

# **Appendix 1: Articles of Incorporation**

## **RESTATED ARTICLES OF INCORPORATION OF PEOPLE'S FOOD COOPERATIVE INC.**

### **Article 1**

The name of the cooperative 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 there will be 200,000 shares with a 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 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 cooperative 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, Meghann Southwick, Lana Christian, Tom Halada, Liz Gamble and Robin Roberts.

#### **Article 8**

All proceeds from liquidation shall be applied in the following order of priority:

First, to the payment of debts and liabilities of the cooperative, including any loans or advances to the cooperative by any member, and the costs and expenses of liquidation;

Second, to the establishment of such reserves as the liquidator deems necessary or advisable;

Third, to return the par value of all Class C preferred stock;

Fourth, to return the par value of all Class B non-voting shares; and

Finally, to return the face amount of all capital credits allocated to any member or patron and not previously paid or retired (and if the liquidation proceeds are insufficient to pay all such amounts in full, the amounts shall be paid on a pro-rata basis without regard to timing of allocation).

#### **Article 9**

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