

Bylaws of the Souhegan Valley Food Co-op, Inc

Article I: Organization

1.1 Name. The name of the organization shall be Souhegan Valley Food Co-op (henceforth designated in this document as “the Co-op”).

1.2 Ownership and Purpose. The Co-op shall be owned by its members and shall operate for the primary and mutual benefit of its members and its community, in accordance with the following cooperative principles:

1.2.1. Open Membership: Without gender, social, racial, political, or religious discrimination.

1.2.2. Democratic Member Control: One vote for each Member, with no proxy votes.

1.2.3. Member Economic Participation: Members contribute equitably to the capital of the Co-op and decide how to allocate any surplus income.

1.2.4. Autonomy and Independence: No agreements with outside entities that fail to ensure democratic control of the Co-op by its Members.

1.2.5. Education, Training, and Information: Members, Directors, and employees can contribute to the development of the Co-op and inform the general public about the nature and benefits of cooperation.

1.2.6. Cooperation among Co-ops: Strengthening the Co-op movement by working together through local, regional, national and international alliances.

1.2.7. Concern for Community: By working to assure it thrives and is developed sustainably

Article II: Membership

2.1 Eligibility. Membership in the Co-op shall be open to any individual who is in accord with its purposes and is willing to accept the responsibilities of membership.

2.2 Admission. Any eligible person may be admitted to membership upon submitting an application and investing equity in an amount and on such terms as determined by the Board of Directors.

2.3 Rights. Members have the right to elect the Co-op’s Board of Directors, to attend meetings of the Board, to receive notice of and attend membership meetings, to petition as described in these bylaws, and to approve amendments to these bylaws. Each member shall have one vote and no more on all matters submitted to members. All rights and responsibilities of members are subject to the bylaws as they may be amended from time to time.

2.4 Responsibilities. Members shall keep the Co-op informed of any changes in name or current address, and shall abide by these bylaws and the policies and decisions of the Co-op or the Board. All members are encouraged to participate in the business processes of the Co-op as owners in good standing.

2.5 Termination of Membership. A member may terminate his or her membership voluntarily at any time by written notice to the Co-op. Membership may be terminated involuntarily by the Board for cause after the member 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 Co-op’s bylaws or policies, actions that will impede the Co-op from accomplishing its purposes, actions or threats that adversely affect the interests of the Co-op or its members, willful obstruction of any lawful purpose or

activity of the Co-op, or breach of any contract with the Co-op.

2.6 Return of Equity. Equity shall be returned upon termination of membership in the Co-op, under terms determined by the Board, provided that the Board has determined that the equity is no longer necessary for the reasonable or prospective capital needs of the Co-op.

2.7 Unclaimed Property. As referenced in the membership agreement: If a patron moves and leaves no forwarding information, after making a good faith effort over the course of two years, the co-op will transfer any unclaimed property belonging to that patron to the Community Fund as described in section 5.3 of the bylaws.

2.8 Transferability: Membership rights and equity may be transferred by submitting such request in writing to the Board. As with return of equity, such transfer is subject to approval by majority vote of the directors and as required by law.

Article III: Member Meetings

3.1 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 operations and finances, to review issues that vitally affect the Co-op, and to transact such other business as may properly come before the meeting.

3.2 Special Meetings. Special meetings of the membership may be called by the Board, either by decision of the Board or in response to a written petition of 20% of the active members only to give advisory direction to the Board.

3.3 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 Co-op and communicated to members not less than four (4) weeks prior to the date of the meeting.

3.4 Voting. Voting shall be accomplished through methods and means established by the Board. Notice of the vote shall be posted in a conspicuous place at the Co-op and communicated to members not less than four (4) weeks 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 the majority vote of the members voting thereon. Proxy voting is not allowed.

3.5 Quorum. At any meeting of the members, or for any vote of the members, a quorum necessary for decision-making shall be 5% of the total number of members.

ARTICLE IV: Board of Directors

4.1 Composition of the Board. The Board of Directors ("the Board") shall be composed of no fewer than five (5) directors in the first year. Thereafter the Board shall be composed of at least five (5) and no more than nine (9) directors as determined by the Board, elected from among Co-op members aged 18 years or older. No more than 45% of a sitting Board may be comprised of either vendors or employees.

The Board shall have full power to govern the Co-op, including but not limited to hiring management,

evaluating its performance, and assuring that the mission of the Co-op is carried out.

