

**OPERATING AGREEMENT
OF
MIRLO US LLC**

Last Updated: September 9, 2024

Table of Contents

RECITALS	4
ARTICLE I. DEFINITIONS	4
ARTICLE II. BUSINESS AFFAIRS	5
Section 1: Name and Purpose	5
Section 2: Registered Agent.....	5
Section 3: Term	6
Section 4: Fiscal Year	6
Section 5: Business Records	6
Section 6: Rules and Regulations	6
Section 7: Title of Assets	6
Section 8: Bank Accounts	6
Section 9: Officers	6
ARTICLE III. MANAGEMENT AND WORKER-MEMBERS' RIGHTS	6
Section 1: Overall Management.....	6
Section 2: Work Share	7
Section 3: Equal Status	7
Section 4: Pay	7
Section 5: Share in Profits and Losses	7
Section 6: One Member, One Vote	7
Section 7: Access to Information	7
Section 8: Guaranteed Debt	7
Section 9: Indemnification of Debt	7
Section 10: Loans	8
Section 11: Annual Accounting	8
Article IV. Membership	8
Section 1: Member	8
Section 2: Member Onboarding	8
Section 3: Initial Capital Contribution.	8
Section 4: Membership Units.....	8
Section 5: Percentage Interest	8
Section 6: Liability and Indemnification	9
Section 7: Departing Members	9
Section 8: Payout to a Departing Member	9
Section 9: Expulsion	10
Section 10: Superseding Section 29–805.03	10
ARTICLE V: PROSPECTIVE MEMBERS AND INDEPENDENT CONTRACTORS	11
Section 1: Probationary Period	11
Section 2: Offer of Membership	11
Section 3: Admittance	11
Section 4: Independent Contractors	11

MIRLO US LLC
OPERATING AGREEMENT

ARTICLE VI. MEETINGS	11
Section 1: Definition	11
Section 2: Place of Meetings	11
Section 3: Notice of Meetings	11
Section 4: Delivery of Notice, Consent, and Other Communications	12
Section 5: Regular Meetings	12
Section 6: Special Meetings	12
Section 7: Quorum	12
Section 8: Adjournment	12
ARTICLE VII. DECISION MAKING	12
Section 1: Day-to-Day	12
Section 2: Circles	12
Section 3: Consent	13
Section 4: Cooperative-Level Decisions	14
Section 5: Action by Consent without a Meeting	15
ARTICLE VIII. FINANCIALS	15
Section 1: Capital Accounts	15
Section 2: Profits	15
Section 3: Allocating Income	16
Section 4: Tax	16
Section 5: Losses	16
Section 6: Dissolution and Liquidation	16
ARTICLE IX. RECORD-KEEPING	17
Section 1: Record Maintenance	17
Section 2: Storage	17
ARTICLE X. MISCELLANEOUS	17
Section 1: Conflict Resolution	17
Section 2: Amendments	18
Section 3: Generally	18

MIRLO US LLC
OPERATING AGREEMENT

THIS OPERATING AGREEMENT OF MIRLO US LLC (this “Agreement”) is effective as of the 16th day of December 2024 (the “Effective Date”) by and among the undersigned Members.

RECITALS

Whereas, the Members formed Mirlo US LLC pursuant to the District of Columbia Limited Liability Company Act and filed the Articles of Organization (the “Articles”) with the District of Columbia on November 30, 2023;

Whereas, the Members desire to establish their respective rights and obligations in connection with forming the limited liability company; and

Whereas, the Members desire to adopt this Agreement as the sole operating agreement of the Cooperative, superseding all prior bylaws and operating agreements;

Now, therefore, in consideration of the foregoing Recitals, which are incorporated herein, and other good and valuable consideration, the Members agree as follows:

ARTICLE I. DEFINITIONS

For purposes of this Agreement, the terms below have the following meanings:

- (a) “Act” shall mean the District of Columbia Limited Liability Company Act codified in the Annotated Code of the District of Columbia, as amended from time to time.
- (b) “Agreement” shall mean this operating agreement, as amended from time to time.
- (c) “Articles” shall mean the Articles of Organization of the Cooperative, as amended from time to time.
- (d) “Capital Account” shall mean each Capital Account maintained for a Worker-Member pursuant to Article VIII of this Agreement.
- (e) “Capital Contribution” shall mean anything of value that a person contributes as capital to the Cooperative in that person’s capacity as a Worker-Member, including cash, property, services rendered, or a promissory note or other binding obligation to contribute cash or property or to perform services.
- (f) “Capital Contribution Value” shall mean the nominal value of the Worker-Member’s Capital Contribution, whether or not returned to the Worker-Member, and as established by the Membership.
- (g) “Economic Interest” shall mean a Worker-Member’s share of the profits and losses of the Cooperative and the right to receive distributions or surplus from the Cooperative.

