

# **BYLAWS OF AMERICAN HEREFORD ASSOCIATION**

(As Amended October 30, 2015)

(As Amended by the Board of Directors on April 6, 2021)

(As Amended by the Members on June 15, 2021)

(This is a compiled set of Bylaws, which means that the changes that have been adopted by the Members and the Board of Directors have been integrated herein, but the Bylaws have not been formally restated.)

## **ARTICLE I**

### **Principal Office**

The principal office and location of the American Hereford Association (the "Association") shall be Kansas City, Jackson County, Missouri.

## **ARTICLE II**

### **Purposes**

The purposes of the Association shall be those stated in the Articles of Incorporation of the American Hereford Association, as amended.

## **ARTICLE III**

### **Membership**

**Section 1. Qualification.** Any reputable breeder or owner of Hereford cattle may by application become a member of the Association upon approval of his application by the Board of Directors or by its duly authorized representative and upon payment of such annual dues as may be established by the Board of Directors. The membership of any member who is required to pay annual dues shall automatically cease and determine and be held for naught and any or all rights, benefits, interests, title and privileges thereunder shall immediately and absolutely revert to and vest in the Association upon the failure of such member to pay such annual dues in any year. Each person who shall become a member of the Association shall be required to pay annually to the Association as a condition for membership in the Association, dues for each calendar year or portion thereof. Each person who is a life member of the Association shall be exempted from paying annual dues so long as his membership shall not have been canceled in accordance with these Bylaws. All applications for membership in the Association shall be made to the executive vice president who shall bring such applications before the Board of Directors for approval. The Board of Directors shall be empowered, in determining whether any application for membership shall be approved, to consider any fact or matter relevant to the applicant bearing upon the best interests of the Association and the desirability or fitness of the applicant for membership therein, including, without limiting the generality of the foregoing, the possibility of confusing similarity between the applicant's name, trade name, tattoo, brand or other identification with that of any existing member. A corporation, partnership, limited liability company, unincorporated association, joint venture, or other organization or entity, may become a member of the

Association with all the rights and privileges and subject to all the duties of an individual, and each such member may designate, by notice to the Association, an officer, owner, member partner or employee, as the case may be, of such member (each a "Representative") to represent such member (provided it is an Active Member) in matters pertaining to the Association.

**Section 2. Suspension and Cancellation.** Any member who shall fail or neglect to register any Hereford cattle with the Association during the Registration Period (as hereinafter defined) immediately preceding a meeting of members shall not be entitled to vote at such meeting. The membership of any member who shall fail or neglect to register any Hereford cattle within a continuous period of six (6) years shall automatically cease and be held for naught, and any and all rights, benefits, interests, title, and privileges thereunder shall immediately and absolutely revert to and vest in the Association. As used in these Bylaws, the term "Registration Period" shall mean a continuous period of twelve (12) months beginning on January 1 of each year and ending on December 31 of the same year.

**Section 3. Memberships Nontransferable.** All memberships in and any and all certificates representing membership in the Association are non-transferable, except transfers to family members made with the prior approval of the Board of Directors.

**Section 4. Associates of the Association.** Any reputable person or entity who is interested in Hereford cattle may, by application, become an Associate of the Association upon approval of the application by the Board of Directors or by its duly authorized representative and upon payment of such annual dues for each calendar year of the Association or portion thereof, as may be established by the Board of Directors. Associate membership in the Association shall have such rights (other than voting rights) as may be authorized by the Board of Directors. The AHA Associate membership shall not be entitled to vote for any purpose whatsoever and shall not be entitled to membership rates for registration and transfer of Hereford cattle, and shall not otherwise than as provided by the Board of Directors be entitled to the rights, privileges or benefits of members of the Association.

