

VILLAGE COOPERATIVE CORPORATION BYLAWS

ARTICLE I MEMBERSHIP

Section 1. Membership in the Village Cooperative Corporation, hereinafter called the Co-op, is open to Massachusetts residents age 18 or older without prejudice.

Section 2. Membership is established by investment in the Co-op. Members invest by purchasing stock. The amount of investment required of members may be changed from time to time depending on the capital needs of the Co-op, and is set by a vote of the members at a membership meeting, or during the one-week In-Store Voting period following a membership meeting. Members may invest more than the minimum requirement up to the limit set by Massachusetts law. Policies regarding discount structures, working member requirements, and payment plans for investment requirements shall be set by the Board of Directors.

Section 3. The interests of all members in the corporation shall be equal, and members shall have one vote.

Section 4. A shareholder may sell her/his share(s) of stock back to the Co-op at the price at which it was purchased. The Co-op shall redeem these shares within ninety days of written notification of intent to sell.

Section 5. Outstanding shares of stock cannot be sold or traded to any person or entity other than the Village Cooperative Corporation.

ARTICLE II DISTRIBUTION OF PROFITS

Section 1. At least every twelve months, the Board of Directors shall determine if any remaining profits are available for distribution to members and/or employees.

Section 2. Any policy for the distribution of profits to members and/or employees must be approved by a majority vote of the Board of Directors at a regular board meeting.

ARTICLE III MEMBERSHIP MEETINGS

Section 1. There shall be an Annual Meeting of the general membership no later than six months following the end of the fiscal year. Notice of the date, time, purpose, and place, and agenda for the meeting will be given to the members by posting in the store at least thirty days prior to the date of the meeting. A quorum shall be no less than six members.

Section 2. Decisions at meetings of members shall be made by consensus, whereby differing points of view may be reconciled to the satisfaction of all participants. If, in the opinion of two-thirds of members present at the meeting, diligent efforts have been unable to produce a consensus on a matter requiring immediate action, then the issue shall either be resolved through a majority vote or during a one-week In-Store Voting period following a membership meeting (see Article III, Section 3 below). Any decision made by consensus without resort to voting shall be deemed to be inclusive of a vote in any required percentage.

Section 3. In accordance with the decision-making process specified in Article III, Section 2 above, if consensus cannot be reached, the members present at the meeting may also vote by a majority to send an issue to the full membership for “In-Store Voting”. If so voted, In-Store Voting on the issues shall take place in the Co-op for one full week following the meeting, and the full membership shall be given the chance to vote on all issues properly put on the ballot. In-Store Voting shall take place during normal business hours, by ballot during a one-week voting period and, in accordance with State Law, proxy voting will be allowed. The records of the Corporation shall be used to determine valid membership. At the end of this one-week voting period, the Board of Directors, who shall count only valid ballots, will report on the decision of the membership and the results of the election.

Section 4. A special General Meeting may be called by the Board of Directors or by petition of no less than six members of the coop. A quorum shall be no less that six members. Notice of the date, time, and place for the meetings will be given to the members by posting in the store at least thirty days prior to the date of the meeting.

Section 5. As provided by Massachusetts General Law Chapter 156B, Section 41, members may vote in person or by proxy. Proxies must be in writing and dated within six months prior to the meeting. No member present and voting may hold more than two proxies.

ARTICLE IV BOARD OF DIRECTORS

Section 1. The administration of the cooperative corporation shall be delegated to a Board of Directors consisting of no more than eleven members. Directors shall be elected for two year terms during a one-week In-Store Voting period following the Annual Meeting of the general membership, as described in Article III, Section 3. The terms of office of the directors shall be staggered.

Section 2. Nominations for the directors shall be made by petition signed by at least three members of the Co-op. Adequate notice to membership of nomination deadline shall be posted in the store at least sixty days prior to the Annual Meeting. All nominations must be submitted to the principal office of the Co-op at least twenty-four hours prior to the Annual Meeting. Any nominee must have been a member in good standing of the Co-op for at least four months prior to the election and may not be a current employee of the Co-op. The Co-op four month membership requirement may be waived by a majority vote of the sitting Board of Directors. However, any candidate for Board membership must be a Co-op member at the time of election.

Section 3. A Board member may resign at any time by submitting a written resignation. The resignation shall take place immediately without acceptance.

Section 4. Incompetence, unwillingness, and fraud shall be cause for removal of a Board member, or of an officer from his/her position. This may include unexcused lack of attendance at three consecutive Board meetings. A decision to remove a board member or officer must be made by majority vote of the Board or a two-thirds vote of the membership at a meeting thereof, or if the membership meeting should so decide, during a one-week In-Store Voting period following a membership meeting, after the person in question has been notified in writing, and has had adequate time to respond and to be heard by the board.

Section 5. In case of vacancy other than expiration of a term when there are two or more months until the Annual Meeting, the remaining members of the Board of Directors may, at their discretion fill the vacancy. The Board shall elect the new member by majority vote. Any nominee must have been a member in good standing of the Co-op for at least four months prior to the vote of the Board of Directors. The member thus elected will complete the term of the director whose vacancy they fill.