MIRLO US LLC
OPERATING AGREEMENT

- (h) “Information” shall include books and records of the Cooperative.
- (i) “Members” shall mean Worker-Members.
- (j) “Membership” or “Members' Circle” shall mean Worker-Members as a whole.
- (k) “Membership Interest” shall mean a Worker-Member’s Economic Interest and Noneconomic Interest in the Cooperative.
- (l) “Membership Units” shall constitute a Worker-Member’s Membership interest in the Cooperative.
- (m) “Noneconomic Interest” shall mean all rights of a Worker-Member in the Cooperative other than the Worker-Member’s Economic Interest, including the Worker-Member’s right to inspect the books and records of the Cooperative, participate in the management of and decision-making process on matters before the Membership, and act as an agent of the Cooperative.
- (n) “Offer of Membership” shall mean an offer by the Membership to admit a person as a Member of the Cooperative.
- (o) “Rules and Regulations” shall include any manuals, bulletins, and customs developed by the Membership.
- (p) “Simple Majority” shall mean the excess of one half of Worker-Members.
- (q) “Supermajority” shall mean three-fourth majority of Worker-Members.
- (r) “Unanimous Consent” shall mean the agreement of all Worker-Members.
- (s) “Worker-Members” shall mean the admitted Members of the Cooperative who are parties to this Agreement, other than the Cooperative itself, and who are Members of Mirlo US LLC, as specified in **Exhibit A** of this Agreement.

ARTICLE II. BUSINESS AFFAIRS

Section 1: Name and Purpose

The name of the Cooperative shall be “**Mirlo US LLC**”, doing business as “**Mirlo**”. The Cooperative shall operate as a workers cooperative for the mutual benefit of its Workers and the broader community by engaging in all and any kind of lawful business, including creating and providing a user-friendly space to help musicians sell music, manage subscriptions, and share with their supporters. Any net earnings of the Cooperative shall be, to the extent provided in this Agreement, the property of its Worker-Members.

Section 2: Registered Agent

The Worker-Members shall appoint a registered agent and file the registered agent’s name and address with the D.C. Department of Consumer and Regulatory Affairs as required by the Act.

Section 3: Term

The Cooperative shall have a perpetual term unless dissolved pursuant to the terms of this Agreement or the Act.

Section 4: Fiscal Year

The fiscal year of the Cooperative shall begin on January 1 and end on December 31.

Section 5: Business Records

The original or attested copies of the Articles; this Agreement; rules, regulations, meeting minutes, and agenda; and current list of Worker-Members' names and addresses shall be available at all reasonable times to the inspection of any Worker-Members provided that Worker-Members shall not secure a list of Worker-Members' names and addresses for the purpose of selling said list or copies thereof or using the same for a purpose other than reasonably related to the Worker-Members' Membership interest in the Cooperative.

Section 6: Rules and Regulations

The Membership may, by consensus, establish Rules and Regulations for the Cooperative. All Rules and Regulations shall be separate from this Agreement, and the same shall not conflict with this Agreement, the Articles, or any applicable law. If and to the extent there is a conflict, the Rules and Regulations shall be null and void. Rules and Regulations shall be binding on all Worker-Members and Workers. A current copy of the Rules and Regulations shall be maintained at the principal place of business and a copy shall be publicly posted or easily available for examination by any Worker-Member or Worker.

Section 7: Title of Assets

The Membership shall title all assets of the Cooperative in the name of the Cooperative.

Section 8: Bank Accounts

All funds of the Cooperative shall be deposited in a bank account or accounts opened in the Cooperative's name.

Section 9: Officers

A Supermajority of Worker-Members may elect officers to serve with such titles, duties, and remuneration as such Supermajority of Worker-Members may decide.

ARTICLE III. MANAGEMENT AND WORKER-MEMBERS' RIGHTS

The Cooperative shall take all reasonable steps to uphold these rights.

Section 1: Overall Management

The Members shall manage the Cooperative. Except as otherwise provided in this Agreement, and with the appropriate approval of the Cooperative, each Member shall have the right to act for and bind the Cooperative in the ordinary course of business.

