

<p style="text-align: center;">BY-LAWS EAST END FOOD CO- OPERATIVE, INC. [2011/ current]</p>	<p style="text-align: center;">BYLAWS EAST END FOOD CO- OPERATIVE, INC. [2020 Suggested Changes]</p>	<p style="text-align: center;">EXPLANATIONS OF PROPOSED 2020 CHANGES</p>
<p>ARTICLE I: ORGANIZATION</p> <p>1.1 Name. The name of the organization shall be East End Food Co-operative, Inc., and shall be referred to herein as “EEFC” or “the Co-op”.</p> <p>1.2 Purpose; Effective Date; State of Domicile; and Relevant Law. These By-Laws shall take effect upon the acceptance of the EEFC Articles of Domestication by the Pennsylvania Department of State, Corporation Bureau. As of that date, EEFC shall be domiciled in the Commonwealth of Pennsylvania, with the purpose to conduct all lawful business authorized by and subject to the domestic corporation provisions of the Pennsylvania Cooperative Corporation Law of 1988, and the applicable domestic corporation provisions of the Pennsylvania Nonprofit Corporation Law of 1988.</p> <p>1.3 Fiscal year. The fiscal year of the Co-op shall run for a period of 52 or 53 weeks, ending on the Sunday nearest to June 30, resulting in a 53 week period every sixth year.</p> <p>ARTICLE II: MEMBERSHIP</p>	<p>1.1 Name. The name of the organization shall be East End Food Co-operative, Inc., and shall be referred to in these bylaws as “EEFC.”</p> <p>1.2 Purpose; Effective Date; State of Domicile; and Relevant Law. These bylaws shall take effect upon approval of the members. As of that date, EEFC shall be domiciled in the Commonwealth of Pennsylvania, with the purpose to conduct all lawful business authorized by and subject to the domestic corporation provisions of the Pennsylvania Cooperative Corporation Law of 1988, and the applicable domestic corporation provisions of the Pennsylvania Nonprofit Corporation Law of 1988.</p>	<p>*Spelling of “by-laws” regularized to “bylaws” throughout.</p> <p>*”his or her” and “his/her” changed to “their” and “he or she” changed to “they” throughout.</p> <p>*Spelling and capitalization errors fixed throughout.</p> <p>1.1 a) Abbreviation simplified to only EEFC.</p> <p>b) All references to “the Co-op” changed to EEFC throughout.</p> <p>1.2 Removes the obsolete expectation that these bylaws updates need to be filed with the state to take effect.</p>

<p>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.</p> <p>2.2 Nondiscrimination. Membership shall be open without regard to any characteristic that does not directly pertain to a person’s eligibility.</p> <p>2.3 Admission. Any eligible individual 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 (referred to herein as the “Board”).</p> <p>2.4 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. Equity investments not claimed within one year of termination of membership shall be subject to forfeiture to the Co-op.</p> <p>2.5 Rights. Members have the right to elect the Co-op’s Board, to attend meetings of the Board, to receive notice of and attend membership meetings and to approve amendments to these by-laws. Other than the rights specified herein, management of the Co-op shall be vested in the Board. A member who has not fully paid his or her financial obligations to the Co-op shall not be eligible to be elected as a director, or to serve as a director, but shall otherwise</p>	<p>2.1 Eligibility. Membership in EEFC shall be open to any individual or household who is in accord with its purposes and is willing to accept the responsibilities of membership. Each membership number can only be used once in any given governance action (vote, petition, referendum, serving on the Board).</p> <p>2.3 Admission. Any eligible individual or household 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 (referred to herein as the “Board”).</p> <p>2.5 Rights. Members have the right to elect EEFC’s Board, to attend meetings of the Board, to serve on advisory committees to the Board, to vote on referenda, to receive notice of and attend membership meetings and to approve amendments to these bylaws. Other than the rights specified herein, management of EEFC shall be vested in the Board. Any member who is current on payments shall have the membership rights set forth in this section.</p>	<p>2.1 Membership eligibility is expanded to included households (reflecting current practice).</p> <p>2.3 Reflects above change.</p> <p>2.5 Member rights clarified to include a) serving on board committees (See <i>also</i> 4.13) b) and voting on referenda. (See <i>also</i> 3.2-3.6) c) Members who are on a payment plan and current on payments may serve on the board. (See <i>also</i> 4.17)</p>
---	--	--