## ARTICLE IV Meetings of Members

**Section 1. Place of Meetings.** All meetings of the members shall be held at such place or places within the continental United States as shall be determined by the Board of Directors and specified in the notice of such meeting. The Board of Directors may determine to hold any such meeting in person, virtually, or a combination where some members attend such meeting in person and other members attend such meeting virtually ("hybrid form"). Any such meeting shall be in person unless, at least thirty (30) days prior to the date of such meeting, the Board of Directors shall have determined, by resolution adopted by the Board of Directors, to hold such meeting virtually or in hybrid form. If the Board of Directors determines to hold any such meeting virtually or in hybrid form, the members shall have the ability to hear each other by means of

conference telephone or similar communications equipment, but the members shall not be required to have the ability to see each other.

**Section 2. Annual Meeting of the Members.** The annual meeting of the members of the Association shall be held during the American Royal Show in Kansas City, Missouri, or the week preceding the beginning thereof in each year, on such date and time and at such place as shall be determined by the Board of Directors and upon such notice as shall be required by these Bylaws.

**Section 3. Special Meeting.** Special meetings of the members of the Association may be called by the president, or the executive vice president, or by the Board of Directors and shall be held on such date and at such time, and for such purpose as shall be determined by the Board of Directors and specified in the notice of such a meeting.

**Section 4. Notice.** A written notice of a meeting of the membership which shall set forth the time and place and in the case of special meetings, the purpose of such meeting, shall be published in the Hereford World or some other publication of general circulation amongst breeders and owners of Hereford cattle, designated by the Board of Directors or mailed to all members entitled to vote at said meeting at the address appearing on the books of the Association at least ten (10) days prior to said meeting, and, except as otherwise specifically provided by law, any meeting held pursuant to such notice shall be a valid and duly convened meeting of the members.

**Section 5. Quorum.** At any annual or special meeting of the members of the Association, fifty (50) Active Members present either in person or by proxy shall constitute a quorum to do business, but a smaller number may adjourn the meeting until a quorum is secured. If the Board of Directors determines to hold any member meeting virtually or in hybrid form pursuant to Section 1 above, a member's participation in the meeting by means of conference telephone or similar communications equipment referred to in Section 1 above shall constitute presence in person at the meeting.

**Section 6. Voting.** (a) Except as may be required by law, only Active Members shall be entitled to vote as follows: (i) for the election of delegates, (ii) on those matters specifically identified in the Association's Articles of Incorporation and these Bylaws, and (iii) as required by law.

(b) The Active Members vote will be calculated pursuant to the Association's Articles of Incorporation. Voting, whether by ballot or proxy, or at a meeting, will be conducted pursuant to such rules and procedures as the Board of Directors may establish. The rules and procedures of the meeting will be provided to the membership ten (10) days prior to the meeting.

(c) Active Members shall have the right to vote on any merger, sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the assets of the Association; or the dissolution of the Association. The Board of Directors shall adopt a resolution recommending such action and directing that it be submitted to a vote at a

meeting of the Active Members, which may be an annual or a special meeting. Written notice stating that the purpose, or one of the purposes, of such meeting is to consider one of the listed actions in this paragraph (c), shall be given to each member entitled to vote at such meeting within the time and in the manner provided in these Bylaws. At such meeting, the members may authorize such action and may fix, or may authorize the Board of Directors to fix, any or all of the terms and conditions and the consideration to be received by the corporation. In addition, any such action must be taken in accordance with applicable Arizona law.

(d) As used in these Bylaws, the term "Active Members" shall mean those members who have registered one or more animals with the Association during the most recent Registration Period that has ended no less than six (6) months prior to the annual, special meeting, or ballot in question. The term "primarily doing business in" shall mean the state in which the Active Member engages in the breeding and registration of Hereford cattle, as shown on the records of the Association.

**Section 7. Other.** The Board of Directors shall have the power to establish procedures for the conduct of elections and other business of the meeting of members consistent with these Bylaws. Except as provided in Article V, Section 2 of these Bylaws, with respect to the nomination of delegates and for business to be properly brought before an annual meeting of members of the Association, a member must have given timely notice in writing of the general business that shall be brought before the meeting and submit a proposed motion or resolution of said business to the executive vice president of the Association. To be timely, a member's notice shall be delivered or mailed to the executive vice president at the principal offices of the Association not less than sixty (60) days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than thirty (30) days or delayed by more than sixty (60) days from such anniversary date, notice by the member to be timely must be so delivered not later than the close of business on the later of (i) the 60<sup>th</sup> day prior to such annual meeting or (ii) the 10<sup>th</sup> day following the date on which notice of the date of the upcoming meeting is first given.

