

BYLAWS OF ORYANA FOOD COOPERATIVE, INC.

ARTICLE I: OFFICE

Section 1: Name

The name of this cooperative shall be "Oryana Food Cooperative, Inc.," (henceforth "the Cooperative"), a non-profit, member-owned organization incorporated under the provisions of the Michigan Nonprofit Corporation Act, Chapter 11 of PA 1984 No. 209, MCLA 450.3100 et. Seq.

Section 2: Location

The headquarters of this Cooperative shall be in the State of Michigan.

ARTICLE II: PURPOSE

The purpose of the Oryana Food Cooperative is to provide high-quality food and other goods produced in ecologically sound ways at fair value to members and to the community, and to provide education about the relationship of food to health. Oryana members and staff are committed to enhancing their community through the practice of cooperative economics and education and the provision of services consistent with the Statement on the Cooperative Identity, as articulated by the International Cooperative Alliance¹.

ARTICLE III: MEMBERSHIP

Section 1: Eligibility

Membership in the cooperative shall be open to any individual who is in accord with its purposes and is willing to accept the responsibilities of membership.

Section 2. Nondiscrimination

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

Section 3: Equity Deposit

Membership shall consist of an annual equity deposit as defined by the Board of Directors.

Section 4: Form of Certificate/Membership Card

¹ <https://www.ica.coop/en/cooperatives/cooperative-identity#toc-cooperative-principles>

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The Membership card/certificate shall be in the form as prescribed by the Board of Directors and shall be listed in a Registration Journal held and maintained by the Cooperative.

Section 5: Voting Members

All persons who meet the following criteria shall have the privilege to vote:

- A. A voting member shall be an individual who has attained the age of 16; and
- B. Has signed an application form on which they have agreed to comply with all requirements of the Articles, these Bylaws and any requirements made by the Board of Directors; and
- C. Has paid the equity deposit defined by the Board of Directors; and
- D. Has met any other requirements as determined by the Board of Directors.

Section 6: Required Information

- A. Each member shall provide to the Cooperative, on a form provided, their:
 1. Name
 2. Mailing address
 3. Email address.
- B. The Cooperative shall issue to the member upon the member's acceptance, a statement with the following information:
 1. A statement that this Corporation is a Cooperative subject to the Consumers Cooperative Act, PA 1984 209 Section 1; Effective November 1, 1985, MCLA 450.310 et. seq.;
 2. A statement that the purpose of becoming a member of this Cooperative is to assure access to goods, services, and facilities of the Cooperative and not to gain profit;
 3. A statement of the voting rights and rights to notice of meetings of members;
 4. A statement of the qualifications of admission, retention of membership, and the rights of the Cooperative to terminate membership, if any;
 5. A statement of the restrictions, if any, on the transfer of membership;
 6. A statement of rights of redemption of member capital, if any, or statement that member capital is not redeemable;
 7. A statement of the right of members to call Special Meetings, to receive annual reports, and secure other material and information concerning the Cooperative.
- C. Membership Card
The Cooperative shall issue to the member, upon the member's acceptance, a membership card/certificate that contains at least the following information:

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1. A statement that this Corporation is a Cooperative subject to the Consumers Cooperative Act, PA 1984 209 Section 1; Effective November 1, 1985, MCLA 450.310 et. seq.;
2. A statement of the restrictions, if any, on the transfer of membership;
3. A statement of rights of redemption of member capital, if any, or statement that member capital is not redeemable.

Section 7: Rights and Responsibilities

- A. **Rights.** Members have the right to elect the Cooperative's Board, 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. The rights of members shall apply only to active members in good standing. All rights and responsibilities of members 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.
- B. **Responsibilities.** Members 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. Members shall also patronize the cooperative. A member who upholds these responsibilities is considered an active member in good standing.

Section 8: Return of Equity

Member capital is not redeemable, but the Board may choose to pay out the "paid in" portion of a member's equity at its sole discretion. A member terminating for any reason may request a review for redemption of the "paid in" portion by the Board Treasurer by contacting the Oryana Customer Service desk or info@oryana.coop to submit their request. The "paid in" portion is that amount that the member has paid the cooperative for "buying" and any other privileges of cooperative membership and does not include administrative fees or any other non- "paid in" Member Equity.

