6) Co-op memberships are not transferable or divisible.

Bylaw V • CAPITAL STOCK

- 1) There shall be two classes of common stock:
  - a) Class A common stock (“A shares”) shall be that which is required solely for the purpose of membership. Each membership is entitled only one share of membership stock. Membership stock shall be the Co-op’s voting class of stock.
  - b) Class B common stock (“B shares”) shall have no voting privileges. Members may be required to purchase additional shares of such non-voting stock as determined by the Board of Directors. Members may purchase additional shares of such non-voting stock. The maximum number of additional non-voting shares that may be purchased by any one membership will be set by the Board of Directors. The Board may, at its discretion, declare and pay dividends on these non-voting shares.
- 2) Any dividends paid may not exceed the limits set by the Wisconsin law for co-ops.
- 3) Non-voting shares may, upon the co-operative’s dissolution or division, be given preference, as these shares constitute liability over membership shares.
- 4) All forms of evidence of capital ownership shall be transferred and transferable only on the books of the cooperative.
- 5) Common stock shall be redeemed upon request of the member following termination of membership status in accordance with these bylaws or under other compelling circumstances approved by the Board of Directors. Redemption shall be made in such periodic payments and at such times as is determined by the Board. Redemption proceeds shall be limited to the par value or net book value, whichever is less, minus a reasonable processing fee, if any, as determined by the Board. No redemption shall be made when, in the opinion of the Board, such payment would impair the solvency of the Co-op.
- 6) Reapplication for membership following redemption of

- common stock shall be subject to payment of redemption proceeds or a waiting period or both, as determined by the Board.
- 7) Whenever the cooperative determines that it does not have a current address for a member who was previously allocated equity of the cooperative, or whenever a member fails to maintain a current address at the cooperative, then, in that case and before the previously allocated equity ever becomes payable it will be deemed to be contributed to the cooperative’s unallocated surplus. In the case of a liquidation of the cooperative, the total surplus remaining, including these contributed amounts, if any, will be distributed to the members as determined by the Board of Directors and in accordance with the Articles of Incorporation and Bylaws of this cooperative.

Bylaw VI • DISTRIBUTION OF PROCEEDS

At least once annually the directors shall determine and distribute net proceeds as follows:

- 1) There shall be deducted from total proceeds:
  - a) All operating expenses and costs.
  - b) The costs of supplies, commodities, equipment and other property or services procured or sold for patrons.
  - c) The cost of services performed for patrons.
  - d) All taxes and all other expenses.
  - e) Reasonable and necessary reserves for depreciation, depletion and obsolescence of physical property, doubtful accounts and other valuation reserves.
  - f) Employee deferred compensation payments and contributions to employee pension or profit sharing plans, if any.
- 2) The remainder of the total proceeds are net proceeds and shall be distributed and paid as follows:
  - a) An amount not to exceed one percent of the net proceeds may be set aside for educational purposes.
  - b) A share of the net proceeds may be set aside for or paid to employees.
- 3) The remainder of the net proceeds shall be distributed and paid to members as follows: The adjusted net savings for each fiscal year shall be allocated to each membership in the proportion which his/her/its patronage bears to the total of all member patronage during the year. Patronage shall be understood to mean goods and services purchased from the Co-op and shall be measured in terms of its dollar amount. Any allocations of such a nominal amount as not to justify the expenses of distribution may, as determined by the Board of Directors, be excluded from distribution provided that they are not then or later distributed to other owners.

Bylaw VII • MEETINGS OF MEMBERS

- 1) MEETING SCHEDULE
  - a) Annual Membership Meeting: The annual membership meeting shall be held within 6 months of the end of

the fiscal year. At the annual meeting, elections shall be held for the Board of Directors and members shall hear reports from management and Board of Directors and shall transact such business as may properly come before said members.

- b) Regular Membership Meetings: Each year the Board shall schedule at least one membership meeting besides the Annual meeting. In addition, the Board in its written policies may define other co-op-related activities each year that are open to all members.
- c) Special Membership Meetings:
  - i) The Board of Directors may call a special membership meeting.
  - ii) One fifth (1/5) of the members may call a special meeting.

- 2) MEETING NOTICE: Written notice stating the place, day, and hour of a membership meeting shall be given to the membership not less than seven (7) or more than thirty (30) days before the meeting at the direction of the Board president. Such notice shall be given in accordance with state statute.

3) VOTING

- a) In accordance with state statute, a quorum shall be 10% of the first 100 memberships plus 5 % of additional memberships.
- b) Memberships represented by signed ballots may be counted in computing a quorum only on those motions for which the signed ballots were submitted.
- c) Members may vote via electronic ballot. A member must provide a verifiable email address of such member to the Cooperative by prescribed process no fewer than 1 (one) business day prior to the last day of the election (or have a valid email address on file with the Cooperative) in order to vote electronically in any election or vote. Electronic ballots shall be deemed signed and cast upon electronic transmission to the Cooperative in accordance with voting instructions. The Board may establish such additional policies it deems necessary to conduct and assure accurate member voting via electronic ballot..
- d) Only topics for which members have been given proper written notice may be voted on at membership meetings; other topics may be added to the agenda for discussion only.

Bylaw VIII • BOARD OF DIRECTORS

- 1) ELECTIONS:
  - a) **Description:** The Board of Directors shall consist of no more than nine (9) members.
  - b) **Nominating Committee:** The Board shall establish policy for the nominating committee.
  - c) **Eligibility:** In order to qualify for election to the Board, a member must be in good standing, not be a paid staff