

# **BYLAWS**

## **NATIONAL ASSOCIATION OF ANIMAL BREEDERS**

### **ARTICLE I. NAME AND LOCATION**

The name of this association shall be NATIONAL ASSOCIATION OF ANIMAL BREEDERS, INC., and its location shall be in Madison, Wisconsin.

Other offices for the transaction of business may be located at such places as the Board of Directors may from time to time designate.

### **ARTICLE II. BUSINESS AND PURPOSE**

#### **Section 1.**

The principal business and purpose of this Association shall be to unite those individuals and organizations engaged in the artificial insemination of cattle and other livestock into an affiliated federation operating under self-imposed standards of performance and conduct, to promote the mutual interests and ideals of its members, and to develop and recommend procedures to protect users of semen, and persons and corporations utilizing artificial insemination, to the extent technically feasible.

The Association shall not, in any manner, engage in a regular business of a kind ordinarily carried on for a profit.

#### **Section 2.**

To carry out these objectives, the Association shall have the following authority:

- a. To promote, foster and advance the interests of its members and associates engaged in the improvement of cattle and other livestock by means of artificial insemination;
- b. To encourage cooperative working relationships among organizations and individuals engaged in artificial insemination of livestock;
- c. To provide facilities for the interchange and dissemination of technical information relating to artificial insemination of cattle and other livestock, including the publication of such reports and journals as the Board of Directors may approve;
- d. To study and recommend the adoption of uniform policies and procedures designed to insure the accuracy of all records pertaining to the parentage of artificially sired offspring, both registered, and non-registered, of all species of livestock; to guard against the spread of infectious diseases; to recommend procedures to insure quality service and products;
- e. To develop a "Code of Ethics" and encourage the adherence of members to high standards of integrity in the conduct of business;
- f. To promote a close working relationship with all livestock breed registry associations and encourage compliance with all provisions which may be necessary to protect and safeguard the accuracy of pedigrees of animals resulting from artificial insemination and recorded in their respective herd books;
- g. To cooperate with other related industry associations, educational institutions, and governmental agencies in the pursuit of livestock improvement;
- h. To encourage, support and solicit funds, for basic and applied research in the field of animal breeding and reproductive physiology with special emphasis on developing improved techniques for the application of artificial insemination;
- i. To endeavor to serve completely the trade association needs of each segment of the A.I. industry;
- j. In general, to engage in such activities in connection with or incidental to the foregoing which are not prohibited by law and are deemed to be in the best interests and welfare of association members.

## ARTICLE III. TYPE OF CORPORATION

### Section 1.

This Association is formed without capital stock to operate on a non-profit basis.

### Section 2.

The Association is formed for the purposes and with the powers authorized under the laws of the State of Wisconsin dealing with not-for-profit corporations.

## ARTICLE IV. MEMBERSHIP

### Section 1. **Membership Classifications**

There shall be two membership classifications:

**a Regular Members:** Any organization or company organized under the laws of the United States of America or any State thereof, which files tax returns with the United States Department of the Treasury, and meets one of the following criteria:

1. Semen production facilities that are engaged in the production, collection, processing, storage, distribution, or marketing of livestock semen in the United States of America, or in the exportation of livestock semen from the United States of America, may apply to be a voting Regular Member. Organizations that are engaged in the production, collection, processing, or storage of livestock semen must provide with the application and thereafter as frequently as required by the Board of Directors satisfactory evidence of a current Certified Semen Services (CSS) audit.
2. Any organization which is exclusively engaged in the marketing and distribution of livestock semen may apply to be a voting Regular Member, without being required to provide evidence of a current CSS audit.

**b Associate Members:** Any individual, organization, or company doing business anywhere in the world in any way relate to the artificial insemination of livestock may apply to be a non-voting Associate Member.

### Section 2. **Application Procedures**

No individual, partnership, company, corporation or association shall be accepted for any type of membership until an application, with the specified membership application fee, has been filed and the applicant approved for specified membership by action of the Board of Directors. If any applicant for membership is denied membership by action of the Board of Directors, he will be entitled to the same appeal proceedings called for in regard to the removal of members provided for under Article IV, Section 5, below.