4.2 Terms and Elections. Elections shall occur annually, in a manner prescribed by the Board. All elected 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 on the Board for more than three (3) consecutive terms.

4.3 Responsibilities. The Board shall act for the Co-op to:

4.3.1. Engage a general manager of its business and determine manager's duties and compensation.

4.3.2. Ensure that business is conducted in accordance with these bylaws.

4.3.3. Oversee the financial condition of the Co-op.

4.3.4. Maintain a direct and vital connection with other cooperative organizations.

4.3.5. Foster enthusiasm for cooperative effort among staff and members.

4.3.6. Determine special committees of the Co-op and designate their Chairs, who shall select additional committee members. Each committee member shall serve for one (1) year, unless otherwise specified.

4.4 Vacancies. Any vacancy among Directors elected by the members may be filled by appointment by the Board. A Director so appointed shall complete the pertinent term.

4.5 Removal. A Director may be removed by decision of 2/3 of the remaining Directors for conduct contrary to the Co-op or failure to follow Board policies.

4.6 Meetings. The Board shall hold regular meetings at such time and place as it shall determine, and all Directors shall be notified in writing of said meeting at least ten (10) days in advance. The time and place of all meetings shall be posted in a conspicuous place at the principal offices of the Co-op not more than one (1) day after calling of the meeting. Meetings shall be open to all members unless the Board decides to go into an executive session regarding confidential 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 Co-op's position in the marketplace; and/or discussion of a matter that may, by law, be considered confidential.

4.7 Quorum. A majority of the current Directors shall constitute a quorum and no decisions will 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 designate officers according to the requirements of state law and as necessary for the effective conduct of Board business.

4.10 Indemnification. The Co-op shall indemnify and reimburse each present, past and future Director and officer 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 or officer.

Such indemnification shall be made only if it is determined by the Board that the Director or officer acted in good faith in the reasonable belief that his or her action was in the best interests of the Co-op, or as otherwise allowed by law.

ARTICLE V: Net Savings, Patronage Records and Refunds

5.1 Net Savings Within six (6) months of the close of each fiscal year, a certified public accountant shall calculate net savings in accordance with NH law. An amount of not less than 10% of net savings, contributions and other funds shall be set aside for the Board to determine an annual allotment to the reserve fund. The reserve fund shall be used in the general conduct of business, and shall be the indivisible property of the Coop as a whole.

5.2 Patronage Records . The Coop shall keep accurate records of Members and Nonmembers Patronage for the purpose of determining patron refunds and other purposes.

5.3 Distribution of Patronage Refunds . By obtaining or retaining membership in the Coop, each member consents to take into account, in the manner and to the extent required by federal and state tax law, any patronage refund received from the Coop. Patronage refunds shall be allocated and distributed to members within eight and a half months following the close of the fiscal year. . Patronage refunds may be distributed in the form of cash, store credits or patronage equity in the manner determined from time to time by the Board. The Board may by policy give members an option to elect whether patronage refunds will be allocated to each member's internal account, or at the member's request may be allocated to a Community Fund to offset the cost of membership for others in the community. No dividends shall be paid on any patronage equity.

5.4 Allocation of Net Loss If the Coop should incur a net loss in any fiscal year, said loss shall be charged against retained reserve funds or net savings of the Coop. If the loss exceeds reserves, the Board may determine the amount to be carried forward to offset adjusted net earnings of subsequent fiscal years.

ARTICLE VI: Dissolution

6.1 Asset Distribution: The Co-op may be dissolved upon a decision of the Board and a two-thirds (2/3) vote of the members who participate in the vote. Upon dissolution of the Co-op, 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 investment accounts which, if they cannot be paid in full, shall be paid in the order of the oldest outstanding amounts; (iii) excess proceeds remaining after payment of patrons' equity must be paid to patrons on the basis of patronage over a reasonable historical period (which may be determined by the board at the time of dissolution).

ARTICLE VII: By-laws

7.1 Amendments. These by-laws may be amended or repealed in whole or in part by a two-thirds (2/3) majority of the Board members. An amendment may be proposed by decision of the Board or by petition at least five percent (5%) of active members. The proposed amendment shall be publicized to the membership not less than four (4) weeks prior to the voting process, which shall be held at a time and in a manner determined by the Board.

Reviewed, revised and adopted by the Provisional Board on September 15, 2015