Section 9: Termination of Membership

A member may terminate their membership voluntarily at any time by written notice to the Cooperative. 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 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 members, including theft, willful obstruction of any lawful purpose or activity of the Cooperative, or breach of any contract with the Cooperative.

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Section 10: Membership Non-Transferability

Membership rights and member equity may not be transferred in any manner.

Section 11: Patronage Operation

The Cooperative shall be operated on a cooperative basis for the mutual benefit of its members as provided in this Section.

- A. Definition of Patronage. Patronage by a member shall be defined as the total amount of purchases from the Cooperative made by the member in a fiscal year, measured as reasonably determined by the Board of Directors from time to time.
- B. Annual Net Income From Patronage. The annual net income (defined as gross income less necessary expenses, dividends on membership capital and interest or dividends paid on nonvoting investment certificates, and additions to reserves) from patronage shall be distributed to the members based on their patronage with the Cooperative. Such distributions shall be made in cash, stock or other equity credit, or some combination thereof, as the Board of Directors shall determine.
- C. Allocation Units. In determining and allocating the annual net income and loss, the Board of Directors may establish separate allocation units which may be based on the various departments or types of business done by the Cooperative. The Board of Directors may also allocate the administrative, overhead and other necessary expenses of the Cooperative (and any annual net income derived from sources other than member patron business that is to be allocated to the member patrons of the allocation units) among all allocation units on an equitable basis. The Board of Directors may use any reasonable method of determination in establishing the separate allocation units and allocating the administrative, overhead, other necessary expenses, and net savings from non-patron business among the allocation units.
- D. Reserves. The Board of Directors may cause to be created an unallocated capital reserve and annually add to the capital reserve the sum of the following amounts:
 - 1. The annual net income of this association attributable to non-patronage business;
 - 2. Annual net income, if the amount otherwise to be distributed is less than the *de minimis* amount; and
 - 3. An amount not to exceed ten percent (10%) of the distributable net income from patronage business, provided that a determination as to a specific percentage is established by the Board of Directors prior to the first day of any fiscal year, and further that the amount is set at 10% for any fiscal year for which the Board of Directors does not make a determination prior to the first day of such year.

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4. Federal income taxes shall be charged to the capital reserve. At no time shall the unallocated capital reserve exceed fifteen percent (15%) of the Cooperative's assets.
- E. Allocation of Losses. If the Cooperative has sustained an annual loss in its patronage business, it shall have the power and authority to allocate such loss to the members for such year or years on a patronage basis and apply the same against the equity credits or stock of such member. The Board of Directors may also, in its discretion, elect to offset the loss by using the unallocated capital reserves of the Cooperative. Losses may also be carried forward to offset future patronage dividends of the members.
- F. Transfer of Equity Credits. Equity credits may only be transferred with the consent and approval of the Board of Directors.
- G. Revolving Fund. The Board of Directors is authorized to create a revolving fund which can be used for the furtherance of the Cooperative's purposes. Whenever it is determined by the Board of Directors that all of the Cooperative's capital is not necessary for the proper financing of its operations, then the Board of Directors may retire any equity credits issued to members by virtue of prior patronage with the Cooperative. Equity credits shall be retired in the order in which the same were issued, with the oldest being retired first.
- H. Consent by Members. Each individual who applies for and is accepted to membership in the Cooperative by such act alone consents that the amount of any distributions with respect to their patronage occurring in any fiscal year which are made in written notices of allocation (as defined in 26 U.S.C. 1388 of the Internal Code) and which are received by them from the association, will be taken into account by them at their patronage's stated dollar amounts in the manner provided in 26 U.S.C. 1385 in the taxable year in which such written notices of allocation are received by them, it being the intent of this bylaw provision to provide a consent binding on all members of this Cooperative for the purpose of making such distributions "qualified written notices of allocation" within the meaning of the United States Income Tax Laws.

ARTICLE IV: MEMBERSHIP MEETINGS

Section 1: Annual Meetings

This Corporation shall be operated on the calendar year of January 1 through December 31st. Each year the Corporation shall hold an Annual Meeting for the general membership at a location within a 60 mile radius of the Cooperative's main store. This meeting shall be held no more than 120 days after the end of the fiscal year unless the Board of Directors can show good cause for the delay.

Members shall be notified of the agenda, exact time, and place for the Annual Meeting by first-class or bulk rate mail, and/or by email, and by posting in the Cooperative at least 15 days prior to the meeting.