### Section 3. **Transfers and Reclassifications**

Membership in the Association in any form is not transferable or assignable. Reclassification to a different form of membership is subject to the submission of application, the payment of any difference in membership fees and approval by the Board of Directors, except that any member incorrectly classified as a result of amendments to Article IV will be automatically reclassified into the correct category without the payment of additional application fees.

### Section 4. **Conduct of Member**

Regular Members, other than those exclusively engaged in the marketing and distribution of livestock semen, agree that so long as they are a member, will agree to inspection contracts with CSS and to comply with the CSS contract requirements and such other standards as may be established by CSS. All Regular Members must maintain true and correct records. Regular members and associate members also shall be required to comply with the code of ethics of the Association and to conduct their business in such a manner so as to not be guilty of any offense which affects the interest of good governance of the Association or is indictable by the laws of the land.

### Section 5. **Removal**

Any member which fails to comply with the membership requirements provided for under Section 5 may be removed from membership by the Board of Directors by two-thirds vote of the total membership of the Board of Directors. For any cause other than non-payment of dues, removal shall occur only after the member complained against has been advised of the complaint lodged against him and has been given a reasonable opportunity to appear before the Board, with an attorney to defend against the complaint. Such member if removed, may appeal from the decision of the Board to the Annual Meeting of the Association, providing that notice of intent is provided to the President in writing within thirty (30) days after notification has been mailed of the Board's decision of removal which said decision shall be mailed to the address of the member shown on the records of the Association. The appeal from the decision of the Board shall then be presented at the next annual meeting of the voting delegates, or in the alternative, the Board of Directors may by majority vote elect to consider said appeal at a special meeting called for that purpose. The appealing member shall have a reasonable opportunity to present its appeal with an attorney if the member so desires, and the Board shall be entitled to present its position or to

have an attorney present its position. If a majority of the voting delegates present for the meeting vote in favor of sustaining the position of the Board, the appeal shall be denied. If the majority of the members fail to support the decision of the Board the appeal shall be sustained and the member reinstated.

**Section 6. Withdrawal**

Any member may withdraw by filing a written notice with the Secretary of the Association at least sixty (60) days before the end of its (member's) fiscal year. However, member shall pay dues for the fiscal year in which request for withdrawal is made.

**ARTICLE V. MEMBERSHIP MEETING**

**Section 1.**

There shall be an annual meeting of the Association which shall be held at such location and time as designated by the Board of Directors.

**Section 2.**

Special meetings of the Association may be held at such time and place as designated by the Chairman of the Board (or in his absence, by the Vice Chairman of the Board) upon a majority vote of the Board of Directors. Special meetings may also be called upon the written request of a majority of the regular members of the Association, with a majority to be determined based upon voting delegates of the membership.

**Section 3.**

Notice of the annual meeting or of any special meeting shall be given by the Secretary to all members of record of each classification by mail, addressed to the last known post office address of the member, at least twenty (20) days before the holding of such meeting.

In the case of special meetings, the notice shall state the purpose of the meeting.

**Section 4. Presiding Officers**

The Chairman of the Board shall preside at all such meetings. In the event the Chairman of the Board is absent, the Vice Chairman of the Board shall preside. The Secretary of the Association shall act as the Recording Secretary.

**Section 5. Proxies and Quorum**

Proxy voting shall be permitted at a membership meeting provided that the proxy is granted on a proxy form approved by the Board of Directors. The proxy must be executed in writing by the Manager or President of the member organization for which the delegate serves. The proxy form shall list the name of the person who will cast the proxy vote or votes. The proxy must be issued in favor of another voting delegate of the same member organization who must be present at the meeting in person to cast the vote authorized by said proxy. For a proxy to be valid, it shall be presented to the Credentials Committee at the opening of the membership meeting for which it is designated. The delegate holding a proxy for an absent delegate shall be entitled to cast his proxy vote or votes on any issue that may come before the meeting. Any proxy shall be valid only for one membership meeting. Twenty (20) percent of the eligible voting delegates shall constitute a quorum for any membership meeting. If a quorum is not present in person or by proxy for the meeting, the assembled delegates shall have no power other than to adjourn the meeting or to recess it to a time certain.