## ARTICLE V Delegates

**Section 1. Number of Delegates.** (a) On July 1 of each year, the Association shall determine the number of delegates to be elected by Active Members primarily doing business in each state of the United States. Each state shall be entitled to one (1) delegate for each 750 animals registered by members primarily doing business in such state during the most recently completed Registration Period. If the number of registrations in any state during the Registration Period exceeds 750 or any multiple thereof by 375 or more, such state shall be entitled to an additional delegate.

(b) If any state has 375 or more registrations but fewer than 750 registrations during the Registration Period, such state shall be entitled to one (1) delegate. If any state has fewer than 375 registrations during the Registration Period, the Board of

Directors shall aggregate the number of registrations in such state during the Registration Period with the number of registrations in such other state or states within the same Region as the Board of Directors shall determine for purposes of determining the number of delegates to represent such states as a group. As used in these Bylaws, a "Region" is one of the four (4) regions delineated on the map attached hereto as Exhibit A.

(c) In addition to those state delegates acquired by registrations, each state will also receive one (1) delegate for the first twenty-five (25) Active Members and an additional one (1) delegate for every one hundred Active Members thereafter who were active during the Registration Period.

**Section 2. Nomination of Delegates.** (a) Any Active Member may nominate as a delegate candidate any Active Member (including himself) who is primarily doing business in the state of the nominator. Nominations shall be on a form provided by the Association and mailed to the executive vice president of the Association. Each Active Member, whether an individual, partnership, corporation, other organization or entity, shall be entitled to nominate only one (1) delegate candidate. If an Active Member is a partnership, corporation, organization, or entity, only one (1) partner or officer of the partnership or corporation, organization or entity, as the case may be, may be nominated as a delegate candidate. If Representatives are also Active Members individually, they may be nominated as individual delegate candidates. However, no Active Member will be eligible to represent more than one membership entity.

(b) The executive vice president of the Association shall, on or before May 1 (or, if not a Business Day, as defined below, the next Business Day) of each year, notify all Active Members of their right to nominate delegates. Such notice shall be by publication in the Hereford World or some other publication of general circulation amongst breeders and owners of Hereford cattle or by mail to the address appearing on the books of the Association for each Active Member. May 31 (or, if not a Business Day, the next Business Day) is the final date upon which such nominations may be accepted by the executive vice president. "Business Day" shall mean each day other than a Saturday, Sunday, or legal holiday under Federal law.

(c) In the event that the number of delegate candidates from a state is less than the number of delegates to which such state is entitled, then (i) the Active Members from such state shall be deemed to have voted for such delegate candidates as delegates, and (ii) such state's secretary shall be entitled to nominate candidates for the unfilled delegate positions and the Active Members from such state shall be deemed to have voted for such candidates as delegates.

**Section 3. Election of Delegates** (a) With respect to the election of delegates, except as set forth in Article V, Section 1(b) hereof, each Active Member shall be entitled to vote, as described herein and in the Association's Articles of Incorporation, only for a delegate or delegates to represent the state in which the Active Member is primarily doing business. Each Active Member shall have the right to cast as many votes in the aggregate as shall

equal the number of votes to which the Active Member is entitled (calculated pursuant to the Association's Articles of Incorporation) multiplied by the number of delegates to be elected from the state in which the Active Member is primarily doing business; provided, however, that an Active Member must cast an equal number of votes for each delegate candidate for whom the Active Member is voting; and provided, further, that an Active Member may not cast more than the number of votes to which the Active Member is entitled (as calculated according to (a) through (e) of Article VI of the Articles of Incorporation of the Association) for any one delegate candidate. Active Members shall return completed and executed ballots to the Association on or prior to July 31 (or, if not a Business Day, as defined above, the next Business Day) of each year.

