

BYLAWS
Hawaii NoniPower Cooperative

ARTICLE I. Ownership

Section 1. General Qualifications. Any person, partnership, or corporation who is a consumer of Hawaii NoniPower products and services, signs an ownership application, and meets such other conditions as may be prescribed by the Board of Directors, may become an owner of the association. The Association shall not discriminate on their acceptance of owners on a basis of race, gender, religion, income, marital status, or nationality.

All applications for ownership must be approved by the Board of Directors. Owner status is effective as of the time the board approves the application for ownership. An owner may vote and hold office prior to payment in full of the ownership fee.

Section 2. Ownership Fee. The Board of Directors shall require an ownership fee upon ownership approval. The amount of ownership fee shall be set from time to time by the board of directors, however the amount required to be paid in on share or ownership capital by owners shall not exceed twenty-five percent of the average monthly wage in this State, as defined by the department of labor and industrial relations. The Board at its discretion may also require the payment of annual fees by owners.

Section 3. Ownership Certificates. Upon the approval of the Board of Directors, the Association shall issue a certificate of ownership to each owner. The ownership certificate shall be in such form as may be prescribed by the directors and shall not be transferable or assignable. No certificate of ownership shall be issued until paid for in full.

Section 4. Membership Nontransferable. No certificate of ownership or common stock can or shall be assigned, either voluntarily or involuntarily, or by operation of law, nor can any ownership or ownership rights, or property rights of an owner in the Association be assigned, transferred, alienated, or encumbered in any manner or by any means whatsoever. Any purported or attempted assignment, transfer, alienation, or encumbrance of either the certificate of ownership, common stock certificate, or of the ownership, or ownership and property rights, shall be null and void and confer no rights upon the purported assignee, transferee or claimant.

Section 5. Suspension or Termination. In the event the Board of Directors of the Association shall find that any of the common stock of this Association has come into the hands of any

person who is not eligible for ownership, or that the holder thereof has ceased to be an eligible owner, or that such holder has not patronized the association for a period of two (2) years, or otherwise violated the Consumer Cooperative Association Act of the State of Hawaii, articles of incorporation, bylaws, or other agreements made with the association, the Association may suspend such holder's rights as an owner and terminate the ownership.

Such owner may be expelled and lose all rights and privileges in the association, by the vote of a majority of the directors voting at any validly held meeting of directors. The owner against whom the charges are to be proffered shall be informed thereof in writing at least ten days prior in advance of the meeting, and shall have an opportunity to be heard in person or by counsel at such meeting. On the decision of the Association to expel an owner, the directors shall purchase the owner's holdings at book value, if and when there are sufficient surplus funds.

When ownership is terminated, the Association shall repurchase the owner's common stock certificate for book value, if and when there are sufficient surplus funds. The holder shall return to the Association the certificate evidencing the holder's share of stock. If such holder fails to deliver the certificate, the Association may cancel such certificate on its books and records, and the certificate is then null and void.

A suspended or terminated owner shall have no rights or privileges on account of any stock or ownership certificate held, nor vote or voice in the management or affairs of the Association other than the right to participate in accordance with the law in the case of dissolution.

Termination, as provided in the foregoing, shall not affect any lien or right which the Association has or may have against the terminating owner or his property until his indebtedness to the Association is fully paid.

Section 6. Transfer of shares and ownership; withdrawal. If an owner desires to withdraw from the Association or dispose of any or all of the owner's holdings therein, the directors shall have the power to purchase those holdings by paying the owner out of surplus funds the book value, of any or all of the holdings offered. The directors shall then reissue or cancel the holdings.

If the Association fails, within ninety days of the original offer, to purchase all or any part of the holdings offered, the owner may dispose of the un-purchased interest elsewhere, subject to the approval of the transferee by a majority vote of the directors. Any prospective transferee not approved by the directors may appeal to the owners at their first regular or special meeting

thereafter, and the action of the meeting shall be final. If such transferee is not approved, the directors shall exercise their power to purchase, if and when there are sufficient surplus funds. Owners who withdraw from an Association under this section may not rejoin that Association for six months, except with the majority approval of the directors.

ARTICLE II. MEETINGS OF MEMBERS

Section 1. Annual Meeting. The annual meeting of the owners of this Association shall be held in the State of Hawaii, during the month of January, or as soon thereafter as is reasonably practical, at such time and in such place as the Board of Directors shall designate.

Section 2. Special Meetings. Special meetings of the owners of the Association may be called when a majority of directors, or five per cent of the, or two-hundred fifty owners, whichever is less, submit a petition in writing and demand a special ownership meeting, which shall be called by the Secretary within thirty days of that demand.