<p>have the membership rights set forth in this section.</p> <p>2.6 Responsibilities. In addition to any qualification for membership established by law or by the articles of incorporation, in order to acquire and maintain membership in good standing, a person shall purchase, or subscribe to purchase, such amount of share capital as is determined by the Board of directors. A member who becomes delinquent by thirty days in meeting his or her financial obligations shall be placed into inactive status, and his or her membership may be terminated in accordance with Section 2.7. In order to maintain active membership in the Co-op, members shall keep current in equity investments due to the Co-op, shall keep the Coop informed of any changes in name or current address, and shall abide by these by-laws and the decisions of the membership or the Board. References in these bylaws to the rights of members shall be understood to refer only to active members in good standing.</p> <p>2.7 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 only: (a) for failure to pay fees, dues and assessments, in accordance with Section 2.6; or (b) for other cause by vote of the Board after a hearing; or to the extent the Board delegates the matter, then by vote of the Executive Committee, or by a vote</p>	<p>2.6 Responsibilities for Maintaining Membership in Good Standing. In addition to any qualification for membership established by law or by EEFC's articles of incorporation or bylaws, in order to acquire and maintain membership in good standing, a person shall purchase, or subscribe to purchase, such amount of share capital as is determined by the Board. In order to maintain membership in good standing with EEFC, members shall keep current in equity investments due to EEFC, shall keep EEFC informed of any changes in name or current address, and shall abide by these bylaws and the decisions of the membership or the Board.</p> <p>2.7 Inactive Status. A member who is delinquent in meeting their financial obligations to EEFC shall not be considered to be a members in good standing and shall not be entitled to the rights of membership as described in these bylaws, including the right to vote, to petition, to serve on the Board, etc. and shall be considered to have inactive status.</p> <p>2.8 Termination of Membership. A member may terminate their membership voluntarily at any time by written notice to EEFC. Membership may be terminated involuntarily only for cause, by vote of the Board after a hearing. The member against whom charges are brought shall be informed thereof in writing at least fourteen (14) days in advance of the meeting, and shall have the opportunity to be heard at such meeting either in person or by counsel. Upon</p>	<p>2.6</p> <p>a) Removes concept of "active members" and clarifies the requirements for membership in good standing.</p> <p>b) Removes 30 day grace period to streamline process. (People already have three months to pay.)</p> <p>2.7 Separates out the parts of 2.6 that referred to "inactive status" for clarity.</p> <p>2.8</p> <p>a) Removes possibility of termination of membership for delinquency of payments. Reflects current practice of holding such accounts as inactive. (See also 2.6)</p> <p>b) Removes failure to shop at the store for 3 years as a reason for involuntary termination. (Allows people to remain governing members, even if they move away, reflecting current practice).</p> <p>c) Extends notice required for involuntary termination from 3 to 14</p>
--	--	---