(b) All votes of Active Members shall be counted and the candidate or candidates receiving the largest number of votes in each state shall be declared elected as delegates. The executive vice president shall notify all Active Members of the elected delegates by publication in the October issue of Hereford World or some other publication of general circulation amongst breeders and owners of Hereford cattle.

**Section 4. Meetings of Delegates; Notices; Quorum.** (a) An annual meeting of delegates shall be held during the American Royal Show in Kansas City, Missouri or the week preceding the beginning thereof in each year, on such date and at such time and place as shall be determined by the Board of Directors and specified in the notice of such meeting. The Board of Directors may determine to hold any annual meeting of delegates in person, virtually, or a combination where some delegates attend such meeting in person and other delegates attend such meeting virtually (“hybrid form”). Any such annual meeting shall be in person unless, at least thirty (30) days prior to the date of such meeting, the Board of Directors shall have determined, by resolution adopted by the Board of Directors, to hold such meeting virtually or in hybrid form. If the Board of Directors determines to hold any such annual meeting virtually or in hybrid form, the delegates shall have the ability to hear each other by means of conference telephone or similar communications equipment, but the delegates shall not be required to have the ability to see each other.

(b) Notice of an annual meeting of delegates shall be sent by electronic mail to all delegates at least thirty (30) days prior to such meeting. The notices shall be sent to the e-mail addresses of the delegates appearing on the books of the Association.

(c) There shall be no minimum number of delegates, to constitute a quorum, and the delegates present in person at the annual meeting shall constitute a quorum. If the Board of Directors determines to hold any annual meeting of delegates virtually or in hybrid form pursuant to Section 4(a) above, a delegate’s participation in the meeting by means of conference telephone or similar communications equipment referred to in Section 4(a) above shall constitute presence in person at the meeting.

**Section 5. Voting.** At a meeting for the election of members to the Board of Directors, each delegate who is present in person at such meeting shall be entitled to cast as many votes in the aggregate as shall equal the number of directors to be elected at such meeting. None of a delegate's votes will be counted unless such delegate casts all of the votes that the delegate is entitled to cast. A delegate may not cast more than one (1) vote for a particular candidate. A delegate shall be entitled to vote at a meeting of delegates only if such delegate is present in person at such meeting. The only matter upon which a delegate who is present in person at a meeting of delegates shall be entitled to vote is the election of members to the Board of Directors. If the Board of Directors determines to hold any annual meeting of delegates virtually or in hybrid form pursuant to Section 4(a) above, a delegate's participation in the meeting by means of conference telephone or similar communications equipment referred to in Section 4(a) above shall constitute presence in person at the meeting.

**Section 6. Alternate Delegates.** In the event any delegate is unable for any reason to attend the annual meeting of delegates, then the delegate nominee from the same state who is willing to serve and who received the greatest number of votes of all of the delegate nominees from that state who were willing to serve but were not elected as delegates may attend the annual meeting and be treated for all purposes as a delegate from such state. If more than one delegate from a state is unable to attend the annual meeting of delegates, or if any delegate nominee from a state who would become a delegate under the preceding sentence is unable to serve as a delegate, then (a) first, the delegate position or positions for such state shall be filled from among the remaining nominees from that state who are willing to serve, with each nominee who received a greater number of votes having priority over those nominees who received a lesser number of votes and (b) next, if there continues to be a vacancy, a majority of the delegates from that state in attendance may name a qualified Active Member primarily doing business in their state to fill the vacancy.

**Section 7. Other.** The Board of Directors shall have the power to establish procedures for the conduct of elections and other business of the meeting of delegates consistent with these Bylaws.