**Section 6. Voting**

a. The number of voting delegates shall be determined based on service units of livestock semen reported to the Association and on which membership dues are paid ("Units"), thus:

1. Units Produced

- A. 1 delegate earned by each Regular Member that reports Units produced,
- B. 1 additional delegate at 100,000 Units produced, and
- C. Above the initial 100,000 units produced, 1 additional delegate for each increment of 250,000 Units produced, multiplied by the ratio of (Units Marketed Dues Rate/Units Produced Dues Rate).

2. Units Marketed

- A. 1 delegate earned by each Regular Member that reports Units marketed,
- B. 1 additional delegate at 100,000 Units marketed, and
- C. Above the initial 100,000 units marketed, 1 additional delegate for each 250,000 Units marketed.

- b. Each voting delegate shall be entitled to one vote on all matters other than election of Directors.
- c. When Directors are elected, each voting delegate may cast as many votes as the number of Directors being elected.
- d. A Regular Member must have at least one person physically present at the membership meeting in order to vote.
- e. A person entitled to cast votes for a Regular Member must be a current officer, employee, director, owner, or other person affiliated with that Member, and present credentials establishing such.
- f. Associate Members are not entitled to vote.

**Section 7. Certification of Delegates**

Before any voting delegate shall be entitled to vote on behalf of a member organization such delegate shall deliver to the chairman of the Credentials Committee or to the President, a written certification certifying that such person is an authorized voting delegate and authorized to vote on behalf of the member organization. Such certification shall be delivered prior to the commencement of the business session at which said delegate intends to vote. The certification shall be signed by either the President or the Manager of the member organization. Certified voting delegates must be present in person to cast their votes on issues presented at the meeting. Substitution of persons designated to act as voting delegates may be made at any time prior to the opening of the business session at which said delegate desires to vote. In order for said substituted person to vote he must present written certification in the same form as provided for as to the original voting delegate.

**Section 8. Remote Participation in Member Meetings**

- a. If authorized by the Board of Directors in its sole discretion, delegates and proxies of delegates not physically present at a regular or special member meeting may participate in the meeting by means of remote communication, including telephone, videoconference or Internet-based webcast.
- b. If delegates and proxies of delegates participate in a meeting of delegates by means of remote communication authorized by the Board of Directors, the participating delegates and proxies of delegates are deemed to be present in person and to vote at the meeting, whether the meeting is held at a designated place or solely by means of remote communication, if all of the following apply:
  - i. The Association has implemented reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a certified delegate or a delegate exercising a valid proxy for an absent delegate, as required by these bylaws;
  - ii. The Association has implemented reasonable measures to provide delegates and proxies of absent delegates a reasonable opportunity to participate in the meeting and to vote on matters submitted to the delegates, including an opportunity to read or hear the proceedings of the meeting concurrently with the proceedings; and
  - iii. The Association maintains a record of voting or action by any delegate or delegate that votes or takes other action at the meeting by means of remote communication.
- c. The Board of Directors may adopt such guidelines and procedures as it considers appropriate for conducting a particular meeting or for all meetings employing remote communication.

**ARTICLE VI. BOARD OF DIRECTORS**

**Section 1. Number**

Management of the Association shall be vested in a Board consisting of seven (7) Directors.

**Section 2. Duties and Powers**

- a. The Directors shall endeavor to carry out the desires of the Association members.
- b. The Directors are empowered to establish and maintain a National headquarters, employ a President and other personnel necessary to conduct the affairs of the Association.
- c. The Board of Directors shall have the power to authorize and direct the proper officers to negotiate and procure loans on behalf of the Association and to execute and issue promissory notes or other evidences of indebtedness in the name of the Association in connection with such loans; and further, to buy and sell real and personal property on behalf of

such Association, execute conditional purchase agreements, land contracts, mortgages and other instruments to effect the same. In the event security for such loans shall be required, the Board of Directors shall further have the power to authorize and direct the proper officer to execute and deliver in the name of the Association any instrument of pledge, assignment, lien or mortgage upon any or all of the real or personal property of the Association.