<p>of such other committee, as may be determined by the Board. The member against whom charges are brought shall be informed thereof in writing at least three (3) days in advance of the meeting, and shall have the opportunity to be heard at such meeting either in person or by counsel. Upon termination of membership, all rights and interests of such person in the co-op shall cease, except for rights to redemption of shares and redemption of retained patronage dividends. A member who remains delinquent in equity investment for more than one (1) year or who fails to patronize the Co-op for three (3) consecutive years shall, upon notice by the Co-op, be considered to have voluntarily terminated membership. Voluntary termination of membership under this section shall not preclude a person from again applying for membership in the Co-op at a later time.</p> <p>2.8 Nontransferability. Membership rights and interests may not be transferred to any person.</p> <p>2.9 Access to information. Members shall be provided reasonably adequate information as to the organiaffairs of the Co-op at reasonable times and for proper purposes, with appropriate limitations as determined by the Board.</p> <p>2.10 Settlement of disputes. In any dispute between the Co-op and a member or former member that involves normal membership transactions and that cannot be resolved through informal negotiation, it shall be the policy of the Co-op to use mediation whereby an impartial mediator may</p>	<p>termination of membership, all rights and interests of such person in EEFC shall cease, except for rights to redemption of shares and redemption of retained patronage dividends. Voluntary termination of membership under this section shall not preclude a person from again applying for membership in EEFC at a later time.</p> <p>2.10 Access to Information. Members shall be provided reasonably adequate information as to the organizational affairs of EEFC at reasonable times and for proper purposes, with appropriate limitations as determined by the Board.</p> <p>2.11 Settlement of Disputes. In any dispute between EEFC and a member or former member that cannot be resolved through informal negotiation, it shall be the policy of EEFC to use mediation whereby an impartial mediator may facilitate negotiations between the parties and assist them in developing a mutually acceptable</p>	<p>days to allow member time to prepare to defend themselves. (This does not preclude EEFC from banning them from the store in the meantime).</p> <p>2.10 Fixes typo "organiaffairs" → "organizational affairs"</p> <p>2.11 Extends policy of trying mediation before litigation to all conflicts between members and EEFC, not just those "involv[ing] normal membership transactions."</p>
--	---	--

<p>facilitate negotiations between the parties and assist them in developing a mutually acceptable settlement. No party with a grievance against the other shall have recourse to litigation until the matter is submitted to mediation and attempted to be resolved in good faith.</p> <p>ARTICLE III: MEMBER MEETINGS</p> <p>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 policy issues that vitally affect the Co-op, and to transact such other business as may come before the meeting.</p> <p>3.2 Special Meetings. The Board shall cause a special meeting of the membership to be called upon either a majority vote of the Board, or the written petition of at least ten percent (10%) of members. The notice of meeting shall be issued within thirty (30) days after the presentation of the petition to the Board. No business shall be conducted at that special meeting except that specified in the notice of meeting.</p>	<p>settlement. No party with a grievance against the other shall have recourse to litigation until the matter is submitted to mediation and attempted to be resolved in good faith.</p> <p>3.1 Annual Meeting. A membership meeting shall be held during the first half of the fiscal 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, receive a written annual report which includes a balance sheet and income statement, to meet Board candidates (and then to have the election cycle close within a reasonable amount of time after the meeting), to review policy issues that vitally affect EEFC, and to transact such other business as may come before the meeting.</p> <p>3.2 Special Meetings and Referenda. The Board shall cause a special meeting (any meeting other than the annual meeting) of the membership to be called upon either a majority vote of the Board, or the written petition of at least 500 members. The notice of meeting shall be issued within thirty (30) days after the presentation of the petition to the Board and the meeting itself shall be held within sixty (60) days of the presentation of the petition, unless the petitioners request or consent to a later date. No business shall be conducted at that special meeting except that specified in the notice of meeting. Such meetings can be for discussion only, but if a</p>	<p>3.1 Specifies that Annual Meeting must be held in first half of the fiscal year (July-December) and that it must include the presentation of an annual report with financials and the introduction of the board candidates.</p> <p>3.2</p> <p>a) States explicitly that members can vote on referenda at Special Meetings (implied before).</p> <p>b) Changes the number of members required to petition the board to 500 (not 10%).</p> <p>c) Stipulates that meetings must be held within 60 days of a petition if requested.</p> <p>d) Suggests that referenda be conducted along with board elections whenever possible.</p>
---	---	---

