

Littleton Consumer Cooperative Society INC.
BY-LAWS

Effective April 30th 2017

Article I: Organization

Name. The name of the organization shall be the Littleton Consumer Cooperative Society INC (The Co-op). The Littleton Consumer Cooperative Society INC. may operate as the Littleton Food Co-op or another DBA of its choosing.

Ownership and Purpose. The Cooperative shall be owned by its member-owners and shall operate in accord with the International Cooperative Alliance's Statement on the Cooperative Identity for the mutual benefit of its member-owners.

Article II: Membership

Becoming a member-owner. The member-owners of the Co-op shall own four shares of stock of \$25.00 each. Any member-owner holding three or fewer shares will be considered a partial member-owner. Any individual or legal entity may become a member-owner by the following methods:

- A. By purchase of four or more shares of Co-op stock.
- B. By inheritance of four shares of Co-op stock.
- C. By gift of four shares of Co-op stock.

Eligibility. Membership in the Cooperative shall be open to any individual or legal entity that is in accord with its purposes and is willing to accept the responsibilities of membership.

Nondiscrimination. Membership shall be open to any individuals or legal entity without regard to any characteristic that does not directly pertain to a person's eligibility.

Rights. Member-owners who have four or more shares have the right to elect the Cooperative's Board and to approve amendments to these bylaws. All member-owners have the right to receive notice of and attend membership meetings and to petition as described in these bylaws. Four share member-owners shall have one vote and no more on all matters submitted to member-owners. Partial member-owners who have three or fewer shares shall have no voting rights and their participation in member-owner's privileges such as discounts can vary at the discretion of the Co-op administration. The Co-op administration will encourage partial member-owners to become full member-owners. The rights of member-owner shall apply only to active member-owners in good standing. All rights and responsibilities of member-owners are subject to applicable state law, the bylaws as they may be amended from time to time, and to policies and decisions of the Cooperative or the Board.

Responsibilities. Member-owners shall keep current in equity investments due to the Cooperative, shall keep the Cooperative informed of any changes in name or current address, and shall abide by these bylaws and the policies and decisions of the Cooperative or the Board. Member-owners shall also patronize the cooperative. A

member who upholds these responsibilities is considered an active member in good standing.

Termination of Membership. A member-owner may terminate his or her membership voluntarily at any time by written notice to the Cooperative. Membership 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, breach of any contract with the Cooperative, or failure to patronize the business for more than 3 years.

Return of Equity. Equity may be returned upon termination of membership in the Cooperative, under terms determined by the Board, provided that the Board has determined that the equity is no longer needed by the cooperative.

Unclaimed Equity. If a member-owner voluntarily or involuntarily terminates membership in the cooperative, and fails to inform the cooperative of his or her mailing address, then the equity and patronage dividend amount allocated to that member-owner will be retained by the cooperative to the extent authorized by state law and federal law.

Article III: Member Meetings and Decision Making

Annual Meeting. A membership 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.

Special Meetings. The Board may call special meetings of the membership. The Board shall call a special meeting if presented with a written petition stating a proper purpose and signed by 15% of member-owners. Notice of special meetings shall be issued to members-owners. In the case of a petition, notice of the special meeting will be issued within thirty (30) 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.

Notice of meetings. Notice of the date, time, place and purpose of each meeting of the membership shall be posted in a conspicuous place at the Cooperative and communicated to members not less than 10 days prior to the date of the meeting. A notice will also be sent to each active member-owner's last known postal or electronic address.

Voting. Voting on all matters that member-owners are entitled to vote upon will be accomplished through paper or electronic on-line ballots, or both, as authorized by the Board and will be conducted over a period of two weeks leading up to the vote. Unless otherwise specified in these bylaws, notice of the vote shall be posted in a conspicuous place at the Cooperative and communicated by written notice delivered to member-owners' postal or electronic address not less than 15 days prior to the end of the election period. Unless otherwise stated in the articles of incorporation, or these bylaws, or

required by law, all questions shall be decided by a vote of a majority of the member- owners voting thereon. Proxy voting is not allowed.

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 number of active member-owners or 100 member-owners, whichever is less.

ARTICLE IV: Board of Directors

Powers and Duties. The Board shall be composed of nine 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 a general manager, establishing compensation, if any, for the Board, and assuring that the mission of the Cooperative is articulated and carried out.

Eligibility. Directors must be full member-owners of the Cooperative in good standing. A person with a conflict of interest so continuing and pervasive that he or she is unable to effectively fulfill the responsibilities of a director with the Cooperative shall not be qualified to serve as a director. Employees who are full member-owners are eligible to run to be on the board. No more than two Co-op employees can serve on the board at a given time.

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 approximately one-third (1/3) of the Board is elected each year. No Director may serve more than three (3) consecutive full terms.

Vacancies. Any vacancy among Directors may be filled by appointment by the Board. A Director so appointed shall be appointed until the end of the pertinent term.

Removal. A Director may be removed by decision of 2/3 of the remaining Directors for conduct contrary to the Cooperative or failure to follow Board policies. A Director may be removed by decision of the member-owners in accordance with the petition and voting provisions of these bylaws.

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 five (5) days in advance, unless the Board agrees to a shorter notice. The Board will provide reasonable notice of all board meetings to member-owners. Attendance at any meeting constitutes waiver of notice of that meeting. Meetings shall be open to all member- owners unless the Board decides to go into executive 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.

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.

Quorum. A majority of the current Directors shall constitute a quorum and no decisions shall be made without a majority of the quorum.

Conflicts of Interest. Directors shall be under an obligation to annually disclose their actual or potential conflicts of interest. Directors having such a conflict shall absent themselves from discussion and decision of any related matter under consideration by the Board unless otherwise determined by the Board. Directors may not do business with the Cooperative except in the same manner as other member-owners generally do business with the Cooperative or under other conditions that are procedurally defined to avoid preferential treatment.

Officers. The Board will designate officers as necessary for the effective conduct of Board business, consistent with any requirements of state law. An employee serving on the Board will be ineligible to be an officer.

Indemnification. The Cooperative shall indemnify and reimburse each present, past and future Director for any claim or liability (including expenses and attorneys' fees actually and reasonably incurred in connection therewith) to which such person may become subject by reason of being a Director, to the full extent allowed by law, except to the extent the Director acted in bad faith.

ARTICLE V: Patronage Dividends

Allocations to member-owners. The Cooperative shall allocate and distribute to active 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.

Consent of member-owners. By obtaining or retaining membership 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. Each member-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 member-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.

ARTICLE VI: Dissolution and Liquidation

6.1 **Asset Distribution.** The Cooperative may be dissolved or liquidated upon a decision of the Board and a two-thirds (2/3) 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 and expenses of liquidation; (ii) by redeeming any equity accounts which, if they cannot be paid in full, 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 or by petition of at least fifteen percent (15%) of active member-owners. The proposed amendment shall be publicized to the membership not less than 10 days prior to the voting process, which shall be held at a time and in a manner determined by the Board.

To help save on paper, our current Co-op Bylaws are available to view online:

littletoncoop.com/about/board

or ask the Service Desk for a printed copy.

Thank You!