## ARTICLE VI Board of Directors

**Section 1. Powers .** (a) The Board of Directors shall have supervision, control, and direction of the property, business, affairs, and activities of the Association; shall determine its policies or changes within the limits of the law of Arizona, of the Association's Articles of Incorporation, as amended, and of these Bylaws; shall actively prosecute its corporate powers and objects, and shall have absolute discretion in the disbursement of its funds; provided, however, that the Board of Directors shall not authorize the Association to enter any activity not permitted to be transacted by a non-profit corporation under the laws of Arizona and all income and property shall be applied exclusively to the nonprofit purposes of the Association, and no part thereof shall inure to the benefit of any private member or individual. The Board of Directors may adopt such rules and regulations for the control and conduct of the property, business, affairs, and

activities of the Association as shall be deemed advisable. The Board of Directors shall, prior to the annual meeting of members of the Association, elect the persons to serve as the president and vice president, and the persons so elected shall have served as a member of the Board of Directors for a one- year period prior to such annual meeting. It shall, at the annual meeting of the Board of Directors elect the other officers of the Association in accordance with these Bylaws. The Board of Directors or any officer duly authorized by it, shall appoint and fix the compensation to be paid to such employees and agents, including legal counsel, as shall be necessary to conduct the affairs of the Association. Through a designated officer of the Association the Board of Directors shall present at each annual meeting of the membership a summary operating report and balance sheet of the Association, or of its operating subsidiaries, if any, and shall within ninety (90) days after said annual meeting publish in the publication designated to publish notices of meetings of the members, a summary of said operating report and a copy of the said balance sheet of the Association. It shall cause a copy of the said summary of the operating report and of the said balance sheet to be mailed to any member requesting same.

(b) Without the approval of three- fourths of all of the Directors given at a meeting especially called for such purpose after ten (10) days' written notice in advance thereof to each Director, no lien or encumbrance shall be created on any property of the Association.

(c) Any officer elected by the Board of Directors of the Association may be discharged only by the affirmative vote of a majority of the entire Board with or without cause at any time. Any employee may be discharged by the Board of Directors, or its duly authorized representative, at any time with or without cause.

**Section 2. Number.** The Board of Directors shall consist of twelve (12) Active Members or Representatives of Active Members of the Association, unless otherwise provided by the Articles of Incorporation or amendments thereto. As used in these Bylaws (i) a “Region” is one of the four (4) regions delineated on the map attached hereto as Exhibit A, and (ii) a Director is “from a Region” (or words of similar import) if the Director, or the member represented by the Director, is primarily engaged in doing business in that Region. At no time shall the Board of directors consist of more than four Active Members or Representatives of Active Members from any one Region.

### **Section 3. Nomination of Directors .**

(a) The Nominating Committee shall nominate not less than three (3) nor more than six (6) candidates for election as Directors of the Association, each of whom shall be an Active Member or a Representative of an Active Member at the time of nomination and shall submit the names of those candidates to delegates at a meeting of delegates. In addition, any delegate present in person may nominate any Active Member as a candidate for Director at the meeting of delegates.

(b) If, the Board of Directors will, upon the expiration of the term of any current Director, not have a Director who is from any one of the Regions, then at least two (2) of the candidates nominated by the Nominating Committee shall be from such Region.

(c) The Nominating committee shall not nominate any candidate who could not be elected by reason of the limitations under Section 4 (c) below. By way of illustration, if four (4) Directors from the same Region are serving on the Board of Directors and none of their terms expire at the election in question, then the Nominating Committee shall not nominate a candidate from that Region.

#### **Section 4. Election and Term of Office.**

(a) At each annual meeting of delegates, the delegates, in accordance with the provisions of these Bylaws, shall elect three (3) Directors, with each Director elected to hold office for only one full term of four (4) years and until such Director's successor is duly elected and qualified or until such Director's death, resignation or removal.

(b) The purpose of this paragraph (b) is to assure that at least one person on the Board of Directors will be from each of the four (4) Regions. Accordingly, if the Board of Directors, upon the expiration of the term of any current Director, would not have a Director from any one of the Regions, then the candidate for election who is from that Region and who receives the largest number of votes of all of the candidates nominated who are from that Region shall be elected to the Board of Directors, regardless of how many votes the other candidates receive.