The Members' management activities include, but are not limited to:

1. Leading Circles;

2. Participating in Member decisions in accordance with the Cooperative's agreed upon processes;
3. Leading the Cooperative through Meetings;
4. Deciding on expenditures of more than \$500.00; and
5. Expanding or reducing operations.

Section 2: Work Share

In its formal structure for sharing work, the Cooperative shall, in principle, strive toward equality of work, participation, and status. Administrative work for business maintenance purposes shall be counted as hours worked in the cooperative.

Section 3: Equal Status

The Cooperative work structure shall assure equal weight of each Worker-Member's decision-making authority and equal share in the governance of the business.

Section 4: Pay

The hourly pay differential shall not exceed a ratio of 3:2 among Worker-Members.

Section 5: Share in Profits and Losses

Worker-Members shall have an undivided right in the Cooperative's profits and losses and an equal percentage interest in the Cooperative, unless otherwise provided in this Agreement.

Section 6: One Member, One Vote

Each Worker-Member shall have one and only one vote on any matter that requires the input of the Members.

Section 7: Access to Information

The Cooperative shall allow Worker-Members access to Information pertaining to the technical, financial, and governmental aspects of the Cooperative. The Cooperative shall maintain complete and accurate records of its transactions at the principal place of business. At the request of any Worker-Member, and at that Worker-Member's expense, the Cooperative shall contract an independent audit of the Cooperative's books and records for a period determined by the requesting Worker-Member.

Section 8: Guaranteed Debt

Members may guarantee debts and obligations of the Cooperative. Notwithstanding the joint and several or other nature of their liability under any such guarantee, any amount paid pursuant to the guarantee shall be borne by the Membership in proportion to their percentage interest on the date the Cooperative or any individual Worker-Member first receive notice from a creditor that a default has occurred. If a creditor calls upon a Worker-Member to pay any part of such indebtedness, then all other Worker-Members shall contribute and pay to the called upon Worker-Member his or her proportionate share within three (3) business days of receiving notice from the called upon Worker-Member.

Section 9: Indemnification of Debt

Each Worker-Member shall indemnify and hold harmless all other Worker-Members from and against any loss, cost, damage, claim or expense, including reasonable attorneys' fees, incurred as a result of the indemnifying Worker-Member's breach of any of his or her obligations

contained in Section 9 of this Article.

Section 10: Loans

No Worker-Member shall be required to lend any funds to the Cooperative, nor shall any Worker-Member be liable for any debts, liabilities, contracts, or obligations of the Cooperative unless such Worker-Member expressly guarantees such debts, liabilities, contracts, or obligations. Loans or services by any Worker-Member to the Cooperative shall not be considered Capital Contributions.

Section 11: Annual Accounting

The annual accounting period of the Cooperative shall be its taxable year, as determined by the Membership. Within seventy-five (75) days after the end of each taxable year, there shall be a complete accounting of the affairs of the Cooperative and a report delivered to each Worker-Member.

Article IV. Membership

Section 1: Member

A member of the Cooperative ("Member") shall pay a capital contribution to the Cooperative, execute the Joinder to this Agreement, and is a party to this Agreement. Members also share the profits and benefits of the Cooperative. Under this Agreement, a Member shall have the rights and interests of the Cooperative under this Agreement ("Membership Interest").

Section 2: Member Onboarding

A person shall become a Member after:

1. The person meets all of the requirements listed in this Article IV, Section 1 above;
2. The Cooperative approves the Member using Member onboarding procedure;
3. The person pays the Initial Capital Contribution; and
4. The person signs a joinder or counterpart to this Agreement.

Section 3: Initial Capital Contribution.

The payment to the Cooperative for the Membership Interest shall be in the amount of Fifty Dollars (\$50.00). The Initial Capital Contribution shall be paid in full immediately at the time of signing this Agreement.

The Initial Capital Contribution, and any later capital contributions, shall be recorded in Exhibit A. As new Members are added to the Cooperative, their name and address shall be added to Exhibit A. The Member shall then sign the current version of this Agreement. Existing Members do not need to sign this Agreement again when adding a Member is the only change.

Section 4: Membership Units

Each Worker-Member shall have one (1) and only one (1) Membership unit. The Cooperative shall issue a Membership unit to all Worker-Members. The Cooperative shall list the names, Capital Contributions, Membership Units, and Percentage Interests of each Worker-Member on the attached **Exhibit A**.

Section 5: Percentage Interest

A Worker-Member's "percentage interest" shall equal a fraction expressed as a percentage, the numerator of which shall state the Worker-Member's Membership unit and the denominator of which shall state the total number of Membership units owned by all Worker-Members.

