

**SNFC BYLAWS**  
**Comparison of material changes**

**The purpose of this document is to inform members of the proposed changes made to the bylaws, and the rationale behind those changes. This section by section comparison is the easiest way to understand the impact of the changes, and points you to the relevant sections if you want to compare the old and the new language. The proposed bylaws are included in the election packet; both current and proposed bylaws can be found on our website at [sac.coop/election/](http://sac.coop/election/)**

Current Section	New Section	Proposed change	Rationale for change
1.01 Name and location	Not included	Not included.	Eliminates redundant information. The Co-op's name and principal office is included in the articles of incorporation and does not need to be in the bylaws.
1.02(c) & 3.01 Nondiscrimination	1.03 & 2.01	Membership is open to all without regard to any characteristic that doesn't pertain to a person's eligibility.	Makes nondiscrimination statement broader and reduces the potential need to amend bylaws as state laws or social norms change categories. Removes the need for a long list of specific categories. Overall more inclusive.
Co-op mission report	1.04	Co-op will provide members an annual report on progress towards our goals.	Improves transparency to members by regularly reporting on efforts to achieve the co-op's mission and goals, both financial and non-financial.
2.01 Entity membership	2.01	Organizations may no longer become members.	Currently, the definition of a Member is "a person", which legally means that both individuals and organizations can be members. This clarifies that only individuals may become members.
3.06 Discounts for member labor	Not included	Remove the discount for members who provide labor to the Co-op.	The member-work model is being abandoned by most food co-ops around the country. Reasons for abandoning the member-work model include: potential conflicts with union agreements, inferior customer service (as member-workers do not necessarily go through the same training and don't have to worry about being fired), and the significant risks that member-workers could be classified as employees and cause the co-op to be in compliance with certain laws (e.g. relating to benefits, minimum wage , etc.)
Redemption of preferred shares	3.03(b)	Termination of membership doesn't trigger redemption of preferred shares.	Makes it clear that the board determines the redemption rights of preferred shares, and prevents members working around investment rules by resigning from the co-op.
4.05(a), 4.05(c), 4.06 "Fair share"	2.02(a) & 3.02(b)	Replaces "Fair Share" with the simple description of the equity that a member must invest.	Eliminates the inaccurate description of "fair share". Provides for the co-op to be able to require additional investment from members through equity assessments on common shares, as was done in the past.
5.03 Expulsion of members	4.03	Tightens up the language.	Improves readability.
6.01-6.04 Governance	Not included	Eliminates unnecessary and inaccurate information.	Roles are defined in the California cooperative statutes, so including it would be unnecessarily duplicative. Also, the current bylaws are not consistent with those statutes.
7.02	5.01(a) & 5.11	Replaces fragmented quarterly meetings with one annual meeting to be held each year for	Aligns requirement for an annual meeting with the cooperative statute. Removes unnecessary formal meetings and provides for better member engagement with the remaining time. Requires

Frequency of regular member meetings		the election of directors and other member business. Requires board to engage with members throughout the year.	the board to focus on ways to communicate about co-op activities, solicit feedback from members, and maintain participation by members and the board.
Meetings with electronic communications	5.10	Board may authorize members to participate in meetings by electronic communications.	Allows members to participate in member meetings even if they are unable to attend physically. Expands accessibility.
7.05 Quorum for member meetings	5.07	Sets the quorum for regular business at 2%, adds a requirement of 5% for member-sponsored items.	Changes the effective quorum requirement to help ensure that a very small number of members cannot take action on behalf of the entire co-op membership.
7.05(a) Voting	5.08(b)	If a quorum is present, member action is approved with either (1) a majority of all active members, or (2) a majority of members voting and confirmation by 2/3 board vote.	Changes the member approval threshold to ensure that a very small number of members cannot take action on behalf of the entire co-op membership unless that action is in the best interests of the co-op and all members.
10.06 Member-initiated business at member meetings	5.01(b) & 5.02	Lowers the signature requirement from 10% to 5% of members to propose an action.	Establishes a clear process for members to bring business items for member approval, which is designed to ensure that proper member business cannot be excluded from member meetings while also ensuring that any member-initiated proposal has sufficient member support to be an action item.
8.01(a) Number of directors	6.01(a)	Increases the size of the Board of directors from 7 to 9 members.	Increases the size of the board to allow for additional governing capacity, potentially improving institutional knowledge and broader board diversity.
9.01 Term limits for directors	7.03	Tightens up the language.	Rephrases the current wording so that it can be better understood. Term limits remain the same.
9.02 Nominations for director	7.01	Sets the nomination process to either (1) by the board or (2) by 5% of active members.	Changes the threshold for member nominations to be consistent with the 5% threshold for other member-initiated action, such as calling special meetings and bringing business for member action at meetings.
10.01-10.07 Procedures for board elections	Not included	Eliminates unnecessary information.	Eliminates repetitive information that is procedural in nature and is largely governed by the cooperative statute. This information is better provided to members in the election procedures manual.
8.03(a) Board meetings	6.07 & 6.08	Eliminates monthly meeting requirement, lowers meeting notice period in emergency circumstances.	Gives the board more flexibility in determining meeting frequency and dates, while still ensuring that timely notice is provided to members through the co-op's website and at the store. Allows the board to respond to emergency circumstances where waiting seven days is too long.
13.01 & 13.02 Board committees	6.04	Board may establish special or standing committees as needed.	In order to support the Co-op's best interest, the board can form committees as needed and appoint committee members who are accountable to the board.

8.05(a) Officers	8.01-8.03	Officers are chosen by the board when necessary. Any active member may hold an officer position with the board's authorization.	Eliminates restrictions on officer appointments to give the board more flexibility in the appointment of officers. Makes clear that all officers are accountable to the board.
11.02 Co-op loans	10.04	Prohibits making loans to officers or directors. Clarifies board authority to borrow in case of emergency.	Clarifies language to allow board of directors to borrow money in emergency circumstances. Helps protect the Co-op from unforeseen catastrophe.
Language, style , and format	Throughout	Proposed bylaws are written in plain English to make them easier for members to understand.	Changes remove legalese and jargon and replace them with everyday words that communicate necessary information clearly. The sentence structure is more direct. Information is not unnecessarily repeated. Definitions are in the section where they are used to make the section clear.