Section 3. Notice of Meetings. Written notice of every regular and special meeting of owners shall be prepared and emailed to the last known email address of each owner, or posted on prominent signs at all Association locations, not less than 10 (ten) days before such meeting. Such notice shall state the nature of the business expected to be conducted and the time and place of the meeting. No business shall be transacted at any special meeting other than that referred to in the notice. In all decisions to amend the articles or bylaws, as the case may be, the owners shall be informed of those decisions at least thirty (30) days in advance through a mailing or a prominent notice at all Association locations.

Section 4. Voting. Unless otherwise stated in the articles of incorporation, or these bylaws, or required by applicable law, all questions shall be decided by a vote of a majority of the owners voting thereon.

Each owner shall be entitled to only one vote even if they own multiple shares. Voting on specific pre-announced items by mail or otherwise by owners absent from meetings shall be permitted. Such mail or absentee vote shall specify the decision to be voted upon, and a place to mark an affirmative or negative vote. Mail or absentee votes shall be received by the Secretary and duly recorded in the minutes of the meeting. Proxy voting shall not be allowed. Cumulative voting is not permitted.

If ownership is held by a partnership, corporation, or other legal entity, the owner shall designate

in writing the person who shall vote on behalf of the owner. That designation shall remain in effect until written notice of a properly authorized change in the designated voter shall be received by the association.

Section 5. Quorum. Twenty-five percent (25%) of the ownership shall constitute a quorum at any properly called annual or special ownership meeting.

ARTICLE III. DIRECTORS AND OFFICERS

Section 1. Number and Qualification of Directors. The Association shall have a Board of Directors of not less than 2 owners and not more than 9 owners. Each director elected shall be an owner of this Association in good standing.

Section 2. Election of Directors. At the first annual meeting of the owners of this association, up to nine directors may be elected. One-third (33%) of the directors shall be appointed for one (1) year; and one-third (33%) of the directors for two (2) years. One-third (33%) of the directors will serve for three (3) years. At each annual meeting thereafter, new directors shall be elected, for a term of three (3) years each, to succeed those directors whose terms are expiring.

All directors from the second annual meeting on, shall be elected by secret ballot, and the nominee(s) receiving the greatest number of votes shall be elected.

Section 3. Election of Officers. Incorporators Donald Gleason and Griffith Frost, if willing, will serve a President/Treasurer; Vice President/Corporate Secretary respectively till the third annual officer election. The Board of Directors shall meet within seven (7) days after the annual meeting election and within seven (7) days after each annual election and shall elect by ballot a President, one or more Vice Presidents, Secretary, and Treasurer, each of whom shall hold office until the election and qualification of a successor, unless earlier removed by death, resignation, or for cause.

Section 4. Vacancies. Whenever a vacancy occurs on the Board of Directors, other than from the expiration of a term of office, the remaining directors shall appoint a member to fill the vacancy until the next regular meeting of the owners. If the term of the vacating director does not expire at that regular owner meeting, a special election shall be held to select a director to fill the year or years remaining in that term.

If one or more officer positions become vacant, such offices shall be filled by the Board of

Directors, through election by ballot, at either a regular or special meeting of the board.

Section 5. Regular Board Meetings. In addition to the meetings mentioned above, regular meetings of the Board of Directors shall be held at least quarterly, or at such other times and at such places as the board may determine. Notwithstanding any provisions in the bylaws to the contrary, the Board of Directors may conduct business by consents in lieu of meeting, if the consent clearly states the matter decided and is signed by all of the directors of the Association who would be eligible to attend and vote at a regular meeting of the board.

Section 6. Special Board Meetings. A special meeting of the Board of Directors shall be held whenever called by the President or by a majority of the Directors. Only the business specified in the written notice shall be transacted at a special meeting. Each call for a special meeting shall be in writing, shall be signed by the person or persons calling the meeting, shall be addressed and delivered to the secretary, and shall state the time and place of such meeting.

Section 7. Notice of Board Meetings. Oral or written notice of each meeting of the Board of Directors shall be given each director by, or under the supervision of, the Secretary of the Association not less than seventy-two (72) hours prior to the time of the meeting. But such notice may be waived by all the directors, and their appearance at a meeting shall constitute a waiver of notice.

Section 8. Quorum. A majority of the Board of Directors shall constitute a quorum at any meeting of the board.

Section 9. Reimbursement and Compensation. The Association may reimburse directors for all reasonable expenses incurred in carrying out their duties and responsibilities.

The compensation, if any, of the members of the Board of Directors, shall be determined by the members of the Association at any annual or special meeting of the association.

No member of the Board of Directors, or member of the immediate family of any board member, shall occupy any position in the Association on regular salary without prior approval of the board.

Section 10. Removal of Directors. Whenever any director shall fail to meet the qualifications as described in Section 1 of this Article, or fails to attend three (3) consecutive board meetings,

either regular or special, without just cause and provided that notice of such meetings has been given in accordance with these bylaws, then it shall be the duty of the board to remove said director and to fill the vacancy in accordance with Section 4 of this Article.