Section 6: Liability and Indemnification

Workers-Members shall not be liable, responsible, or accountable, in damages or otherwise, to any other Worker-Member or to the Cooperative for any act performed by the Worker-Member with respect to Cooperative matters, except for fraud, gross negligence, or an intentional breach of this Agreement. The Cooperative shall indemnify each Worker-Member for any act performed by the Worker-Member with respect to Cooperative matters, except for fraud, gross negligence, or an intentional breach of this Agreement.

Section 7: Departing Members

1. **Definition.** A Departing Member is a Worker-Member who departs from the Cooperative for any of the reasons described in this Section 7 of Article IV.
2. **Resignation.** A Worker-Member Member may resign by giving one (1) month of written and verbal notice to all other Members. Resignation of membership shall be deemed as a voluntary termination of the Worker-Member's membership effective on the last date of the Worker-Member's membership. If a Worker-Member does not provide one (1) month of written and verbal notice, then the Cooperative may decide to take possession of the resigning Member's balance from the Worker-Member's Capital Account.
3. **Bankruptcy.** If a Worker-Member files for bankruptcy, the Worker-Member's membership shall be deemed as a voluntary termination as of the date of filing. If the Member is in the middle of a project that the Worker-Member is responsible for the completion of, the Member must either find another qualified Member to take over the project or refund all unearned fees.
4. **Involuntary Termination - Death.** If a Worker-Member dies, the Worker-Member is deemed to have involuntarily terminated their Membership at the time of death.

Section 8: Payout to a Departing Member

1. **Accounting.** The accounting of amounts due to a departing Member shall not be complete until after the end of the Cooperative's fiscal year.
2. **Payment and Expenses.** The Cooperative shall pay the departing Member as follows:
 - a. The Cooperative is only obligated to pay a departing Member when the Cooperative has cash available to do so, after making the payments to all Members and providing for operating expenses.
 - b. Amounts due to a departing Member must be paid before the Cooperative allocates profits to current Members.
3. **Membership Interest: Voluntary Termination.** When a Member leaves the Cooperative, and has voluntarily terminated their membership for any reason, the Member shall exchange their Membership Interest with the Cooperative for the balance of their Capital Account, unless the Member does not give one (1) month prior notice as per Section 7 in this Article IV.

4. **Membership Interest: Involuntary Termination.** If the Member involuntarily terminates their membership (see Article IV Section 7.4) then the Cooperative shall transfer the economic value of their Membership Interest and the balance of their Capital Account to the Member's designated beneficiary. It is the former Member's obligation to keep the Cooperative informed of the former Member's current contact info and designated beneficiary's name and contact. The Cooperative shall pay the economic value of the Membership Interest and the balance of the Member's Capital Account to the beneficiary within three (3) months of the Member's termination. If no beneficiary is designated or the Cooperative cannot find the former Member's appropriate representative or designated beneficiary using reasonable effort, then the Cooperative shall not be obligated to distribute the payment to that Member or that Member's beneficiary, estate, or heir, and the payment will be reincorporated into the undivided assets of the Cooperative.
5. **Selling or Transferring Interest.** A Member cannot sell, transfer, assign, or otherwise dispose of all or a part of their Membership Interest to anyone other than the Cooperative, unless otherwise provided for in this Agreement, and any attempt to do so is void.
6. **Dissolution.** If the Cooperative dissolves, the Capital Account balances of all departing Members and all Members who remained until dissolution shall have the same priority.

Section 9: Expulsion

1. **Failure to Abide.** If a Worker-Member fails to abide by and of the Cooperative's ethical and/or participatory policies, then another Worker-Member may propose to expel that Worker-Member.
2. **Detrimental Behavior.** Any Worker-Member can be expelled if their activity is detrimental to the Cooperative and if the current Worker-Members feel that the Worker-Member's activity is not in alignment with the values of the Cooperative.
3. **Notice.** Members shall be given at least twenty-one (21) days' written notice that they are up for expulsion.
4. **Oral Representation.** The Member has the opportunity to be heard, orally or in writing up to five (5) days before the proposed expulsion decision-making date.
5. **Decision of Expulsion.** The Member must be given reasonable notice of the date of the Members' meeting where expulsion is decided. The Member must be notified of the Coop's decision to expel them within a reasonable time after the decision.
6. **Appeal.** Expelled Members may appeal expulsion.
 - a. The Appeal will be decided upon by the non-appealing Members using a majority rules procedure.
 - b. If under review for expulsion, the Cooperative can require the Member to not work, participate in decision-making, or volunteer.