<p>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 mailed to members not less than four (4) weeks prior to the date of the meeting, provided however that the Board may determine to use notice by publication in lieu of mailing meeting notices to the members.</p> <p>3.4 Quorum. At any annual or special members' meeting, a quorum necessary for the transaction of business shall be ten percent (10%) of the total number of members if the Co-op has 500 or fewer members; or the lesser of five percent (5%) or one hundred fifty (150) if the Co-op has more than 500 members. In determining a quorum at a meeting, on a</p>	<p>vote is to come before the members it shall be considered a referendum. Whenever possible, referenda should be conducted to align with the board election to reduce the administrative burden.</p> <p>3.3 Member Input. Members have the right to weigh in on decisions that change the fundamental nature and culture of EEFC. Whenever an issue seems to rise to this level, the Board and staff should seek member input through meetings, surveys, and referenda, as deemed appropriate for the situation.</p> <p>3.4 Notice of Meetings. Notice of the date, time, place and purpose of each meeting of the membership shall be posted in at least one conspicuous place in the store, published on social media, and emailed or mailed to members who have chosen that method of communication, not less than four (4) weeks prior to the date of the meeting. Individual notification for governance issues will be primarily by email, but members will be given the option of choosing to be notified by postal mail when they become new members, and current members can opt-in to paper mailings at any time.</p> <p>3.5 Quorum. At any annual or special members' meeting there is no quorum for discussion. A quorum of one hundred fifty (150) participants is required for any referendum (any question submitted to a vote) to pass. In determining a quorum for a referendum, members present in person or represented by electronic or paper votes shall be counted.</p>	<p>3.3. New section affirming the members right to input on major changes.</p> <p>3.4 a) Mentions social media as a necessary component of notification. b) Releases the co-op of the requirement to do paper mailings to all members and replaces it with the default of email notification with the option to choose paper mailings at any time.</p> <p>3.5 Removes percentage calculations and reaffirms 150 as quorum for all co-op votes.</p>
--	--	--

<p>question submitted to a vote by mail, members present in person or represented by mail vote shall be counted. The attendance of a sufficient number of members to constitute a quorum shall be established by a registration of the members present in person or by mail ballot at the meeting.</p> <p>3.5 Voting. Each membership shall have only one vote. There shall be no proxy voting on any matter.</p> <p>3.6 Voting by mail. For a period of at least one month prior to the annual membership meeting, and for a period of at least one month prior to any special membership meeting at which members will vote, the Co-op shall provide members with an opportunity to vote by absentee ballot, either by mail or at a location or locations, as determined by the Board. Absentee ballots shall be mailed to all members and shall also be available at a location or locations, as determined by the Board. Absentee balloting procedures shall be determined by the Board. Absentee votes shall be counted together with votes cast at a meeting for a total vote count on any issue.</p> <p>ARTICLE IV: BOARD OF DIRECTORS</p> <p>4.1 Powers, Duties and Terms. The Board shall be composed of nine members, elected from among the fully-paid members of the Co-op. One of the nine directors may be elected from the staff, by the membership, if there is a candidate available. A staff member must compete in the same manner as all other members in order to be</p>	<p>3.6 Voting. Each membership shall have only one vote. There shall be no proxy voting on any matter. A vote of the membership will be considered binding, unless a vote has been specified as advisory throughout the process or unless quorum has not been reached. EEFC shall provide members with at least one month to vote by electronic and/or paper ballot at a location or locations, as determined by the Board. All such votes shall be counted together with votes cast at a meeting for a total vote count on any issue.</p> <p>4.1 Powers, Duties and Terms. The Board shall be composed of nine members elected from among the governing members of EEFC. An additional, optional, tenth Board seat will be reserved for a staff member who will be elected only by the staff members, if candidates are available. The Board shall have full power to govern EEFC, including, but not limited to, hiring</p>	<p>3.6</p> <p>a) Clarifies that membership votes are binding unless specified otherwise.</p> <p>b) Removes section on “Voting by Mail” which is now obsolete and replaces the concept of absentee ballots with the option to vote by electronic or paper ballot on any issue that is brought for a vote.</p> <p>4.1</p> <p>a) Introduces a one-year seat reserved for staff and voted on only by staff, if candidates are available. (See <i>also</i> 4.2 and 4.9)</p> <p>b) Clarifies that the board only hires the GM, not “management.”</p> <p>c) Reinstates the idea that maintaining communication with members is a board responsibility (removed in 2011 revisions).</p>
---	---	---