ARTICLE V OFFICERS

Section 1. The Board of Directors shall elect officers from among its own members to serve for one-year terms. The officers shall be President, Vice President, Clerk, and Treasurer.

- A. The President shall ensure that Board of Directors' meetings occur on a regular basis, and general membership meetings occur when so petitioned. The President shall be authorized to sign contracts and other legal documents.
- B. The Vice President shall exercise the powers of the office of President in the event of the absence or illness of the President.
- C. The Clerk shall lead the Board in its responsibility to conduct its organizational business in compliance with the Massachusetts General Laws under which the organization is incorporated. The Clerk shall ensure minutes are taken at all Board of Directors' and general meetings, and that they are filed at the Co-op. The Clerk shall also ensure the completion and filing of the Massachusetts Corporation Annual Report with the Secretary of State. The Clerk shall post or designate someone to post in the store the agenda, time and place for all meetings at least a week prior to the next meeting.
- D. The Treasurer shall lead the Board in its oversight of the financial activity of the organizations. The Treasurer shall be authorized to sign checks, tax returns and other legal documents. The Treasurer may give a Treasurers' report at the Board meeting, as necessary, and at the Annual Meeting.

ARTICLE VI EXECUTIVE COMMITTEE

Section 1. The Executive Committee shall exercise interim or other stated authority of the Board except as to matters involving long-range policies. The Executive Committee shall not operate to relieve the Board of general supervisory responsibilities in the management of the Co-op.

Section 2. The Executive Committee shall consist of the President, Vice President, the Clerk and the Treasurer of the Board. The Executive Committee, in an emergency (as designated by the President) will meet and make decisions by consensus. All such emergency decisions shall be reported to and reviewed by the Board of Directors at its next meeting.

ARTICLE VII BOARD OF DIRECTORS' MEETINGS

Section 1. The Board of Directors shall meet at least bi-monthly, and more often if necessary. Meetings will be called by the President or by someone delegated by the President. A quorum shall be fifty percent of the members of the Board. Each Director shall have one vote. Decisions shall be made by majority vote.

Section 2. Upon petition of ten members of the Co-op any decision of the Board of Directors shall be reconsidered at the next regularly scheduled meeting of the Board.

Section 3. The agenda for each Board meeting will be posted in the store at least a week prior to the next Board meeting. Any member of the Coop may suggest an item to be discussed at a Board meeting. The item will be placed on a meeting agenda, as deemed appropriate by the Board.

ARTICLE VIII EMPLOYEES

Section 1. The Board of Directors shall hire a General Manager who is responsible for the day-to-day operations of the store.

Section 2. The Board of Directors shall set up a Personnel Committee to review employee policy, evaluate the General Manager's performance, and to make recommendations to the Board. The Board, in conjunction with its Personnel Committee, the staff, and the General Manager, will set up a written Personnel Policy designating employees' rights and responsibilities.

ARTICLE IX INDEMNIFICATION

Section 1. Liability: No member or member organizations of the Co-op shall be liable for any indebtedness or obligation of the Co-op in an amount exceeding such member's unpaid current dues, personal accounts payable, and any duly authorized levy or special assessment.

Section 2. Indemnifications: Subject to the limitations in this Article, the Co-op shall indemnify its current and former directors and officers against all losses and expenses, including reasonable attorneys' fees to which they may become subject by reason of their position with the Co-op or their service in its behalf. Such indemnification shall apply whenever such a person is a party or is threatened to be made a party to any action, suit, or proceeding, whether civil, criminal, administrative, or investigative. Such indemnification shall include direct payment or settlement of liabilities and potential liabilities, Payment of expenses incurred in defending a suit or proceeding in advance of its final disposition may be made only upon receipt by the Co-op of a contractual undertaking by or on behalf of such person to repay such amounts unless the person shall be determined to be entitled to indemnification under this article.

Section 3. Limitations: Indemnifications shall only be provided if the person is determined to have acted in good faith and in the reasonable belief that his or her actions was in the best interests of the Co-op, or, in regard to criminal actions, that such person had no reasonable cause to believe that his or her actions was unlawful. If such determination is not made in a legal proceeding related to the claim, it may be made by a quorum of disinterested directors or by independent legal counsel selected by such quorum. If it is not made by either of these, the determination shall be made by independent legal counsel selected at a membership meeting. In any action by or in the right of the Co-op or in which such person is charged with receiving an improper personal benefit, indemnification shall be provided only to reasonable expenses and only if the person is not adjudged liable to the Co-op on such basis.

Section 4. Payments: Indemnification payments and advances of expenses shall be made only in such increments and at such times as will not jeopardize the ability of the Co-op to pay its other obligations as they become due. All such payments made shall be reported in writing to members with or before the notice of the next membership meeting.

ARTICLE X AMENDMENT OF BYLAWS

Section 1. Amendments to bylaws can be introduced by the Board of Directors or a petition of ten members, to be voted and approved at a general membership meeting, or if the membership meeting should so decide, during the one-week In-Store Voting period following a membership meeting, by a two-thirds majority vote.