Section 10: Superseding Section 29–805.03

A court of competent jurisdiction shall not order the foreclosure of the Economic Interest of the worker-member subject to a charging order and order the sale of the Economic Interest of the debtor. This section shall supersede Section 29-803.03 of the DC Code.

ARTICLE V: PROSPECTIVE MEMBERS AND INDEPENDENT CONTRACTORS

Section 1: Probationary Period

Worker-Members shall establish rules governing the selection, training, and evaluation of prospective new Members. These rules shall include a probationary period and periodic performance reviews.

Section 2: Offer of Membership

Worker-Members may offer Membership to a prospective new Member by consent of the Members' Circle after the successful completion of six (6) months as a potential new Member and completion of the requirements outlined in Article IV above.

Section 3: Admittance

After a Worker accepts the Membership's offer to join the Cooperative, the new Worker shall execute and deliver a Joinder Agreement in the form of **Exhibit B**. After receipt of **Exhibit B**, the Cooperative shall issue a new **Exhibit A** to all Worker-Members reflecting the change in percentage interests.

Section 4: Independent Contractors

Persons rendering services to the Cooperative as independent contractors shall not be considered employees of the Cooperative. Independent contractors may be Worker-Members of the Cooperative if the independent contractor goes through the process for prospective new Members as indicated in this Article V.

ARTICLE VI. MEETINGS

Section 1: Definition

Meetings of the Worker-Members shall be known as the "Meetings of the Cooperative."

Section 2: Place of Meetings

Any Worker-Member may call for a meeting of the Cooperative. Meetings of the Cooperative shall be held at the principal place of business, any other place, or via the chosen telecommunications platform designated by the Worker-Member calling the meeting.

Section 3: Notice of Meetings

The Worker-Member who calls for a meeting of the Cooperative, other than a special meeting, shall provide written notice to all Worker-Members no less than three (3) days before the meeting. The notice shall state the place, date, time, and purpose of the meeting. Worker-Members may waive notice if the Worker-Member: 1) signs a waiver of the notice that shall be filed in the Cooperative's records, 2) is present at the meeting in person, or 3) is represented at the meeting by proxy.

Section 4: Delivery of Notice, Consent, and Other Communications

Any notice, consent, or other communication required or authorized in the Act, Articles, or this Agreement may be delivered by electronic transmission.

Section 5: Regular Meetings

Worker-Members shall hold a regular meeting of the Cooperative every month. Worker-Members may exercise the powers of the Cooperative at a regular meeting, such as coordinating and scheduling projects and work, conducting financial activities, and enforcing Worker-Member rights. During a regular meeting, Worker-Members shall have the right to review, rescind, or recall any action or policy of an agent of the Cooperative. Worker-Members may waive holding a regular meeting during a designated date with unanimous consent.

Section 6: Special Meetings

Upon the written request of two (2) or more Worker-Members, the Worker-Members shall hold a special meeting of the Cooperative. The meeting may occur at any time or place, provided that the Worker-Members requesting the special meeting give each Worker-Member reasonable notice and an agenda. Purposes of a special meeting shall include, but not limited to: amending the Articles or this Agreement; emergency sessions; periodic reflection on group process and goals; and hiring, termination, review, and recall of officers.

Section 7: Quorum

Any meeting of the Cooperative shall have a quorum before taking any binding action of the Cooperative. Quorum for an Offer of Membership and termination of a Worker-Member is a Supermajority of Worker-Members. For all other meetings, quorum is the presence of a Simple Majority of Worker-Members.

Section 8: Adjournment

From time to time, Worker-Members may adjourn any meeting by unanimous consent, whether or not a quorum is present, and the meeting shall be adjourned until further notice.

ARTICLE VII. DECISION MAKING

Section 1: Day-to-Day

Members shall govern the day-to-day affairs of the Cooperative.

Section 2: Circles

1. **Principle of Circles.** The basic unit of governance in the Cooperative is a “Circle.” Circles are groups of individuals who work together within an area of responsibility (a “Domain”) toward one or more goals (“Aims”). Circles have the responsibility and authority to make decisions about their policies and operations. Each Circle will include at least one Member.
2. **Formation.** The Cooperative forms a Circle by proposing a charter and identifying its Coordinator. The Cooperative disbands Circles when their charter expires and is not renewed, or by proposing that a Circle charter be archived. The role of the Coordinator is to coordinate the work of the Circle and hold responsibility for receiving inquiries about the Circle’s activities from others outside of the Circle.