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The agenda shall be established by the Board of Directors and shall include reports by pertinent board members and committees. A report shall include the information required by MCLA 450.3149 (2), including the names, addresses and dates of expiration of the terms of officers and directors, their rate of compensation, if any, number of memberships granted and terminated, and the amount of capital paid in during the fiscal year. The agenda shall also include the election by members of expired-term seats of the Board of Directors. The Annual Meeting shall be conducted using a procedure adopted by the Board of Directors.

Section 2: Special Meetings

A Special Meeting of the membership may be called by the Board of Directors, or by a written petition which states the specific purpose(s) for which the meeting is to be called. The petition, in order to be valid, shall have the signatures of at least 10% of the total voting members. No other business other than that specified in the petition shall be transacted at any Special Meeting. The Special Meeting shall be conducted using a procedure adopted by the Board of Directors.

Written notice of time, place and purpose(s) of a Special Meeting must be given by mailing or emailing and posting in the Cooperative facilities no less than 10 days and no more than 60 days prior to said meeting.

Section 3: Voting

Eligibility to vote in an annual meeting or special meeting must be established, pursuant to Article 3, Section 4, at least 30 days prior to the meeting.

A quorum shall be 50 members.

Election of Directors shall be made by secret ballot. All other matters may be decided by a show of hands or at the Chair's discretion, by secret ballot. There shall be no proxy voting. Absentee ballot shall be allowed.

Voting on all matters that members are entitled to vote upon will be accomplished through paper or electronic ballots, or both, as authorized by the Board. 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 members' 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 members voting thereon.

An action to amend the Articles of Incorporation or the Bylaws, or any other action which alters members' voting rights or member capital, merger, consolidation, disposition of all, or substantially all, of the assets of the corporation, or dissolution shall

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not take effect for sixty days from the date of adoption and shall be subject to one confirmation vote as provided below if the action is adopted by less than a majority of all of the members eligible to vote.

If a petition of 15% or more of members eligible to vote is presented to the Cooperative prior to the sixtieth day after the adoption of the action, the Cooperative shall cause a confirmation vote to be held by a Special Meeting, with the option of absentee ballot, and shall be conducted within 45 days of receipt of the petition. The confirmation vote must achieve the vote which would have been required for original adoption. If confirmed, the action or amendment may take effect immediately after the confirmation.

ARTICLE V: BOARD OF DIRECTORS

Section 1: General Provisions

- A. Composition. The Board of Directors shall consist of nine Board members -- none of whom shall be a person directly hired by the Board – who shall be elected by the membership at the Annual Meeting. Employees of Oryana shall be ineligible to serve as Board members. All Board members shall have equal rights and responsibilities.
- B. Qualifications. All Board members must be members in good standing of the Cooperative for at least a period of 30 days prior to the date of the election.
- C. Election. The Board of Directors shall establish a procedure to solicit and qualify applications for nomination to the Board of Directors in accordance with policies established by the Board of Directors. Elections shall be held at the Annual Meeting and voting shall be done by secret ballot.
- D. Terms of Office. At least three directors will be elected each year at the Annual Meeting. Each director will serve a term for a period of three years and shall serve staggered terms so that (generally) one-third (1/3) of the Board is elected each year. Directors' terms commence at the first board meeting after the Annual Meeting, which shall be held within 1 month after the annual meeting.
- E. Vacancies. A vacancy of member of the Board of Directors between elections (whether by resignation, removal from office, death of a Board member, or other reason) shall be filled by appointment made by the remaining Board members. The appointed Board member shall complete the remaining term of the vacancy.
- F. Removal. A member of the Board of Directors may be removed upon petition by the membership, which petition shall state the reason for removal and will be voted upon and governed by the rules of a Special Meeting. A member of the Board of Directors may also be removed by decision of 2/3 of the remaining Directors for conduct contrary to the Cooperative or failure to follow Board policies. Any vote on the removal of a Board member shall be taken by secret

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ballot. Should a Board member be removed, that removal shall be effective immediately.

