



## BYLAWS

# Whitewater Grocery Cooperative

### Article 1: Organization

- 1.1 **Name.** The name of the organization shall be Whitewater Grocery Cooperative (henceforth "the Cooperative").
- 1.2 **Ownership and Purpose.** The Cooperative shall be owned by its Member-Owners and shall operate for the mutual benefit of its Member-Owners in accordance with Chapter 185 of the Wisconsin Statutes.

### Article II: Ownership

- 2.1 **Eligibility.** Ownership in the Cooperative shall be open to any individual, household, or organization that is in accord with its purposes and is willing to accept the responsibilities of Ownership.
- 2.2 **Nondiscrimination.** Ownership shall be open without regard to race, creed, age, gender, sexual orientation, political belief or any characteristic that does not directly pertain to Ownership eligibility.
- 2.3 **Admission.** Any eligible individual, household, or organization may be admitted to Ownership upon submitting an application and investing equity in an amount and on such terms as determined by the Board of Directors (henceforth "the Board").
- 2.4 **Responsibilities.** Member-Owners shall purchase one share of stock as required by the Board, shall keep the Cooperative informed of any changes in name or current address, and shall abide by the Articles of Incorporation (henceforth "the Articles"), these Bylaws, and the policies and decisions of the Cooperative or the Board. A Member-Owner who upholds these responsibilities is considered a Member-Owner in good standing (henceforth "Member-Owner").
- 2.5 **Rights.** Member-Owners have the right to elect the Cooperative's Board, to attend meetings of the Board, to receive notice of and attend Ownership meetings, to petition as described in these Bylaws, and to approve amendments to these bylaws. Each Ownership share shall have one vote, and no more, on all matters submitted to Member-Owners. The rights of Member-Owners shall be understood to apply only to Member-Owners in good standing. All rights and responsibilities of Member-Owners are subject to the Articles, these Bylaws as they may be amended from time to time, and to policies and decisions of the Cooperative or the Board.

- 2.6 **Termination of Ownership.** A Member-Owner may terminate their Ownership voluntarily at any time by written notice to the Cooperative. Ownership may be terminated involuntarily by the Board for cause after the Member-Owner is provided fair notice of the reasons for proposed termination and has an opportunity to respond in person or in writing. Cause may include intentional or repeated violation of any provision of the Cooperative's Bylaws or policies, actions that will impede the Cooperative from accomplishing its purposes, actions or threats that adversely affect the interests of the Cooperative or its Member-Owners, willful obstruction of any lawful purpose or activity of the Cooperative, or breach of any contract with the Cooperative.
- 2.7 **Return of Equity.** The Cooperative may, but is not required to, repurchase any stock of a Member-Owner whose Ownership is terminated, under terms determined by the Board and as allowed by law.
- 2.8 **Unclaimed Equity.** If a Member-Owner voluntarily or involuntarily terminates Ownership in the cooperative, then the Stock and patronage dividend amount allocated to that Member-Owner may be forfeited by the Member-Owner to the cooperative after a three year waiting period in accordance with Chapter 185.03(10) Wisconsin State Statutes.
- 2.9 **Non transferability.** Membership rights and Ownership stock may not be transferred in any manner.

### **Article III: Member Meetings & Decision Making**

- 3.1 **Annual Meeting.** An Ownership meeting shall be held each year at a time and place to be determined by the Board. The purpose of such meetings shall be to hear reports on governance, operations, and finances, to review issues that vitally affect the Cooperative, and to transact such other business as may properly come before the meeting.
- 3.2 **Special Meetings.** The President of the Board of Directors may call special meetings of the Ownership. The President shall call a special meeting if requested by the Board to do so or if presented with a written petition stating a proper purpose and signed by 20% of active Member-Owners. Notice of special meetings shall be issued to Member-Owners. In the case of a petition, notice of the special meeting will be issued within ten (10) days after a presentation of the petition to the Board. No business shall be conducted at that special meeting except that specified in the notice of meeting.
- 3.3 **Notice of meetings.** Notice of the date, time, place, and purpose of each annual or special meeting of the Ownership shall be made available to Member-Owners not less than 7 nor more than 30 days prior to the date of the meeting.
- 3.4 **Voting.** Voting shall be accomplished through methods and means established by the Board in accordance with Chapter 185 Wisconsin State Statutes (185.12). Notice of the vote shall be posted and communicated to Member-Owners not less than four (4) weeks prior to the end of the election period. Unless otherwise stated in the Articles, or these Bylaws, or required by law, all questions shall be decided by a vote of a majority of the Member-Owners, present at the meeting and voting thereon. Each Ownership (individual, household or organization) has one vote. Proxy voting is not allowed.