3. **Components.** A Circle charter is a form of agreement made up of a descriptive name and each of the following:
 - a. An **aim**, which is the goal that the Circle will pursue in harmony with the mission of the Cooperative.
 - b. A **domain of responsibilities**, which are ongoing activities in the organization that the Circle will enact.
 - c. One or more **decision rights**, which are areas of concentrated authority that the Circle exclusively controls and regulates on behalf of the organization.
 - d. Circle charters may include other information, such as how the Circle is related to or nested within other Circles, how the Circle is evaluated, etc.
4. **Members' Circle.** The Members' Circle consists of all current Members of the Cooperative.

Section 3: Consent

1. **Principle of Consent.** Unless otherwise specified in this Agreement, decisions of the Cooperative and any of its Circles are made by consent. Consent is a form of decision-making that allows proposals to be accepted only if there are no reasoned objections within a decision-making group. Any individual who has a personal, financial, or other conflict of interest in a decision should not be part of that decision, except to respond to clarifying questions by other Circle members. The Consent Decision-Making process is further described below.
2. **Decision Making Process.** Except as otherwise stated in this Agreement, all decisions of the Circles will be made by Consent. Consent allows proposals to be accepted only if there are no reasoned objections within the decision-making group. The following procedures will be followed for all Consent decisions.
 - a. General Process. When an issue or question comes to a Circle, it may decide the question or send the question to another Circle for input or decision. A Circle may create a Helping Circle to research the question and make a recommendation. A Circle may request time in another Circle's meeting to seek more input. How much input to request and what methods to use to gather that input is at the discretion of the Circle requesting input. Each Circle ultimately has the responsibility and authority for making decisions in their Domain.
 - b. Inability to Reach Consent. If a Circle cannot reach Consent on a proposal within a reasonable time, the Coordinator may bring the proposal at issue to the Cooperative Members' Circle for additional consideration. If the Members Circle cannot reach Consent on the proposal, the Coordinator may select an outside expert or mediator to help the Circle make a decision on the proposal after a careful review of their credentials and possible conflicts of interest. If the Coordinator fails to choose an outside expert or if a majority of the Members' Circle disagrees with the Coordinator's choice of expert, an expert will be selected by a simple majority of the Members' Circle. After receiving input from the outside expert, the Members' Circle will again seek Consent on the proposal.

If the Members' Circle cannot reach Consent within a reasonable time, the last-resort decision-making process described immediately below may be invoked.

- c. Last Resort Decision-Making. If Consent on a proposal cannot be reached by the Members' Circle in a reasonable time after following the process described in Section (b) immediately above, if two-thirds (2/3) of the Members' Circle approves changing the decision-making process from consent to majority rule for the particular proposal, then the proposal can be deemed approved by a vote of two-thirds of the Members' Circle.
- d. Recording Decisions. Any decision made during a Circle meeting shall be recorded in Circle minutes or notes to be circulated to all members of the Circle and to other Circles within fifteen (15) days of the meeting in the format determined by the Cooperative.
- e. Amending or Repealing a Delegated Decision. Amending or repealing a delegated decision is possible provided the Consent of the Circle involved has been obtained.

Section 4: Cooperative-Level Decisions

1. **Definition.** Cooperative-level decisions are those decisions that affect the entire Cooperative, including, without limitation:
 - a. Amend, modify, or waive any provisions of the Articles of Organization or this Agreement;
 - b. Admit Member to the Cooperative;
 - c. Terminate Member from the Cooperative;
 - d. Create new Cooperative-wide policies or rules;
 - e. Accept a new contract, expenditure, or loan that exceeds \$500.00;
 - f. Enter into any transaction or series of related transactions involving the purchase, lease, license, exchange, or other acquisition (including by merger, consolidation, sale of stock or acquisition of assets) by the Cooperative of any assets and/or equity interests of any Person, other than in the ordinary course of business consistent with past practice.
 - g. Enter into or effect any transaction or series of related transactions involving the sale, lease, license, exchange, or other disposition (including by merger, consolidation, sale of stock, or sale of assets) by the Cooperative of any assets or equity interests, other than sales of inventory in the ordinary course of business consistent with past practice.
 - h. Settle any lawsuit, action, dispute, or other proceeding or otherwise assume any liability or agree to the provision of any equitable relief by the Cooperative.