Any owner may ask for the removal of a director by filing charges with the Secretary or President of the Association, together with a petition signed by at least five percent of the owners requesting the removal of the director in question. The removal shall be voted upon at the next meeting of the owners, and by two-thirds of the voting power voting thereon the Association may remove the director. The director whose removal is requested shall be served with a copy of the charges, not less than ten days prior to the meeting and shall have an opportunity at the meeting to be heard in person and by counsel and to present evidence; and the persons requesting the removal of a director shall have the same opportunity. Any vacancy resulting from such action shall be filled by nomination and vote of owners at such meeting.

Section 11. Removal of Officers. Any owner may bring charges of misconduct or incompetency against an officer by filing them with the Secretary or President of the Association, together with a petition signed by ten (10) percent of the owners requesting the removal of the officer in question. The directors shall vote upon the removal of the officer at the first meeting of the board held after the hearing on the charges, and the officer may be removed by a majority vote, notwithstanding any contract the officer may have with the association, which shall terminate upon the officer's removal, anything in the contract to the contrary notwithstanding. The officer against whom the charges are made shall be served with a copy of the charges, not less than ten days prior to the meeting, and shall have an opportunity at the meeting to be heard in person and by counsel, and to present evidence, and the persons making the charges shall have the same opportunity.

ARTICLE IV. DUTIES OF DIRECTORS

Section 1. Management of Business. The Board of Directors shall have general supervision and control of the business and the affairs of the Association and shall make all rules and regulations not inconsistent with law, the articles of incorporation, or bylaws for the management of the business and the guidance of the owners, officers, employees, and agents of the association.

Within thirty (30) days, any action taken by the directors must be referred to the owners for approval or disapproval if demanded by petition of at least five percent (5%) of the owners, or by vote of at least a majority of the directors; provided that rights of third parties which have vested between the time of action of the directors and approval or disapproval by the owners shall not

be impaired.

Section 2. Employment of Manager. The Board of Directors shall have the power to employ, define duties, fix compensation, and dismiss a manager with or without cause at any time. The board shall authorize the employment of such other employees, agents, and counsel as it from time to time deems necessary or advisable in the interest of the association. The Manager shall have charge of the business of the Association under the direction of the Board of Directors.

Section 3. Bonds and Insurance. Any individual acting as manager of an Association and handling funds or securities amounting to \$5,000 or more, in any one year, shall be covered by an adequate bond as determined by the directors and at the expense of the association. The Board of Directors may require the all other officers, agents, and employees charged by the Association with responsibility for the custody of any of its funds or negotiable instruments to give adequate bonds. Such bonds, unless cash security is given, shall be furnished by a responsible bonding company and approved by the Board of Directors, and the cost thereof shall be paid by the association.

The Board of Directors shall provide for the adequate insurance of the property of the association, or property which may be in the possession of the association, or stored by it, and not otherwise adequately insured, and, in addition, adequate insurance covering liability for accidents to all employees and the public.

Section 4. Accounting System and Audits. The Board of Directors shall have installed an accounting system which shall be adequate to meet the requirements of the business and shall require proper records to be kept of all business transactions. Such records shall be reviewed at the end of each fiscal year by a certified public accountant who shall not be an officer, director, or employee of the association. If the annual gross business income of this Association amounts to less than one million dollars (\$1,000,000) (which amount shall be adjusted for changes in the Consumer Price Index since May 15, 1982), the review need not be done by a certified public accountant but may be performed by a review committee of two individuals who shall not be employees, plus the association's treasurer.

A written report of the review shall include a balance sheet showing the true assets and liabilities of the association, and an operating statement for the fiscal period under review, and be shared with all Association member-owners within one hundred twenty (120) days of the close of the fiscal year.

Within one hundred twenty (120) days of the close of the fiscal year, the Association shall file with the director of commerce and consumer affairs an annual report as prescribed by the director. A copy of the report shall be submitted to the owners at their annual meeting, mailed to each owner of the association, or printed in an official publication of the association.

Section 5. Depository. The Board of Directors shall select one or more banks to act as depositories of the funds of the Association and determine the manner of receiving, depositing, and disbursing the funds of the Association and the form of checks and the person or persons by whom they shall be signed, with the power to change such banks and the person or persons signing such checks and the form thereof at will.

Section 6. Committees. The board may, at its discretion, appoint from its own membership an Executive Committee of two (2) to three (3) directors, to include the President and Treasurer, and determine their tenure of office, compensation and their powers and duties. The board may delegate to the executive committee all or any stated portion of the functions and powers of the board, subject to the general direction, approval, and control of the board. Monthly reports, will be prepared by the executive committee and provided to all directors by the 15th of every following month.