- d. The Board of Directors shall regulate, control and dispose of any property belonging to the Association; shall have the power to retain counsel and fix the compensation therefore; and shall perform such other duties and exercise such other powers as may be delegated to or conferred upon it by law, the bylaws, or the members.
- e. The Board of Directors prior to the annual membership meeting, shall establish a budget to govern the fiscal operations of the Association. The Board of Directors may in its discretion modify said budget at any meeting of the Board of Directors by a majority vote of the membership of the Board.
- f. Notwithstanding any other provisions of this Article VI, for a period of two years following passage of any amendment to these Bylaws which changes the number of Directors, the Board of Directors shall have the power to designate any term of a Director to be elected as less than three years, and the power to decide that an unexpired term shall not be filled, either by Board action or by election as provided in Article VI, Section 7. Neither the provisions of this paragraph nor the provisions of Article VI, Section 1 shall cause the shortening of any term to which a Director already has been elected.

### Section 3. **Term**

The Directors shall be elected for three (3) year terms which shall be staggered so that no more than three (3) Directors shall come up for election at any one (1) annual meeting. No Director shall serve more than two (2) consecutive terms, except that any Director elected to fill a vacancy for the remainder of an unexpired term shall not become ineligible for re-election until the termination of two (2) consecutive full terms of three (3) years each. A director who has served two (2) consecutive terms shall again be eligible to serve as director after the lapse of a three (3) year period after having served two (2) consecutive terms.

### Section 4. **Qualification**

Only those persons who are directors of or are actively engaged in the actual management or operation of a regular member's business shall be eligible to serve on the Board of Directors. If an individual, after election to the Board of Directors no longer meets these qualifications, his right to serve on the Board of Directors shall be automatically terminated and the Board of Directors shall then be entitled to fill such vacancy as provided for under Article VI, Section 7. If there is a dispute as to whether a director meets the above mentioned qualifications the decision of a majority of the membership of the Board of Directors shall be binding as to whether a director still meets the above mentioned qualifications.

### Section 5. **Nomination**

- a. Each regular member of the Association shall have the right to recommend candidates to a Nominating Committee appointed by the Chairman of the Board.
- b. The Nominating Committee, at the annual meeting shall, by their report, place in nomination the names of qualified persons as candidates for Board membership equal to or greater than, the number of Board vacancies to be filled.
- c. Any voting delegate may nominate additional candidates from the floor at the annual meeting.

### Section 6. **Election**

The Directors shall be elected on a secret ballot by the voting delegates from the persons so nominated. Any unexpired terms shall be filled by the non-incumbent nominees who receive the highest numbers of votes. The regular full term or terms up for election shall be filled by the other nominee or nominees who receive the highest numbers of votes.

### Section 7. **Vacancies**

In the case of a vacancy on the Board of Directors through death, resignation, disqualification, or other cause, the remaining Directors (by an affirmative vote of the majority thereof) may elect a successor to hold office until the next annual meeting of the Association when a successor will be elected to fill the unexpired portion of the term of the Director whose place is vacant.

### Section 8. **Compensation**

The Directors and officers shall serve without compensation but shall receive reimbursement for their expenses.

### Section 9. **Meetings**

- a. **Reorganization Meeting** of the Board of Directors shall be held immediately after the annual meeting of the members, and at the same place, unless otherwise designated.
- b. **Regular Meetings:** The Directors shall hold at least one (1) regular meeting during the year, at such time and place as

the Chairman of the Board may designate.

- c. **Notice of all regular meetings** shall be given each Director by the Secretary at least twenty (20) days prior to the time fixed for said meeting.
- d. **Special Meetings** of the Board of Directors may be called by the Chairman of the Board, or in his absence, by the Vice Chairman of the Board, or by a majority of the Directors.
- e. **Notice of Special Meetings** shall be given by the Secretary not less than five (5) days prior to the meeting, and shall state the purpose of the meeting, unless such notice is waived by a number of Board members sufficient to constitute a quorum.
- f. **Quorum:** A majority of the Board membership shall be necessary to constitute a quorum to transact business; provided, however, in the absence of a quorum at any meeting, the Directors present may adjourn the meeting from day to day until a quorum is present.

