

BYLAWS
OF
OSHKOSH FOOD COOPERATIVE

ARTICLE I

Membership

1. Any person expressing a belief in the principles of consumer cooperation and whose activities are not contrary thereto may apply for membership, irrespective of race, creed, age, gender, religion or political belief.
2. Application for membership shall be made in writing on a form provided for this purpose, and shall be acted upon promptly by the Board of Directors (or a committee of directors or management employees designated by the Board of Directors), which shall exercise full discretion in the interests of the Cooperative.
3. The application shall include a subscription for one share of membership stock and such additional stock as the Board of Directors may from time to time determine.
4. Any member whose activity in the Cooperative is contrary to the basic principles of consumer cooperation or endangers effective operation of the Cooperative may be expelled by the Board of Directors after written notice of the charges against him/her and reasonable opportunity for response. The Board of Directors may terminate a membership by a 2/3 vote in the interests of the cooperative.
5. Persons holding a joint membership shall cast one member vote.
6. Membership is not transferable.
7. A membership ~~will~~may be voluntarily terminated upon the elapse of 18 consecutive months without patronage, or at the direction of the Board of Directors, the member's voting rights may be suspended until patronage resumes and voting rights are reinstated pursuant to Board policy.
8. The Board of Directors in its discretion may reinstate a terminated membership upon written request.
9. The annual membership meeting shall be held within six months following the end of the fiscal year. Other membership meetings may be called by the Board of Directors. The

Secretary shall call a membership meeting upon written request of five percent of the members ~~or fifty members, whichever is less.~~

10. The Secretary shall post and provide to each member written notice of the time, place, and agenda of each membership meeting at least ten days before the date of the meeting.
11. A quorum at a membership meeting shall be ten percent (10%) of the first one hundred (100) members plus five percent (5%) of additional members, present in person. A quorum shall never be more than fifty (50) members nor less than five (5) members, or a majority of all members, whichever is smaller. Members represented by signed vote may be counted in computing a quorum only on those questions as to which the signed vote is taken.
12. Only members of record thirty days in advance of a meeting shall be permitted to vote at such meeting. If the Secretary provides a written ballot setting forth the exact question to be voted on, members may vote by signing and submitting that ballot without attending the meeting.

ARTICLE II

Directors

1. All powers of the Cooperative shall be exercised by or under the authority of the Board of Directors and the business and affairs of the Cooperative shall be managed under the direction of the Board of Directors, except as otherwise specified in these Bylaws or Chapter 185, Wisconsin Statutes.
2. The Board of Directors shall consist of nine directors each of whom shall be adult members or adult representatives of members. Directors shall be elected by ballot at the annual membership meeting to a term of three years, serving until the successor is elected and qualified, with one- third of the seats up for election each year.
3. Members seeking election to the Board of Directors shall inform the Secretary of intended candidacy at least 45 days prior to the election. The Secretary by posting at least 30 days before the election shall notify the membership of the candidates and of the election procedures.
4. Vacancies shall be filled by appointment by the Board of Directors, to serve until the next membership meeting.
5. No director shall participate to a material degree in any contract made with the Cooperative or compete in business with the Cooperative to a material degree. No employee or person who resides in the household of a full-time employee may serve as a Director.

6. The Board of Directors shall meet at least monthly or not less than 10 times each year, upon at least seven days notice. The president or any two directors may call a special meeting upon seven days posted notice. A majority of the Directors in office shall constitute a quorum.
7. A Director's term shall end:
 - a. By written notice of resignation, effective upon receipt unless otherwise specified in the notice.
 - b. Upon termination of membership in the Cooperative; or
 - c. By two-thirds majority vote of Directors present at a Board meeting **for cause including violation of board policies**; or
 - d. Upon three unexcused absences within a 12 month period. Excused absences will be those approved by the executive committee or Board.

ARTICLE III

Officers

1. The principal officers of this cooperative shall be a president, a vice president, a secretary and a treasurer.
2. ~~The officers shall perform such duties as are ordinarily assigned to such officers in the normal course of business or as specified in Board policy. The President and Secretary shall have authority to sign all documents within the scope of the implied or express authorization of the Board of Directors, the Cooperative Law, and the Articles of Incorporation and Bylaws of this Cooperative. The Secretary and Treasurer shall perform the usual duties of these offices. The Vice President shall act as President in the absence or disability of the President. The Executive or General Director, at the discretion of the Board, may be elected as an officer, but not a member of the Board. The president shall preside over meetings, call special meetings, and appoint committees. In the absence of the president the vice president shall have the powers of the president and perform the duties of the president. The treasurer shall be the custodian of the records and funds of the co-op and responsible for the financial duties of the cooperative, with the authority to delegate. The secretary shall be responsible for keeping the co-op's meeting records and give proper notice of meetings of the members and of the Board of Directors.~~
3. The offices of secretary and treasurer may be held by the same person.

4. All positions shall be elected by the Board annually, following the general membership meeting.
5. Vacancies in any office shall be filled by the Board until the next election.

