BYLAWS

EAST END FOOD CO-OPERATIVE, INC.

[2025]

ARTICLE I: ORGANIZATION

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.”

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.

1.3 Fiscal Year. The fiscal year of EEFC 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.

ARTICLE II: MEMBERSHIP

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).

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

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”).

2.4 Return of Equity. Equity shall be returned upon termination of membership in EEFC, 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 EEFC. Equity investments not claimed within one year of termination of membership shall be subject to forfeiture to EEFC.

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.

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.

2.7 Inactive Status. A member who is delinquent in meeting their financial obligations to EEFC shall not be considered to be a member 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.

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 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.

2.9 Nontransferability. Membership rights and interests may not be transferred to any person.

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.

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 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.

ARTICLE III: MEMBER MEETINGS

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.

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 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.

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.

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.

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.

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.

ARTICLE IV: BOARD OF DIRECTORS

4.1 Powers, Duties and Terms. The Board shall be composed of nine members elected from among the members in good standing 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 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.

4.2 Staff Board Seats. 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 optional tenth 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 EEFC, they must vacate their seat. If a staff member serving a regular three-year term is no longer employed at EEFC, they may continue to serve.

4.3 Uncontested Elections. In the event of an uncontested election, EEFC's then-existing board of directors shall designate the uncontested, qualified candidates as directors. EEFC shall give notice to the membership of the names and qualifications of the new directors.

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 will be given time to speak, but the Board may limit participation by lay members at its discretion.

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.

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 matter 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.

4.7 Board Quorum. A majority of the current Board members shall constitute a quorum.

4.8 Conflicts of Interest. Directors shall be under an affirmative duty to disclose their actual or potential 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. Staff on the board are not presumed to have an inherent conflict of interest on any topic, including the evaluation of the General Manager.

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.

4.10 Officers. The Board will designate officers as necessary for the effective conduct of Board business.

4.11 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 EEFC shall be indemnified and held harmless to the fullest extent permissible under the law against all expenses, liability, and loss (including attorney's fees), 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 they reasonably believed to be within the scope of their authority and for a purpose that person reasonably believed to be in, or not opposed to, the best interests of EEFC and, with respect to any criminal action or proceeding, had no reasonable cause to believe their 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. EEFC shall be entitled to purchase insurance for such indemnification, as determined from time to time by the Board.

4.12 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 EEFC 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 their 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 EEFC'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 their 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 EEFC whom the Director reasonably believes to be reliable and competent in the matters presented, or (b) counsel, public accounts, or other persons as to matters which the Director reasonably believes to be within the professional or expert competence of such person, or (c) a committee of the Board of Directors of EEFC 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 their reliance on any of the foregoing to be unwarranted. In discharging the duties of their respective positions, the Board of Directors, committees of the Board of Directors of EEFC, and individual Directors may, in considering the best interests of EEFC consider the effects of any action upon employees, upon suppliers of EEFC and upon communities in which offices or other establishment of EEFC 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 EEFC.

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.

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 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.

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.

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.

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.

4.18 Capital Structure. Subject to any limitations set forth in the Articles of Domestication of East End Food Co-operative, Inc., as may be amended from time to time, the Board is hereby expressly vested with the authority, by resolution, from time to time, to divide EEFC's authorized and unissued shares into one or more classes, series, or series within a class, to fix and determine the variable rights, designations, preferences, limitations and special rights of any class or series so established and to change redeemed or reacquired shares of any one series within a class thereof into shares of another series or class.

ARTICLE V: PATRONAGE DIVIDENDS

5.1 Allocations to Members. EEFC shall allocate and distribute to members the net profit from business done with them in such a manner as to qualify them as 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 EEFC, 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 EEFC.

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 EEFC 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 authority to hire and direct all other 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 General Management Team.

6.2 Eligibility to be Hired. The staff shall be chosen from among EEFC members. If a non-member applicant is selected, they shall become a member before starting work.

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.

ARTICLE VII: BYLAWS

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.