

CSS BYLAWS

ARTICLE I. NAME AND LOCATION

The name of this Corporation shall be CERTIFIED SEMEN SERVICES, 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.

The registered office of the Corporation required by the Business Corporation Law of Wisconsin to be maintained in the State of Wisconsin may be, but need not be, identical with the principal office in the State of Wisconsin, and the address of the registered agent may be changed from time to time by the Board of Directors.

ARTICLE II. BUSINESS AND PURPOSE

To provide an inspection service to inspect businesses engaged in the processing of livestock semen; to establish standards and rules to assure the authenticity of semen products; to disseminate information concerning the handling and processing of semen; to establish standard procedures for the protection of the user; to establish uniform labeling of semen containers; to facilitate the identification of semen products; and to engage in any other activity for improvement of animal agriculture.

To establish rules and procedures for certification of businesses processing livestock semen.

ARTICLE III. TYPE OF CORPORATION

This Corporation is organized as a corporation as authorized under the provisions of Wis. Stat. Ch. 180.

ARTICLE IV. SHAREHOLDERS

Section 1. **Ownership of the Corporation**

Ownership of the Corporation shall be vested in the holders of shares of common stock in the Corporation. The aggregate number of shares that the Corporation shall be authorized to issue shall be 300 shares of \$100 per value stock.

Section 2. **Annual Meeting**

The annual shareholders meeting of the Corporation shall be held within ninety (90) days after termination of the fiscal year at such locations and time as designated by the Board of Directors.

Section 3. **Special Meeting**

Special meetings of the Corporation 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 the approval of a majority vote of the Board of Directors. Special meetings may also be called upon the written request of a majority of the shareholders of the Corporation based upon the number of shares of stock.

Section 4. **Notice of Meetings**

Notice of the annual meeting or of any special meeting shall be given by the President to all shareholders of record 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 5. **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.

Section 6. **Quorum**

Fifty-one (51) percent of the outstanding shares of the stock of the Corporation, represented in person or by proxy, shall constitute a quorum at any meeting of the shareholders; provided that if less than fifty-one (51) percent of the outstanding shares represented at said meeting, a majority of the shares so represented at said meeting may adjourn the meeting to a time certain.

Section 7. **Proxies**

At all meetings of the shareholders, a shareholder may vote by proxy, executed in writing by the shareholder or by his duly authorized attorney-in-fact. Such proxy shall be filed with the Secretary of the Corporation before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

Section 8. **Voting Lists**

At least ten (10) days before each meeting of shareholders, the officer or agent having charge of the transfer book for shares of the Corporation shall make a complete list of the shareholders entitled to vote at such meeting, arranged in alphabetical order with the address of, and the number of shares held by, each shareholder, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered office of the Corporation and shall be subject to inspection by any shareholder at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to inspection of any shareholder during the whole time of the meeting. The original share ledger or transfer book, or a duplicate thereof kept in this state, shall be prima facie evidence as to who are the shareholders entitled to examine such list or share ledger or transfer book or to vote at any meeting of shareholders.

Section 9. **Voting of Shares**

Subject to the provisions of Section 10, each outstanding share of capital stock having voting rights shall be entitled to one (1) vote upon each matter submitted to a vote at a meeting of shareholders.

Section 10. **Voting of Shares by Certain Holders**

Shares standing in the name of another corporation, domestic or foreign, may be voted by such officer, agent or proxy as the Bylaws of such Corporation may prescribe, or, in the absence of such provision, as the Board of Directors of such Corporation may determine.

Shares standing in the name of a deceased person may be voted by his administrator or executor, either in person or by proxy. Shares standing in the name of a guardian, curator, or trustee may be voted by such fiduciary, either in person or by proxy, but no guardian, curator or trustee shall be entitled, as such fiduciary, to vote shares held by him with out a transfer of such shares into his name.

Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name if authority to do so be contained in an appropriate order of the court by which such receiver was appointed.

A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

Section 11. **Cumulative Voting**

In all elections for directors, every shareholder shall have the right to vote, in person or by proxy, the number of shares owned by him, for as many persons as there are directors to be elected, or to cumulate said shares, and give one (1) candidate as many votes as the number of directors multiplied by the number of his shares shall equal, or to distribute them on the same principle among as many candidates as he shall see fit.

Section 12. **Informal Action by Shareholders**

Any action which may be taken at a meeting of the shareholders may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof.

ARTICLE V. CERTIFICATE FOR SHARES AND THEIR TRANSFER

Section 1. **Certificates for Shares**

Certificates representing shares of the Corporation shall be in such form as may be determined by the Board of Directors. Such certificates shall be signed by the Chairman of the Board or Vice Chairman of the Board and by the Secretary, Treasurer or an Assistant Secretary or Treasurer, and shall be sealed with the seal of the Corporation. All certificates for shares shall be consecutively numbered. The name of the person owning the shares represented thereby with the number of shares and date of issue shall be entered on the books of the Corporation. All certificates surrendered to the Corporation for transfer shall be cancelled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and cancelled, except that in the case of a lost, destroyed or mutilated certificate a new one may be issued therefor upon such terms and indemnity to the Corporation as the Board of Directors may prescribe.

Section 2. **Transfers of Shares**

Transfers of shares of the Corporation shall be made only on the books of the Corporation by the registered holder thereof or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Corporation, and on surrender for cancellation of the certificate for such shares. The person in whose name shares stand on the books of the Corporation shall be deemed the owner thereof for all purposes as regards the Corporation.