- 3.5 **Quorum.** At any meeting of the Member-Owners, or for any vote of the Member-Owners, a quorum necessary for decision-making shall be 10% of the total Member-Owners or 50 Member-Owners, whichever is less.

#### **ARTICLE IV: Board of Directors**

- 4.1 **Powers and Duties.** The Board shall be composed of an odd number of Directors, no less than seven, to be elected from among the Member-Owners of the Cooperative. Decisions to increase or decrease the number of Board seats must be made by unanimous vote of the sitting Directors. Except for matters for which Member-Owner voting is required, the Board shall have full power to govern the Cooperative, including, but not limited to, hiring management and evaluating its performance, establishing compensation, if any, for the Board, and assuring that the mission of the Cooperative is carried out.
- 4.2 **Terms and Elections.** 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 a portion of the Board is elected each year. No Director may serve more than three (3) consecutive terms. At the initial board meeting, the President shall put a piece of paper in a hat equal in number to the number of directors. Then, every Director shall take a number out of the hat. Individuals who pick a 1, 4, 7 shall then have three year terms; individuals who pick a 2 or 5 shall have two year terms; individuals who pick a 3 or 6 shall have one year terms. After this meeting, all directors shall be elected to 3 year terms.
- 4.3 **Vacancies.** Any vacancy among Directors elected by the Member-Owners may be filled by appointment by the majority of the Board then in office. A Director so appointed shall complete the pertinent term.
- 4.4 **Removal.** A Director may be removed by decision of a majority of the remaining Directors for conduct contrary to the Cooperative or failure to follow Board policies.
- 4.5 **Meetings.** The Board shall hold regular and special meetings at such time and place as it shall determine, and all Directors shall be notified in writing of said meeting at least seven (7) days in advance, unless the Board agrees to a shorter notice. Meetings shall be open to all Member-Owners unless the Board decides to go into closed session regarding confidential or proprietary matters such as: labor relations or personnel issues; negotiation of a contract; discussion of strategic goals or business plans, the disclosure of which would adversely impact the Cooperative's position in the marketplace; and/or discussion of a matter that may, by law or contract, be considered confidential. Member-Owners may participate by speaker telephone or electronic video, including even the entire board, if all participants may simultaneously hear each other, and simultaneously see any documents being reviewed.
- 4.6 **Action without a Meeting.** Any action required or permitted to be taken at a meeting of the Board may be taken by written action affirmed by all of the Directors. The action is effective when affirmed by all of the Directors, unless a different effective time is provided in the action.
- 4.7 **Quorum.** A majority of the current Directors shall constitute a quorum and no decisions shall be made without a quorum.

- 4.8 **Conflicts of Interest.** Directors shall be under an obligation to disclose their actual or potential conflicts of interest in any matter under consideration by the Board. Directors having such a conflict shall absent themselves from discussion and decision of the matter unless otherwise determined by the Board.
- 4.9 **Officers.** The Board will elect officers annually according to the requirements of state law and as necessary for the effective conduct of Board business.
- 4.10 **Indemnification.** The Cooperative shall indemnify and reimburse each present, past, and future Director, Officer, Employee, or Agent for any claim or liability (including expenses and attorney's fees actually and reasonably incurred in connection therewith) to which such person may become subject by reason of being a Director or Officer, except to the extent that the Director acted in bad faith, as detailed in Chapter 185 of the Wisconsin Statutes.

#### **ARTICLE V: Patronage Dividends**

- 5.1 **Allocations to Member-Owners.** The Cooperative shall allocate and distribute to Member-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.
- 5.2 **Consent of Member-Owners.** By obtaining or retaining Ownership in the Cooperative, each Member-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.

#### **ARTICLE VI: Dissolution**

- 6.1 **Asset Distribution:** The Cooperative may be dissolved or liquidated upon a three-fourths (3/4) vote of the Member-Owners who participate in the vote. Upon dissolution of the Cooperative, its assets shall be distributed in the following manner and order: (i) by paying or making provision for payment of all liabilities of the Cooperative and all expenses of dissolution; (ii) by redeeming all stock of the Cooperative; provided that if all stock cannot be redeemed, the stock shall be paid on a pro rata basis; (iii) by distributing any remaining assets in a way that furthers the Cooperative's mission, as determined by the Board.

#### **ARTICLE VII: Bylaws**

- 7.1 **Amendments.** These Bylaws may be amended or repealed in whole or in part by a majority of the Member-Owners who participate in the vote. An amendment may be proposed by decision of the Board for consideration by the membership or by petition of at least twenty percent (20%) of active Member-Owners. The proposed amendment shall be publicized to the Ownership not less than four (4) weeks prior to the voting process, and also included in full detail in the Notice of the meeting, which meeting shall be held at a time and in a manner determined by the Board (see section 3.3 about proper Notice of any such meeting).