ARTICLE IV

Stock

1. In addition to stock held by members as required by Cooperative policy, any member, and any other person or party legally qualified to do so, may hold any number of shares of Capital Stock, within the limits of authorized capital. Stockholders shall have such voting rights as are established by Chapter 185, Wisconsin Statutes.
2. The Board of Directors shall establish administrative procedures for receiving and acting upon applications for membership and subscription for the purchase of stock. The Board of Directors may provide that receipts for stock purchase and certificates of stock be issued in electronic form. The person in whose name shares stand on the books of the Cooperative shall be deemed by the Cooperative to be the owner thereof for all purposes, and the address provided by that owner shall stand as the address for all purposes until the owner notifies the Secretary in writing of any change.
3. Stock shall be without pre-emptive right and may be retired or redeemed in whole or in part as to any class by the Cooperative at any time as determined by the Board of Directors, upon paying to its holders the par value thereof plus any accrued and unpaid dividends thereon upon surrender of the certificates evidencing such shares, and the Board of Directors may select which particular shares it will so retire or redeem, either by action taken from time to time or by policy.
4. Issuance and transfers of stock shall only be made with the approval of the Board of Directors ~~or pursuant to policies of the Board of Directors and shall only be made upon the books of the Cooperative by the stockholder in person or pursuant to a power of attorney duly executed and acknowledged and filed with the Secretary and upon surrender of the certificate for such shares;~~ and no transfer shall be made unless and until any and all indebtedness owing to the Cooperative by the stockholder has been paid in full. The Cooperative shall have a first lien and right to set-off against the capital stock and any other capital accounts of the Cooperative for any debt due it by the holders thereof.

ARTICLE V

Allocation, Distribution, and Reserves

1. ~~The Cooperative shall apportion and distribute proceeds in accordance with 185.45(3) and not in accordance with 185.45(4), Wisconsin Statutes, or the pertinent successor provisions.~~
2. ~~For purposes of such apportionment and distribution, total proceeds shall consist of any and all sums received from any source whatsoever exclusive of subscribed capital, amounts held on deposit or in escrow for services or goods to be performed or delivered in the future, and borrowed sums; and shall be received and held by the Cooperative for and as the property of its patrons, subject to the deductions therefrom and distribution thereof as provided herein.~~
3. ~~The Board of Directors may establish Cooperative policy respecting stock dividends consistent with law.~~
4. ~~The records of the Cooperative shall always show the interest of patrons in the reserves and surplus of the Cooperative.~~
5. ~~The Board of Directors shall create appropriate reserves.~~
6. ~~The Board of Directors in its discretion may apply all or any part of net proceeds to losses incurred in prior years as the interests of the Cooperative require; and may apportion losses as the interests of the Cooperative and the patrons may require.~~
7. ~~Each member of this Cooperative as of the effective date of this by law who continues as a member after such date, and each person who shall after such date become a member shall, by such act alone, consent that the amount of any distribution with respect to patronage occurring in any fiscal year of the Cooperative beginning after December 31, 1962, and which are made in written notices of allocation (as defined in 26 USA 1388), and which are received by said member from the Cooperative, will be taken into account at their stated dollar amounts in the manner provided in 26 USA 1384(a), less any amount which may be excluded under 26 USCA 1385(b) in the taxable year in which such written notices of allocation are received by said member.~~

ARTICLE VI

Patronage Dividends

- 6.1 Allocations to owners.** 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 Class B stock or equity accounts,

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. Net margins from business done with persons that are not owners (or eligible patrons) may be allocated to owners and eligible patrons or set-aside in an unallocated surplus or retained earnings if the allocation is made prior to the beginning of the fiscal year.

- 6.2 **Consent of owners.** 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 from time to time.
- 6.3 **Reserves.** 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.
- 6.4 **Non-Owner Patrons.** The Board may establish policies by which legal entities or persons that are not owners but who are aligned with the Cooperative's purpose may contract with the Cooperative to deal on a patronage basis without voting rights.
- 6.5 **Extraordinary Gains.** 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.
- 6.6 **Allocation of Losses.**
- 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 (including Class B shares). 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.

ARTICLE VII

Administration

1. The Board of Directors shall provide for the adequate insurance of the property of the Cooperative, or property which may be in the possession of the Cooperative, or stored by it, and not otherwise adequately insured, and, in addition, adequate insurance covering liability for accidents to all employees and the public.
2. The Board of Directors shall have installed an accounting system which shall be adequate to meet the requirements of the business and shall require proper records to be kept of all business transactions. Such records shall be reviewed at the end of each fiscal year by a certified public accountant who shall not be an officer, director, or employee of the Cooperative. A written report of the review, which may include a statement of the amount of business transacted with members and the amount transacted with nonmembers, and which shall include a balance sheet showing the true assets and liabilities of the Cooperative, and an operating statement for the fiscal period under review, shall be submitted to the annual meeting of the Cooperative.
3. The Board of Directors shall select one or more banks to act as depositories of the funds of the Cooperative and determine the manner of receiving, depositing, and disbursing the funds of the Cooperative and the form of checks and the person or persons by whom they shall be signed, with the power to change such banks and the person or persons signing such checks and the form thereof at will.
4. The Board of Directors may, at its discretion, appoint from its own membership an executive committee of three (3) directors and determine their tenure of office and their powers and duties. The Board of Directors may delegate to the executive committee all or any stated portion of the functions and powers of the Board of Directors, subject to the general direction, approval, and control of the Board of Directors. Copies of the minutes of any meeting of the executive committee shall be mailed or e-mailed to all directors within seven (7) days following such meeting. The Board of Directors may, at its discretion, establish such other committees as it deems appropriate.
5. The Board of Directors may establish policies regarding equity redemption, and from time to time amend such policies in the interests of the Cooperative.

6. The Cooperative shall indemnify its officers, directors, employees, and agents to the fullest extent possible under applicable law. The Cooperative may purchase liability insurance coverage for any person serving as an officer, director, employee, or agent to the extent permitted by applicable law.
7. The Cooperative has no seal.
8. The fiscal year of this Cooperative shall commence on the first day of January.

ARTICLE VIII

Amendments

These bylaws may be amended **if approved by the Board of Directors and if approved** by a majority vote of the members present and voting at any meeting of the Cooperative, provided a copy of the proposed change has been sent by mail or email to every member at his/her last known address at least ten days prior to such meeting.