ARTICLE VI. DIVIDENDS

The Board of Directors may from time to time, declare, and the Corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and its articles of incorporation.

ARTICLE VII. SEAL

The Corporation shall not maintain a corporate seal.

ARTICLE VIII. BOARD OF DIRECTORS

Section 1. **Number**

The management of the Corporation shall be vested in a Board consisting of seven (7) Directors.

Section 2. **Qualification**

Only those persons who are officers, directors or owners of business entities engaged in the processing of livestock semen and which business entities are also under inspection contracts with this Corporation or persons who are in a management position with such business entities shall be eligible to serve on the Board of Directors except that the President (Executive Secretary) of the National Association of Animal Breeders, Inc. shall also be eligible for membership 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 VIII, Section 6. 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 3. **Duties and Powers**

- a. The Directors shall endeavor to carry out the desires of the shareholder(s).
- b. The Directors are empowered to establish and maintain a National headquarters, employ a President and to conduct the affairs of the Corporation.
- 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 Corporation and to execute and issue promissory notes or other evidences of indebtedness in the name of the Corporation in connection with such loans; and further, to buy and sell real and personal property on behalf of the Corporation, 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 Corporation any instrument of pledge, assignment, lien or mortgage upon any or all of the real or personal property of the Corporation.
- d. The Board of Directors shall regulate, control and dispose of any property belonging to the Corporation; 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 shareholders.
- e. The Board of Directors shall establish a budget to govern the fiscal operations of the Corporation. 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.

Section 4. **Term**

The Directors shall be elected for one (1) year terms.

Section 5. **Election**

The Directors shall be elected on a secret ballot by the shareholder(s). The candidates receiving the largest number of votes shall fill the existing vacancies on the Board.

Section 6. **Vacancies**

In the case of a vacancy on the Board of Directors through death, resignation, disqualification, or other cause, the Directors of the Corporation may elect a successor to hold office until the next annual meeting of the Corporation.

Section 7. **Compensation**

The Directors and officers (exclusive of the President) shall serve without compensation, but shall receive reimbursement for their expenses incurred in carrying out the business of the Corporation.

Section 8. **Meetings**

- a. **Reorganization Meetings** of the Board of Directors shall be held immediately after the annual meeting of the shareholders, 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. **Notice of Special Meetings** shall be given not less than five (5) days prior to the meeting, and shall state the purpose of the meeting.
- e. **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.

ARTICLE IX. OFFICERS

Section 1. **Election and Term**

The general officers of this Corporation shall be the Chairman of the Board, Vice Chairman of the Board, Secretary, and Treasurer. The Chairman of the board and Vice Chairman of the Board shall be elected annually by and from within the Board of Directors at the Reorganization meeting of the Board (except in the case of a vacancy) to be held at the first meeting of the Board of Directors after the annual shareholders meeting. The Secretary and Treasurer shall be appointed by 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 Board** shall preside at all meeting of the Corporation and of the Board of Directors, appoint all committees, and have general supervision over the affairs of the Corporation and the officers thereof. He shall be an ex officio member of all committees.
- 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 shareholders and of the Board of Directors. He shall countersign and affix the seal of the Corporation 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 Corporation 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 Corporation, 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.
- e. **The Board of Directors** may at their direction combine the offices of the Secretary and Treasurer.

Section 3. **The President**

The Board of Directors shall further appoint a chief administrative officer who shall be designated as President of the Corporation and shall be charged with the general administrative supervision of the affairs of the Corporation. 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 Corporation; 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 (1) person except that the same person shall not hold both the offices of Chairman of the Board and Secretary at the same time. The Board also may in its discretion appoint the President to fill the positions of Secretary and Treasurer.

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 Corporation, 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 Corporation. 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 Corporation, shall be signed by such officer or officers, agent or agents of the Corporation 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 Corporation 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 Corporation funds shall be required to secure a bond at Corporation 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 X. FEES

Fees for services provided by the Corporation may be established and amended from time to time by the Board of Directors of the Corporation.

ARTICLE XI. FISCAL YEAR

The fiscal year shall end on the 30th day of June each year.

ARTICLE XII. AMENDMENTS

The Articles of Incorporation and Bylaws may be amended by a majority vote of the shareholders present in person or by proxy 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 XIII. INDEMNIFICATION

Section 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 Corporation) by reason of the fact that he is or was a director, officer, employee or agent of this Corporation, or is or was serving at the request of this Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by this Corporation 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 Corporation, 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 Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 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 Corporation 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 Corporation or is or was serving at the request of this Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise shall be indemnified by this Corporation 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 Corporation, 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 Corporation 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.

Section 3.

To the extent that a director, officer, employee or agent of this Corporation 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.

Section 4.

Any indemnification under subparagraph 1 or 2 unless ordered by a court shall be made by this Corporation 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 shareholders.

Section 5.

Expenses, including attorneys' fees, incurred in defending civil or criminal action, suit or proceeding may be paid by this Corporation 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 Corporation as authorized in this section.

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.

Section 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 Corporation, or is or was serving at the request of this Corporation 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 Corporation would have the power to indemnify him against such liability under this section.

ARTICLE XIV. DISSOLUTION

This Corporation may dissolve by the adoption of a written resolution to that effect, at a meeting of its shareholders called for that purpose, by an affirmative vote of a majority of all the shareholders.

Upon dissolution of the Corporation any remaining assets shall be distributed to such other persons as may be required by the provisions of Wis. Stat. Ch. 180.

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