<p>elected. In order to be elected as a director, an eligible staff member candidate must receive sufficient votes in the membership balloting, which places the staff member candidate among the top three (3) ballot totals. Only one staff member may serve on the Board at any given time. The Board shall have full power to govern the Co-op, including, but not limited to, hiring management and evaluating its performance, approving budgets and fiscal controls, borrowing money and granting security therefore, ensuring fair and equitable conditions of employment, leadership in the realm of long range policy, and assuring that the mission of the Co-op is carried out. Board members shall serve a term of three (3) years. Directors' terms shall be staggered, so that three directors' terms expire each year on a rotating basis. Each director shall hold office until a successor is elected or until the director resigns or is removed.</p>	<p>the General Manager and evaluating their performance, approving budgets and fiscal controls, borrowing money and granting security therefore, ensuring fair and equitable conditions of employment, leadership in the realm of long range policy, maintaining communication with members with the assistance of staff, and assuring that the mission of EEFC is carried out. Board members shall serve a term of three (3) years, except for the designated staff seat, which shall be a one (1) year term. Directors' terms shall be staggered, so that three directors' terms expire each year on a rotating basis. Each director shall hold office until a successor is elected or until the director resigns or is removed.</p> <p>4.2 Staff Board Seat(s). The election for the staff seat voted on by staff members will occur at the same time as the general election, but through a separate election process. Staff members are eligible to vote in both elections. If no staff choose to run the seat will remain vacant until the following election. The designated staff seat cannot be filled by anyone who reports directly to the Board or anyone who reports directly to the General Manager. Up to two of the remaining nine directors may be elected from the staff, by the membership, if there are candidates available. These staff members must compete in the same manner as all other members in order to be elected. Staff are not eligible to be President or Treasurer. If a staff member serving in the one-year staff seat is no longer employed at</p>	<p>4.2</p> <p>a) Increases the total number of possible staff members on the board from one to three.</p> <p>b) Excludes the GM and managers from running for the designated staff seat.</p> <p>c) Limits the officer roles available to staff to Vice President and Secretary.</p> <p>d) Clarifies that staff serving a regular three year term can continue to serve as lay members if they are no longer employed at the store.</p>
--	---	--

<p>4.2 Meetings. Regular meetings of the Board shall be held at a time and place as the Board shall determine. A special meeting of the Board shall be convened at the discretion of the President, or within two weeks upon receipt of a written request by at least three (3) members of the Board to the President. One or more directors may participate in a meeting of the Board, or a meeting of any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting by means of conference telephone or similar communications equipment shall constitute presence in person at the meeting. No notice shall be required for regularly scheduled meetings, but directors shall receive from the secretary at least five days written notice or three days notice delivered in person or by direct telephone contact of the time and place of special meetings. Attendance at Board meetings is open to the general membership,</p>	<p>the Co-op, they must vacate their seat. If a staff member serving a regular three-year term is no longer employed at the Co-op, they may continue to serve.</p> <p>4.3 Uncontested Elections. In the event of an uncontested election, the cooperative's then-existing board of directors shall designate the uncontested, qualified candidates as directors. The cooperative shall give notice to membership of the names and qualifications of the new directors.</p> <p>4.4 Meetings. Regular meetings of the Board shall be held at a time and place as the Board shall determine. A special meeting of the Board shall be convened at the discretion of the President, or within two weeks upon receipt of a request by at least three (3) members of the Board to the President. One or more directors may participate in a meeting of the Board, or a meeting of any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting by means of conference telephone or similar communications equipment shall constitute presence in person at the meeting. No notice shall be required for regularly scheduled meetings, but directors shall receive at least five days written notice or three days notice delivered in person or by direct telephone or email contact of the time and place of special meetings. Attendance at regularly scheduled Board meetings is open to the general membership and members</p>	<p>4.3 Introduces a procedure for uncontested elections. (We have had 2 in the last 10 years).</p> <p>4.4</p> <p>a) Eliminates the requirement that a special board meeting be requested in writing.</p> <p>b) Eliminates the requirement that notice come only from the Secretary.</p> <p>c) Strengthens the statement that members will be given time to speak at board meetings.</p>
---	---	---

