

**AMENDED AND RESTATED  
BYLAWS of  
WHOLE FOODS COMMUNITY CO-OP, INC.  
Duluth, Minnesota**

**Article I: Organization**

1.1 Name: The name of the organization shall be Whole Foods Community Co-op, Inc. (the "Cooperative").

1.2 The Cooperative shall be owned by its members (referred to as "owners" in these Bylaws as further defined below in Section 2.3) and shall operate in accord with purpose set out in Article II of the Articles of Incorporation for the mutual benefit of its owners.

**Article II: Ownership**

2.1 **Eligibility:** Ownership in the Cooperative shall be open to any individual over the age of eighteen who is in accord with the Cooperative's purposes and is willing to accept the responsibilities of ownership.

2.2 **Nondiscrimination.** Ownership shall be open without regard to any characteristic that does not directly pertain to a person's eligibility.

2.3 **Admission.** Any eligible person 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 ("the Board"). The Board shall review applications for membership. Upon the Board's approval of an application, and the payment of the applicable equity investment in the capital stock of the Cooperative, the applicant shall be an owner of the Cooperative. The owner identified in the application as the "primary owner" of such membership may identify up to three additional persons as household owners (each an "owner" and collectively "owners"). The Board shall adopt and implement a method or methods, including but not limited to such mechanisms as scholarships, sponsorships, and matching funds, to encourage the participation of persons of restricted income as owners of the Cooperative to the greatest extent possible. Each owner shall have access to the Cooperative's Articles of Incorporation and Bylaws.

2.4 **Rights.** 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 primary owner shall have one vote and no more on all matters submitted to owners. The rights of owners shall apply only to active owners in good standing. All rights and responsibilities of 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.

2.5 **Responsibilities.** 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. An owner who upholds these responsibilities is considered an active owner in good standing.

**2.6 Termination of Ownership.** An owner may terminate his or her ownership voluntarily at any time by written notice to the Cooperative. An owner's membership shall terminate automatically if an owner dies; in the event an owner who dies is a member of a household, the membership shall transfer to the next named member of such household as indicated on the owner application. Ownership may be terminated involuntarily by the Board for cause after the 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 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.

**2.7 Return of Equity.** Equity may be returned upon termination of ownership 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.

**2.8 Unclaimed Equity.** If an owner voluntarily or involuntarily terminates ownership in the Cooperative, and fails to inform the Cooperative of such owner's mailing address, then the equity and patronage dividend amount allocated to that owner will be forfeited to the Cooperative. The right of an owner to unclaimed equity held by the Cooperative is extinguished when the Cooperative disburses the equity to a tax-exempt organization if: (i) the Cooperative mails notice that payment is available to the last known address of the owner shown on the records of the Cooperative; or (ii) if the address is unknown, the Cooperative publishes notice in its official publication.

**2.9 Non-transferability.** Ownership rights and owner equity may not be transferred in any manner other than as permitted under Section 2.6 above, unless approved by the Board.

### **Article III: Owner Meetings and Decision Making**

**3.1 Annual Meeting.** The annual meeting of owners shall be held within four (4) months after the close of the Cooperative's fiscal year, at such time and place as 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 Board may call special meetings of the ownership. The Board shall call a special meeting if presented with a written petition stating a proper purpose and signed by 20% of active owners. Notice of special meetings shall be issued to 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.** The secretary shall provide owners notice of the date, time, place, and purpose of each meeting of the owners by publication in a magazine or newsletter regularly published by or on behalf of the Cooperative and circulated generally among its owners at least two (2) weeks before the date of the meeting, or by mailing (by U.S. mail) to each owner at such owner's last known address not less than fifteen (15) days prior to the date of the meeting. After mailing special or regular owner meeting notices, the secretary shall execute a certificate containing a correct copy of the mailed or published notice, the date of the notice, and a statement that the notice was mailed or published in accordance with Minnesota law. This notice shall be made a part of the record of the owner meeting.

**3.4 Voting.** The Board may authorize voting by mail and/or by electronic means on all matters on which the owners are entitled to vote. The secretary shall provide owners with notice of the vote by publication in a magazine or newsletter regularly published by or on behalf of the Cooperative and circulated generally among its owners at least two (2) weeks before the end of the voting period, or by mailing (by U.S. Mail) to each owner at such owner's last known address, not less than fifteen (15) days prior to the end of the voting period. Each primary owner shall have no more than one vote, regardless of number of shares owned. No owner shall be allowed to vote by proxy. Voting by mail or other means as approved by the Board shall be allowed upon all matters on which owners are entitled to vote. 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 owners voting thereon.

**3.5 Quorum.** At any meeting of the owners, or for any vote of the owners, a quorum necessary for decision-making shall be 10% of the total number of owners or 100 owners, whichever is less.