- G. Compensation. Board of Director members may receive a stipend, as established in board policy, and reported to members in the annual report.
- H. Conflict of Interest. Directors shall be under an obligation to 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 members generally do business with the Cooperative or under other conditions that are procedurally defined to avoid preferential treatment.
- I. Confidentiality. The Board and each individual director agree that all directors shall use the utmost professional judgment and discretion in discussing disputed or confidential corporate actions, policies, or issues with Co-Op members, employees or the general public. All personnel, real estate, marketing, legal, strategic planning, and financial matters will be considered sensitive issues subject to the Director's good faith and discretion unless or until made specifically clear by action of the Board as a whole.

Section 2: Meetings of the Board of Directors

- A. Notice. Notice of the Board of Directors meeting time and place shall be posted in the stores one week in advance of the meeting unless it is an emergency Open Session, in which case the Board of Directors shall describe the reason for the emergency meeting in their minutes and post their minutes within 48 hours after having held the meeting.
- B. Access. All meetings shall be open to the public. The Board may elect, however, at its discretion and upon a majority vote, to go into a Closed Session. The basis for the Closed Session shall be duly recorded in the Minutes. No prior notice for Closed Sessions to membership shall be required.
- C. Quorum. A simple majority of the current Board of Directors shall constitute a quorum. No decisions shall be made without a quorum.
- D. Action Without Meeting. The Board may take emergency action(s) without a meeting (e.g., by phone, e-mail, fax, etc.) if all members of the Board consent to take action(s) without a meeting, and if before or after that action, their written consents are filed with the minutes of the Board. The consent has the same effect as a vote of the Board for all purposes.

Section 3: Powers and Duties of the Board of Directors

Except for matters for which member voting is required, the Board shall have full power to govern the Cooperative on behalf of the membership, including, but not limited to, hiring the General Manager, establishing compensation, if any, for the Board and assuring that the mission of the Cooperative is articulated and carried out.

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Section 4: Officers

The Board of Directors shall elect the officers of the Cooperative who shall be President, Vice President, Secretary and Treasurer who shall serve for one-year terms. Any member of the Board of Directors elected by the general membership is eligible to serve as President, Vice-President, Secretary, and Treasurer.

Section 5: Executive Committee

There shall be an Executive Committee consisting of the officers of the Board of Directors. The Executive Committee shall meet monthly to finalize the agenda for the Board of Director Meetings.

ARTICLE VI: DISSOLUTION

Section 1: Distribution of Assets

Upon dissolution, the assets of the Cooperative shall be distributed in the following manner and order:

- A. By paying or providing for payment of its debts and expenses.
- B. By redeeming the member capital and equity credits by paying to the members in cash or other property in the following priority:
 1. The lesser of the member's capital or the member's pro rata share of total member capital of the Cooperative determined according to the ratio each member's capital bears to total member capital, and
 2. The lesser of the member's equity credits or the member's pro rata share of total member equity credits of the Cooperative determined according to the ratio each member's equity credits bears to total member equity credits.
- C. By distributing any surplus to those members who have been members or subscribers, or nonmember patrons entitled to patronage allocations at any time during the six years preceding dissolution, on the basis of patronage during that period.

Section 2: Distribution of Charitable Assets

Assets held by the Cooperative for a charitable or similar purpose shall be distributed pursuant to the Michigan Cooperative Act.

Section 3: Redemption of Investment Certificates

Investment certificates issued pursuant to the Michigan Cooperative Act shall be redeemed according to the terms of the certificates.

ARTICLE VII: AMENDMENTS TO BYLAWS & ARTICLES OF INCORPORATION

Section 1: Amendments

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Amendments to the Bylaws and the Articles of Incorporation shall be adopted by a two-thirds vote of the votes cast by members eligible to vote thereon and shall be adopted in accordance with Article IV, Section 3.

Section 2: Pre-Voting Posting

Proposed amendments to the Bylaws and the Articles of Incorporation shall be duly noticed and voted upon at the Annual meeting or a Special meeting as provided by Article IV herein. Additionally, a copy of the proposed amendment must be posted at least twenty days in advance of the meeting at the Oryana Food Cooperative, along with the time and date of the meeting.

BYLAWS CERTIFICATION AND APPROVAL DATE

This statement certifies that these Bylaws of Oryana Food Cooperative are a true and correct copy, duly adopted and approved according to Bylaws procedures, by the General Membership on the date of April 18, 2024 and will be effective 60 days later on the date of June 17, 2024.

7/2/2024 
Date Secretary's Signature