<p>but the Board in its sole discretion may limit member participation. The Board may meet in closed session when it determines that such a session is appropriate.</p> <p>4.3 Board Quorum. A majority of the current Board members shall constitute a quorum.</p> <p>4.4 Conflicts of Interest. Directors shall be under an affirmative duty to disclose their actual or potential</p>	<p>will be given time to speak, but the Board may limit participation by lay members at its discretion.</p> <p>4.5 Closed Session. In order to maintain transparency and keep the membership appropriately informed, closed session should be used judiciously by the Board. Topics for closed session are limited to discussions of personnel issues, confidential real estate information, crisis management and litigation. The purpose for going into closed session should be stated with reasonable specificity during open session and in the minutes. Substantive votes should be taken in closed session only if the board votes that the matter is confidential or cannot wait until the next public meeting, in which case, any votes taken must be published in the minutes.</p> <p>4.6 Working Meetings. The Board may meet outside of public meetings for the purpose of conducting committee or full-board meetings, but the topics discussed in these meetings should be summarized at the following public meeting. Substantive votes should be taken in working meetings only if the Board votes that the matters is confidential or cannot wait until the next public meeting, in which case, any votes taken by the Board must be included in the published minutes.</p> <p>4.8 Conflicts of Interest. Directors shall be under an affirmative duty to disclose their actual or potential conflicts of interest in any matter</p>	<p>4.5 Adds restrictions to the unlimited use of closed session. (Mentioned in last sentence of previous paragraph in current version).</p> <p>4.6 Acknowledges the board's practice of having working meetings and limits voting at such meetings.</p> <p>4.8 Clarifies that staff on the board are not automatically seen to have conflicts of interest in their role on the board.</p>
--	---	---

<p>conflicts of interest in any matter under consideration by the Board or a committee. Directors having such an interest may not participate in the decision of the matter nor, unless the Board or committee otherwise directs, in the discussion of the matter.</p> <p>4.5 Vacancies. Any vacancy among Directors elected by the members may be filled by appointment by the Board, if the vacancy is burdensome. A Director so appointed to fill a vacancy shall serve with the terms being filled from longest to shortest according to vote count from highest to lowest.</p> <p>4.6 Officers. The Board will designate officers according to the requirements of state law and as necessary for the effective conduct of Board business.</p> <p>4.7 Indemnification. Every person who was or is a party or is threatened to be made a party to or is involved in any action, suit, proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person, or another of whom the person is or was the legal representative, is or was a director, officer, employee, volunteer or agent of the Co-op shall be indemnified and held harmless to the fullest extent permissible under the law against all expenses, liability, and loss (including attorney's fees),</p>	<p>under consideration by the Board or a committee. Directors having such an interest may not participate in the decision of the matter nor, unless the Board or committee otherwise directs, in the discussion of the matter. Staff on the board are not presumed to have an inherent conflict of interest on any topic, including the evaluation of the General Manager.</p> <p>4.9 Vacancies. A vacancy among Directors elected by the members may be filled by appointment by the Board, if the vacancy is burdensome. A Director so appointed to fill a vacancy shall serve until the following election with the terms being filled from longest to shortest according to vote count from highest to lowest. A vacant staff seat shall be filled by a staff election, if there are candidates available.</p> <p>4.10 Officers. The Board will designate officers as necessary for the effective conduct of Board business.</p>	<p>4.9</p> <p>a) Allows appointments only until the following election, rather than for full term (in keeping with the practice of many other food co-ops).</p> <p>b) Allows staff to vote to replace a director who has stepped down from the one-year staff seat.</p> <p>4.10 Removes the inaccurate mention of state law requirements.</p>
--	--	---

judgments, damages, punitive damages, fines, and amounts paid or to be paid in settlement reasonably incurred or suffered by the person in connection therewith), so long as such person acted in good faith and in a manner he or she reasonably believed to be within the scope of his or her authority and for a purpose that person reasonably believed to be in, or not opposed to, the best interests of the Co-op and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Such right of indemnification shall not be exclusive of any other right which such directors, officers, employees, volunteers or agents may have or thereafter acquire and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any bylaw, agreement, provision of law, or otherwise, as well as their rights under this Section. The Co-op shall be entitled to purchase insurance for such indemnification, as determined from time to time by the Board.