#### Section 10. **Executive Committee**

The Board of Directors shall elect an Executive Committee, to consist of the Chairman of the Board, Vice Chairman of the Board and one additional Director to be elected by the Board of Directors, to manage the business of the Association during the interim between the meetings of the Board. Subject to the control of the Board of Directors, such committee shall have the fullest authority to act for and on behalf of the Association, and shall exercise such powers of the Board of Directors that may be lawfully delegated by the Board of Directors to such a committee. Election of the Executive Committee shall be held at the reorganization meeting of the Board.

### **ARTICLE VII. OFFICERS**

#### Section 1. **Election and Term**

The general officers of this Association shall be Chairman of the Board, Vice Chairman of the Board, a Secretary, and a Treasurer who shall be elected annually by the Board of Directors at the reorganization meeting of the Board (except in the case of a vacancy). The Chairman of the Board and Vice Chairman of the Board shall be elected from the Board of Directors.

The officers shall be elected for a term of one (1) year and shall hold office until a successor is duly elected and qualified.

An officer may be removed at any time by a majority vote of the Board of Directors.

#### Section 2. **Duties**

The duties of the respective officers shall be as follows:

- a. **The Chairman of the Board** shall preside at all meetings of the Association and of the Board of Directors, appoint all committees (but no committee shall have more than seven members unless more are approved by vote of the Board of Directors), be an ex-officio member of all committees, and have general supervision over the affairs of the Association.
- b. **The Vice Chairman of the Board** shall, in the absence of the Chairman of the Board, or in his inability to act, have all the powers and perform all the duties of the Chairman of the Board.
- c. **The Secretary** shall keep a true and correct record of the proceedings of all meetings of the members and of the Board of Directors. He shall countersign and affix the seal of the Association to such papers and documents as shall be required to be so countersigned and sealed; provided that the Board of Directors may authorize any officer of the Association to perform this duty unless prohibited by law.
- d. **The Treasurer** shall supervise generally the accounting procedures adopted for the control of the money and other property of the Association, and to require the preparation of such periodic accounts, statements, etc. as the Board of Directors may from time to time designate. His accounts shall be audited and certified at the end of each fiscal year by a recognized firm of certified public accountants approved by the Board.

#### Section 3. **President**

The Board of Directors shall further appoint a chief administrative officer who shall be designated as President of the Association and shall be charged with the general administrative supervision of the affairs of the Association. Such person shall serve at the pleasure of the Board of Directors. A majority vote of the membership of the Board of Directors shall prevail as to the employment or termination of the President.

**Section 4. Additional Officers and Duties**

The Board of Directors may provide for the appointment of such other additional officers or assistant officers as they may deem desirable or necessary for the best interests of the Association; and may require all officers to perform such additional or other duties as shall from time to time be required by the Board of Directors, or as may be prescribed by the Bylaws.

**Section 5. Combined Offices**

Whenever the Board of Directors so orders, any two (2) offices (the duties of which do not conflict) may be held by one person.

**Section 6. Signatures**

Execution of contracts, checks, promissory notes, bills of exchange, and other instruments calling for the payment of money, which shall be issued by the Association, shall be signed by such officers as the Board of Directors may from time to time designate.

**Section 7. Contracts**

The Board of Directors may authorize any officer, or officers, agent or agents, to enter into any contracts or to execute or deliver any instruments or any type of legal document in the name of and on behalf of the Association. Such authority may be general or confined to specific instances.

**Section 8. Loans**

Any loans which shall be contracted or certificates of indebtedness issued shall be accomplished only by approval of the Board of Directors. Such authority may be general or confined to specific instances.

**Section 9. Checks and Drafts**

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

**Section 10. Bank Deposits**

All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the officers or Board of Directors may select.

**Section 11. Bonding**

All persons authorized to handle Association funds shall be required to secure a bond at Association expense from a source approved by the Board of Directors and in such amounts as may from time to time be established by the Board.

**ARTICLE VIII. DUES AND FEES**

**Section 1. Membership Fee**

A membership fee must be paid with each application for membership in the Association in accordance with the following schedule:

- a. Regular Member - An amount set by the Board of Directors
- b. Associate Member - An amount set by the Board of Directors

Said fee shall be refunded in full should the application fail to be approved by the Board.