The Board of Directors may, at its discretion, appoint such other committees as it deems appropriate.

ARTICLE V. DUTIES OF OFFICERS

Section 1. Duties of President. The President shall (1) preside over all meetings of the Association and of the Board of Directors; (2) call special meetings of the Board of Directors; (3) appoint such committees as the Board of Directors may deem advisable for the proper conduct of the cooperative; and (4) perform all acts and duties usually performed by a presiding officer.

Section 2. Duties of Vice President. In the absence or disability of the President, the Vice President shall perform the duties of the President, provided, however, that in case of death, resignation, or disability of the President, the Board of Directors may declare the office vacant and elect any eligible person President. The Vice President may assume the responsibilities of the Treasurer. A Vice President may also perform any function conferred by the Board of Directors so long as it is consistent with the Articles and Bylaws of the Association.

Section 3. Duties of Secretary. The Secretary shall keep a complete record of all meetings of the Association and of the Board of Directors and shall have general charge and supervision of the books and records of the association. The Secretary shall sign papers pertaining to the Association as authorized or directed by the Board of Directors. The Secretary shall serve all notices required by law and by these Bylaws and shall make a full report of all matters and business pertaining to the office to the owners at the annual meeting. There shall be no corporate seal, and certification by the signature of the Secretary shall be sufficient in lieu thereof. The Secretary shall keep all books of ownership certificates, complete and countersign all ownership certificates issued; shall keep complete ownership certificate ownership records; shall make all reports required by law; and shall perform such other duties as may be required by the Association or the Board of Directors. Upon the election of a successor, the Secretary shall turn over all books and other property belonging to the association.

Section 4. Duties of Treasurer. The treasurer shall be responsible for the keeping and disbursing of all monies of the association, and shall keep accurate books of accounts of all transactions of the association. The treasurer shall perform such duties with respect to the finances of the Association as may be prescribed by the Board of Directors. At the expiration of his term of office, the treasurer shall promptly turn over to his successor all monies, property, books, records, and documents pertaining to his office or belonging to the association.

ARTICLE VI. OPERATION AT COST AND OWNERS' CAPITAL

Section 1. Operation at Cost. The Association shall, at all times, be operated on a cooperative service-at-cost basis for the mutual benefit of its member-owners.

Section 2. Net Savings Allocation. §421C-25 Allocation and distribution of net savings.

(a) At least once a year the directors shall apportion the net savings of the Association to one or more of the following categories; except that not less than ten percent shall be placed in a surplus fund until such time as the fund shall equal at least fifty per cent of the paid-up membership capital:

(1) Interest-dividends, within the limitations of section 421C-19, may be paid upon share capital.

(2) The Association may also choose to retain some or all of its net savings and allocate it in the manner in which it will benefit the general welfare of all the members of the association.

(b) The surplus fund established in subsection (a) may be expended for capital improvements or emergencies upon a two-thirds majority vote of the directors, or may be used to re-purchase

withdrawn or expelled owners holdings or to repurchase the holdings of any owner in excess of the amount requisite for ownership.

Section 5. Limit of Ownership Capital. In accordance with §421C-12(1), the maximum percentage of capital which may be owned or controlled by one owner shall not exceed nineteen (19) percent of authorized issued shares of the Association.

Section 6. Records and Documentation. The books and records of the Association shall be set up and kept in such a manner that at the end of each fiscal year, the amount of capital, if any, so furnished by each owner is clearly reflected and credited in an appropriate record to the capital account of each owner.

Section 7. Fiscal Year. The fiscal year of this Association shall commence on the first day of January and end on the last day of December.

ARTICLE VII. DISSOLUTION AND PROPERTY INTEREST OF OWNERS

Upon dissolution, after all debts and liabilities of the Association have been paid, the remaining property and assets of the Association shall be distributed among the owners.

ARTICLE VIII. INDEMNIFICATION

The Association shall indemnify its officers, directors, employees, and agents to the fullest extent possible under the provisions of the Hawaii Corporations Law (Chapters 415 and 415-B, Hawaii Revised Statutes as amended with particular reference to sections 415-5 and 415-B, Hawaii Revised Statutes as amended).

The Association may purchase liability insurance coverage for any person serving as an officer, director, employee or agent to the extent permitted by applicable State law.

ARTICLE IX. AMENDMENT

If notice of the character of the amendment proposed has been given in the notice of the meeting, these bylaws may be altered or amended at any regular or special meeting of the owners at which there is a quorum present by the affirmative vote of a majority of the owners present or voting by absentee ballots.

I certify that this is a true and correct copy of the Bylaws of the Hawaii Cooperatives.

Dated: _____, 2016;

Corporate Secretary

Griffith Frost