4.8 Directors Not Personally Liable. To the fullest extent that the laws of the Commonwealth of Pennsylvania as in effect on the date of the adoption of this section or as such laws are thereafter amended, permit elimination or limitation of the liability of Directors, no Director of the Co-op shall be personally liable as such for monetary damages for any action taken, or any failure to take action, as a Director. Specifically, a Director shall not be personally liable for monetary damages,

unless (1) the Director has breached or failed to perform the duties of his/her office and (2) the breach or failure to perform constitutes self-dealing, willful misconduct, or recklessness. Any amendment or repeal of this section or adoption of any other provision of these Bylaws or the Co-op's Articles of Incorporation which has the effect of increasing Director liability shall operate prospectively only and shall not have any effect with respect to any action taken, or failure to act, prior to the adoption of such amendment, repeal, or other provision. In performing his/her duties, a Director may rely in good faith upon information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by (a) one or more officers or employees of the Co-op whom the Director reasonably believes to be reliable and competent in the matters presented, or (b) counsel, public accountants, or other persons as to matters with the Director whom the Director reasonably believes to be within the professional or expert competence of such person, or (c) a committee of the Board of Directors or Co-op upon which the Director does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence. A Director shall not be considered to be acting in good faith, however, if such Director has knowledge concerning a matter which would cause his/her reliance on any of the foregoing to be unwarranted. In discharging the duties of their respective positions,

<p>the Board of Directors, committees of the Board of Directors and Co-op, and individual Directors may, in considering the best interests of the Co-op, consider the effects of any action upon employees, upon suppliers of the Co-op, and upon communities in which offices or other establishment of the Co-op are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of such person's fiduciary standard of care. In addition, absent breach of fiduciary duty, lack of good faith, or self-dealing, actions taken by a Director or failure to take action shall be presumed to be in the best interests of the Co-op.</p> <p>4.9 Committees. The Board shall have the power to establish committees composed of Board members with such powers as are designated by the Board.</p> <p>4.10 Removal. A member of the Board may be removed by a two-thirds vote of the Co-op's membership whenever the best interests of the Co-op would be served by doing so, provided the director has been given the opportunity to be heard. A member of the Board may be removed by action of the Board for cause at a regular or special Board meeting by a vote of two-thirds of all Board</p>	<p>4.13 Committees. The Board shall have the power to establish committees composed of Board members, lay members, and staff, with such powers as are designated by the Board. All committees are advisory, unless specifically designated otherwise. The board may vote to bar member participation on specific committees entrusted with confidential or sensitive matters. All committee members are expected to uphold the same Code of Conduct as the Board.</p> <p>4.14 Removal. A member of the Board may be removed by a vote of EEFC's membership provided the director has been given the opportunity to be heard, following the procedure for any other Special Meeting/Referendum. A member of the Board may be removed by action of the Board for cause by a vote of two-thirds of all Board members. Any action requires that the Board member subject to removal be given one month's</p>	<p>4.13</p> <ul style="list-style-type: none"> a) Allows lay members and staff to serve on board committees. b) Clarifies that the default is that committees are advisory to the full board. c) Gives the board discretion to limit member participation in confidential matters. d) Asks that all committee members uphold the board's Code of Conduct regarding confidentiality, conflict of interest, etc. <p>4.14</p> <ul style="list-style-type: none"> a) Brings the process for removing a board member by the membership into alignment with all other special meetings & referenda. (See also 3.2-3.6) b) Provides an opportunity for a board member who is targeted for removal to have said vote in public if they so choose. c) Clarifies that board members who have been removed from the board may still run in future
---	--	---