- i. Dissolve, wind up, or liquidate the Cooperative or initiate a bankruptcy proceeding involving the Cooperative.
- j. Do any act that would make it impossible to carry on the ordinary business of the Cooperative;

Section 5: Action by Consent without a Meeting.

Decisions may be made without a meeting, upon written Consent by all Members of the relevant Circle.

ARTICLE VIII. FINANCIALS

Section 1: Capital Accounts

1. **Capital Account.** Each Member shall have a Capital Account in the Cooperative's financial records.
2. **Initial Contribution.** When a Member is added to the Cooperative, that Member shall contribute an amount in accordance with Article IV.
3. **Reimbursement.** The Cooperative shall reimburse each Member for Cooperative expenses paid by a Member as long as the expense was authorized, approved, or ratified by another Member of the Cooperative.
4. **Member Contribution.** When a Member makes a capital contribution, it is added to their Capital Account.
5. **Pay Out.** When a Member is paid out from their Capital Account, that payment is subtracted from the Capital Account.
6. **Interest and Return of Capital Contributions.** No Worker-Member shall be entitled to interest on or return of their Capital Contribution except as otherwise provided herein.
7. **Member Permission.** Members cannot withdraw money from their Capital Accounts without permission from the Cooperative.
8. **Designated Member.** A designated Member is responsible for executing the withdrawal following the normal decision-making process.
9. **Held by Cooperative.** 25% or more of the amount of the Member's total capital in cash or other liquid assets shall be held by the Cooperative, at all times.

Section 2: Profits

1. **Net Income.** If there is a net income after the Cooperative has paid all expenses, debts, wages, and made reserve contributions, the Cooperative's remaining net income shall be divided between the Members and the Cooperative.

MIRLO US LLC
OPERATING AGREEMENT

2. **Reserve.** The Cooperative may set up a reserve before splitting income among all the Members. Members shall determine a target amount to be kept in the reserve. This target amount may change based on the Cooperative's future plans and needs.

Section 3: Allocating Income

1. **Operating Expenses.** At every quarterly meeting, the Members shall determine how much income to set aside for operating expenses and reserve.
2. **Financial Records.** Once a year, at the first meeting after the close of the fiscal year, the Cooperative shall complete its financial records for the previous fiscal year.
3. **Allocations.**
 - a. Members shall determine the Cooperative's net income for that fiscal year and find how much is left after the distribution payments are made in that fiscal year.
 - b. A percentage of the Cooperative's net income shall be divided among the Members by either paying Members or holding the amount in the Member's Capital Account based on the Cooperative's net income during that organizational year. The percentage shall be determined at the last meeting of each calendar year.
 - c. The remaining percentage of the net income that was not divided amongst the Members shall remain with the Cooperative. At that point shall the Members determine how much of the remaining amount to hold in Capital Accounts and how much to distribute in cash.

Section 4: Tax

1. **Income Tax.** Members are individually responsible for their personal income tax obligations.
2. **Management of Taxes.** The Cooperative shall hire an accountant to manage all tax filings and related matters for the Cooperative.

Section 5: Losses

1. **Loss.** If the Cooperative has a net loss instead of a net profit at the end of the fiscal year, the loss shall be allocated to all Members in proportion to their Capital Account balances.
2. **Contributions.** Members are not required to contribute cash to the Cooperative to make up for a loss.
3. **Allocation.** Losses shall not be allocated in a way that would violate tax rules. If any violation is discovered, the allocation shall be changed by the Cooperative's accountant only as much as needed to conform to applicable tax rules.

Section 6: Dissolution and Liquidation

1. **Dissolution.** If the Cooperative dissolves, after all of its expenses and debts are paid or provided for, the remaining assets will be distributed in this order:
 - a. All Members in the amount of their Capital Account balances.
 - b. A 501(c)(3) organization decided upon by a decision of the Members.

MIRLO US LLC
OPERATING AGREEMENT

2. **Former Members.** Upon dissolution, the Cooperative is not obligated to distribute to former members an amount equal to their Capital Account balances, unless the former member has involuntarily terminated their membership. If the former member has involuntarily terminated their membership, then the distribution shall be allocated as per this Agreement.
3. **Sale.** If the Cooperative is sold, net proceeds from the sale will be distributed in the same way as the dissolution.
4. **Notice.** This Article VIII may not be changed without written approval of all Members and living former Members who respond within thirty (30) days after reasonable notice.