**3.6. Presiding Officer.** The President of the Cooperative, or his or her designee, shall preside at all meetings of the owners and the Board.

**3.7 Order of Business.** The order of business at the annual and, so far as practicable, at all other meetings of the owners shall be

- (a) Proof of Notice of Meeting
- (b) Determination of a quorum and right to vote by owners
- (c) Reading and approval or waiver of minutes of last meeting
- (d) Reports of officers and committees
- (e) Unfinished business
- (f) New business
- (g) Remarks for the good and welfare of the Cooperative
- (h) Adjournment.

**3.8 Annual Report.** A report covering the Cooperative's business for the previous fiscal year shall be submitted to the owners within (4) months after the close of the fiscal year.

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

**4.1 Powers and Duties.** The Board shall be composed of nine Directors. Except for matters for which owner voting is required, the Board shall have full power to govern the Cooperative, including, but not limited to, hiring management, establishing compensation, if any, for the Board, and assuring that the mission of the Cooperative is articulated and carried out.

**4.2 Eligibility.** To be eligible to serve as a Director, a person must be a primary owner of the Cooperative in good standing. A person with a conflict of interest with the Cooperative or other factor that is determined to by the Board or its Candidate Eligibility Committee to be so continuing and pervasive that such person would be unable to effectively fulfill the responsibilities of a director with the Cooperative shall not be qualified to run or serve as a director. No more than two (2) of the total number of directors serving at any given time shall be employees of the Cooperative, or shall have been an employee of the Cooperative during the past 12-month period immediately preceding the then current submission deadline for Board candidate applications. In the event any Director chooses to become an employee of the Cooperative during such Director's term, then such Director must resign from the Board.

**4.3 Terms and Elections.** Directors shall be elected annually to terms of three (3) years, in a manner prescribed by the Board. Directors shall serve staggered terms, such that approximately one-third of the directors shall be elected each year. If any director shall cease to be an owner, his or her office shall be automatically vacated. No director may serve more than three (3) consecutive three-year elected terms, plus any partial term served to fill a vacancy. Upon the expiration of such terms, an owner shall not be eligible for election to the Board until the next annual election of Directors by the owners.

**4.4 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 owners in accordance with the petition and voting provisions of these bylaws, in which case the owners may elect a Director to fill such vacancy until the next annual election of Directors by the owners; the candidates with the highest vote totals shall get three-year terms, and the candidate(s) with the next-highest vote total(s) shall fill the vacated seat(s) for the remainder of the term(s).

**4.5 Vacancies.** The Board, in its reasonable discretion, may fill any vacancy in the Board, to serve on the Board until the next annual election of Directors by the owners, except in the event the vacancy is due to removal of a Director by the owners, in which case the owners may fill such vacancy as described above in Section 4.4.

**4.6 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 owners. Attendance at any meeting constitutes waiver of notice of that meeting. Meetings shall be open to all 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.

**4.7 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 or transmitted electronically by each

director and filed with the Minutes. The action is effective when affirmed by all of the Directors, unless a different effective time is provided in the action.

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

**4.9 Conflicts 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 owners generally do business with the Cooperative or under other conditions that are procedurally defined to avoid preferential treatment.

**4.10 Officers.** The Board shall meet within thirty (30) days after the annual election of directors by the owners and shall elect by and from their number a president, one or more vice presidents, a secretary, and a treasurer. The offices of secretary and treasurer may be combined and, when so combined, shall be termed the secretary-treasurer. Officers shall hold office until their successors shall have been elected and qualified. Responsibilities of the Officers shall be those set forth in the policies of the Board.

**4.11 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.

**4.12 Compensation.** Compensation for directors shall be determined by resolution of the Board. Compensation and/or expense reimbursement to directors shall not constitute payments to them as employees.

## **Article V: Patronage Dividends**

**5.1 Allocations to owners.** The Cooperative shall allocate and distribute to 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; distributions may be issued in cash or equity (Class B Stock) or any combination thereof. In the event the Cooperative distributes a patronage dividend for cash by check, each owner agrees that if such owner does not cash such patronage dividend check within 120 days of the date on which it was issued by the Cooperative, the Cooperative shall have the right to treat such patronage dividend amount as unclaimed equity and follow the procedures set forth Section 2.8.

**5.2 Tax Consent of owners.** By obtaining or retaining ownership in the Cooperative, each 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 and Liquidation**

**6.1 Asset Distribution.** The Cooperative may be dissolved or liquidated upon by court order or a decision of the Board and a two-thirds (2/3) vote of the 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

*Approved by Membership vote as of October 20, 2020*

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 owners who participate in the vote. An amendment may be proposed by decision of the Board or by petition of at least twenty percent (20%) of active owners. The proposed amendment shall be publicized to the ownership 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.

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