<p>members. Board members shall be obligated to the best of their ability to attend all Board meetings. A director who misses three Board meetings in one fiscal year, shall be considered to have automatically resigned from the Board.</p> <p>4.11 Action without a meeting. Actions of the Board, or any committee, may be taken without a meeting if a consent in writing, stating the action to be taken, is signed by all directors (or by all committee members, as the case may be) and filed with the minutes of the Board or committee meeting, as the case may be.</p> <p>ARTICLE V: PATRONAGE DIVIDENDS</p> <p>5.1 Allocations to members. The Co-op shall allocate and distribute to members the net profit from business done with them in such a manner as to qualify them as</p>	<p>notice and that they may choose that the discussion and vote occur during a public meeting. Removal from the Board does not automatically preclude a member from applying to run in future elections.</p> <p>4.15 Action without a Meeting. Actions of the Board, or any committee, may be taken without a meeting if a consent in writing, stating the action to be taken, is signed by all directors (or by all committee members, as the case may be) and filed with the minutes of the Board or committee meeting, as the case may be.</p> <p>4.16 Tiebreaking. If there are an even number of Board members and no majority decision can be reached through additional discussion, an extra tiebreaking vote will be given to the Board member who has been a member of EEFC the longest.</p> <p>4.17 Compensation. Board members will receive a discount and a stipend, as agreed upon by the Board and General Manager. Board stipends will be disclosed to the membership in the Annual Report. If a Board member on a payment plan lapses in payments, the remaining membership fee shall be taken directly from their stipend.</p>	<p>elections at the board's discretion.</p> <p>d) Removes the requirement that a board member who misses 3 meetings is automatically removed from the board. (A more robust process for mutual accountability is being developed as a board policy.)</p> <p>4.16 Addresses the potential problem of tied votes with a ten person board.</p> <p>4.17 a) Acknowledges the current practice of providing a board stipend and stipulates yearly disclosure of current amount to membership. b) Ensures that a board member on a payment plan cannot become an inactive member. (See also 2.5 and 2.6)</p>
---	---	---

patronage dividends consistent with Co-op 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, and may establish reasonable reserves.

5.2 Consent of members. By obtaining or retaining membership in the Co-op, each member shall be deemed to consent to take into account, in the manner and to the extent required by federal and state tax law, any patronage refund received from the Co-op.

5.3 Retained amounts. Patronage dividends not currently distributed by check or rebate shall be credited or charged to revolving capital accounts in the names of recipient members. Retained patronage dividends shall accrue no dividend or interest. Retained amounts that are no longer needed for capital purposes of the Co-op may be redeemed in such amounts and at such times as may be determined by the Board. At that time they shall be redeemed only in the order of the oldest outstanding amounts and only on a ratable basis among such amounts for each fiscal year, except that redemptions may be made payable only to members who are then in good standing or become so within a period of time determined by the Board.

ARTICLE VI: EEFC STAFF

6.1 Management. The Board shall have the power to hire, define duties, fix compensation and dismiss a General Manager. Under the direction of the Board, the General Manager shall have the

6.1 Management. The Board shall have the power to hire, define duties, fix compensation and dismiss a General Manager. Under the direction of the Board, the General Manager shall have the authority to hire and direct all other

6.1 Provides for the opportunity to use team management in the future (as we did during our GM transition).

<p>authority to hire and direct all other staff members, consistent with the bylaws, Board policies or directives and Board approved budgets.</p> <p>6.2 Eligibility to be hired. The staff shall be chosen from among EEFC members. If a non-member applicant is selected, he or she shall become a member before starting work.</p> <p>6.3 Management authority. The General Manager is responsible for the day-to-day operation of EEFC, in accordance with the Board's policies and these bylaws.</p> <p>ARTICLE VII: BY-LAWS</p> <p>7.1 Amendments. These by-laws may be amended or repealed in whole or in part by a majority of the members who participate in the vote. An amendment may be proposed by majority vote of the Board or by petition of at least ten percent (10%) 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.</p>	<p>staff members, consistent with the bylaws, Board policies or directives and Board approved budgets. Instead of a single General Manager, a General Management Team composed of either existing managers or new staff may be put in place either temporarily or long term. If such a situation arises, all mentions of "General Manager" in these bylaws and the Policy Register will apply to the the General Management Team.</p> <p>7.1 Amendments. These bylaws may be amended or repealed in whole or in part according to the rules for all other Special Meetings/Referenda. An amendment may be proposed by a majority vote of the Board or by petition of the members.</p>	<p>7.1 Brings bylaws amendment process into alignment with all other special meetings and referenda. (See <i>also</i> 3.2-3.6)</p>
--	---	--