ARTICLE IX. RECORD-KEEPING

Section 1: Record Maintenance

1. **Maintenance.** The Cooperative shall keep and maintain at least these records:
 - a. For each Member:
 - i. their full legal name,
 - ii. current address,
 - iii. all capital contributions (if property or services, include a description and statement of the agreed value),
 - iv. the date the person became a Member; and
 - v. designated beneficiary.
 - b. A copy of the Cooperative's file-stamped Articles of Organization and any amendments;
 - c. The Cooperative's federal, state, and local income tax returns;
 - d. A signed copy or copies of this Agreement and any amendments;
 - e. Any financial statements of the Cooperative; and
 - f. Any agreements the Cooperative signs;
 - g. Policies and Rules adopted by the Members;
 - h. Meeting minutes and decision records; and
 - i. Work records - The hours or other measurement of work done by each Member each year.

The Cooperative shall maintain these records indefinitely.

Section 2: Storage

1. **Accessibility.** Records must be kept in a place that all Members can access.
2. **Electronic.** Records may be electronic, as long as they can be printed on paper reasonably easily.

ARTICLE X. MISCELLANEOUS

Section 1: Conflict Resolution

MIRLO US LLC
OPERATING AGREEMENT

1. **Generally.** Members shall use the Cooperative's Conflict Resolution policy to attempt to resolve conflicts.
2. **Mediation.** If the Parties are unable to come to a resolution by using the Cooperative's Conflict Resolution policy, then the Parties shall seek outside mediation to resolve the conflict, unless otherwise provided by this Agreement or by law. Mediation sessions shall be mediated by a pre-designated neutral third-party.
3. **Mediation Sessions.** If mediation is used, involved Members and non-Member employees of the Cooperative must attend and participate in good faith in three (3) mediation sessions (whether part of the Conflict Resolution policy or not).

Section 2: Amendments

1. **Amendments.** The Members may amend this Agreement at any time using the Cooperative's usual decision-making process, unless another section of this Agreement sets a different requirement for how that section can be changed.
2. **Signatures.** All Members shall sign new versions of this Operating Agreement or an amendment, to show that the change was adopted.
3. **Previous Agreements.** The Cooperative shall keep a copy of every previous version of this Agreement.

Section 3: Generally

1. **Improvements.** The Members shall always think of ways to improve the Cooperative's procedures, rules, and policies.
2. **Other Rules and Policies.** The Members can adopt rules and policies outside of this Agreement, as long as they do not conflict with this Agreement. New rules and policies must be in writing and kept in the Cooperative's records.
3. **Non-Discrimination.** The Cooperative shall not discriminate on the grounds of national origin, ethnicity, sex, gender or gender identity, religion, sexual orientation, disability, and any other class protected under applicable law.
4. **Name and Address Changes.** Worker-Members shall promptly notify the Cooperative any changes to their names and addresses listed on **Exhibit A**. Upon receipt of the changes, the Cooperative shall issue a new **Exhibit A** with the most up-to-date names, addresses, Membership unit, percentage interest, and Capital Contribution Value.
5. **Creditors.** None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Cooperative.
6. **Notices.** Whenever, under the provisions of law, the Articles, or this Agreement, notice is required to be given to any Worker-Member, notice shall be in writing and delivered in person; by mail to the last known address listed in **Exhibit A**; or by any reasonable electronic means. Any notice shall be deemed to have been given at the time it is hand

MIRLO US LLC
OPERATING AGREEMENT

delivered in person; deposited in the United States mail or private courier service; or sent by electronic transmission.

7. **Governing Law.** For any and all purposes, this Agreement shall be governed by the laws of the District of Columbia and the United States of America, without regard to any conflict of laws provisions in any other state.
8. **Binding Effect.** This Agreement shall bind upon and inure to the benefit of the Members, and their respective legatees, heirs, and successors, except as other provided herein.
9. **Complete Agreement.** This Agreement, including its exhibits, shall constitute the complete and exclusive statement of agreement among the Worker-Members. This Agreement replaces and supersedes all prior agreements by and among the Worker-Members or any of them.
10. **Headings.** All headings herein are inserted only for convenience and ease of reference, and shall not be considered in the construction or interpretation of any provision of this Agreement.
11. **Severability.** Each provision of this Agreement is intended to be severable. If any term or provision of this Agreement is held to be illegal, invalid, or unenforceable for any reason whatsoever, such illegality, invalidity, or unenforceability shall not affect the validity of the remainder of this Agreement.
12. **Term.** The Cooperative shall have a perpetual term unless dissolved pursuant to the terms of this Agreement or the Act.
13. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which, for all purposes, is deemed to be an original and all of which constitute the same instrument.