**Section 2. Dues**

- a. **Regular Member Dues.** Each Regular Member shall pay annual dues set by the Board of Directors, which shall be set based upon the service units of semen produced, collected, processed, imported, or marketed, with appropriate forms to be used by Members in reporting data to the Association. The dues rate so established shall become effective and shall be applied in computing each Regular Member's dues for operations beginning the first day of the fiscal year for which the rate is approved. Each Regular Member's dues shall be payable quarterly within forty-five (45) days following the end of each calendar quarter. The amount of dues payable each quarter shall be one-fourth (1/4) of the estimated total amount due for the fiscal year in which said quarterly payment is payable, except that the amount payable for the quarter ending December 31 of each year shall be the unpaid balance of the total dues payable by the

member for the year. Notwithstanding the foregoing, each Regular Member shall pay minimum annual dues as established by the Board of Directors.

- b. **Associate Member:** Annual dues shall be set by the Board of Directors.

### Section 3. **Special Assessment**

Special Assessments may be adopted by a majority vote of the voting delegates at the annual membership meeting or any special membership meeting called for that purpose. Once adopted, all such assessments shall be submitted for review and approval by voting delegates at each annual membership meeting. Such special assessments shall be payable quarterly on the same basis and in the same manner as specified for Dues in Article VIII, Section 2 (a).

### Section 4. **Obligation to Pay Dues**

In order for any member to continue as member of the Association said member shall pay dues established and any special assessment voted by the membership. Any dispute with reference to dues or assessment obligations shall be determined by a majority vote of the Board of Directors.

## **ARTICLE IX. FISCAL YEAR**

The fiscal year shall end on the 30th day of June each year, unless a different fiscal year is established by action of the Board of Directors.

## **ARTICLE X. AMENDMENTS**

The Bylaws may be amended by a majority vote of the voting delegates present at the annual meeting, or at a special meeting called for that purpose; provided, that notice of the nature of the proposed amendment or amendments is included in the Call and Notice of Meeting.

## **ARTICLE XI. INDEMNIFICATION**

1. Any person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of this Association) by reason of the fact that he is or was a director, officer, employee or agent of this Association, or is or was serving at the request of this Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by this Association against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of this Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of **nolo contendere** or its equivalent, shall not of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of this Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.
2. Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of this Association to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of this Association or is or was serving at the request of this Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise shall be indemnified by this Association against expenses, including attorneys' fees, actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of this Association, except that no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to this Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.
3. To the extent that a director, officer, employee or agent of this Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subparagraph 1 or 2, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses, including attorneys' fees, actually and reasonably incurred by him in connection therewith.
4. Any indemnification under subparagraph 1 or 2 unless ordered by a court shall be made by this Association only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subparagraph 1 or 2. Such determination shall be made:



- a. By the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding.
  - b. If such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion; or
  - c. By the Regular Members.
5. Expenses, including attorneys' fees, incurred in defending civil or criminal action, suit or proceeding may be paid by this Association in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in subparagraph 4 upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by this Association as authorized in this section.
  6. The indemnification provided by this section shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any agreement, vote of members or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.
  7. The Board of Directors is authorized to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of this Association, or is or was serving at the request of this Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not this Association would have the power to indemnify him against such liability under this section.

## **ARTICLE XII. DISSOLUTION**

This Association may dissolve by the adoption of a written resolution to that effect, at a meeting of its members called for that purpose, by an affirmative vote of a majority of all the voting delegates. Upon the adoption of such resolution the Board of Directors shall after being or making provisions for the payment of all of the liabilities of the corporation, pay over the remaining funds to such educational institution or research groups as may be selected by the Board of Directors to be used for educational and research use in the field of Animal Agriculture providing that such educational institution or research group is operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under section 501 C (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Trustees shall determine. Any such assets not so disposed of shall be disposed of by the Circuit Court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes. Voting on the resolution for dissolution may be by proxy as authorized by Article V, Section 5 of the Bylaws.

Revised August 2024

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