(c) The purpose of this paragraph (c) is to assure that there are no more than four (4) persons on the Board of Directors from any one Region. Accordingly, no person from a Region shall be elected if as a result of the election of such person there would be more than four (4) persons who are from that Region then serving on the Board of Directors. If more than one person would be elected as a Director but for the provision of the immediately preceding sentence and such disqualification results in three or less Directors from that Region, then the candidate(s) so disqualified who receive the largest number of votes shall be elected a Director until there are four (4) Directors from that Region. By way of illustration, if there are three Directors from a Region that will continue as Directors after the subject election, and there are two candidates nominated who are from that Region, and such two candidates receive the largest number of votes of all candidates in that election, then only the candidate receiving the largest vote as between such two candidates shall be elected, resulting in four (4) Directors from such Region on the Board of Directors, and the other candidate shall not be eligible to be elected as a Director at that election.

(d) After satisfying the requirement of paragraph (b) above and subject to the procedures set forth in paragraph (c) above, any remaining openings on the Board of Directors shall be filled by those candidates who receive the largest number of votes.

**Section 5. Vacancies.** Subject to a maximum of four (4) Directors from a Region, vacancies in the Board of Directors resulting from the death, resignation, removal, incapacity or disqualification of any of the members of the Board shall be filled by a majority vote of the remaining Directors at the next regular or at a special meeting of the Directors held for that purpose, and such person or persons so chosen to fill such vacancy or vacancies shall serve for the unexpired term of his predecessor and until a successor is elected and qualified. As used herein, the term “disqualification” includes a director ceasing to be from the region such director was from at the time the director was elected. If, as a result of a vacancy, the Board of Directors does not have a Director from a Region, then the Board of Directors must fill the vacancy with a person from that Region. Directors so elected will be eligible to serve an additional full term if the unexpired term to which the Director is elected is for less than two years.

**Section 6. Removal.** Any director may be removed from office for cause by the affirmative vote of three-fourths of all of the other duly qualified and acting Directors of the Board at any special meeting of the Board of Directors called for that purpose; provided that a copy of the notice of such special meeting is sent at least ten (10) days in advance of such meeting by registered mail addressed to each Director, including the Director whose removal or suspension is to be considered. No charges against any such Director shall be considered unless the same have been preferred in writing and signed by the person or persons preferring such charges and filed with the executive vice president of the Association at least twenty days prior to the date of the meeting at which the charges are to be considered. Such accused Director shall have the right to be confronted by his accusers and to show cause why he should not be removed, but the remaining members of the Board of Directors (that is those other than the accused) shall be the sole judges as to the advisability of the removal or suspension of such Director and upon its removal the office shall be declared vacant and the Board shall proceed to fill the same as in the case of other vacancies.

**Section 7. Compensation.** No Director shall receive compensation for any services he may render to the Association, provided that each shall be reimbursed for his actual expenses.

**Section 8. Meetings of the Board of Directors .** (a) Regular or special meetings of the Board of Directors may be held at such time and place, anywhere within the continental United States, as the Board of Directors may determine or, in the case of special meetings, as may be determined by the president or executive vice president and specified in the notice of said meeting. Any regular or special meeting of the Board of Directors may be held by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting. The annual meeting of the Board of Directors shall be held in Kansas City, Missouri, immediately following the adjournment of the annual meeting of delegates. Special meetings of the Board of Directors may be called by the president or executive vice president or by a majority of the Board of Directors.

(b) Written notice of each regular and special meeting of the Board of Directors, except the annual meeting, shall be mailed or telecopied to the last known post office address of each member of the Board of Directors at least seven (7) days in advance of such meeting. Notices of such meetings shall state the time and place of the meetings, but need not state the purposes thereof.

(c) All Directors present and voting at any meeting of the Board of Directors, annual, regular, or special, shall be deemed to have waived any and all objection to the time or place of holding of such meeting or to the sufficiency of the notice thereof unless notice of the specific objection shall have been given to the Board of Directors in writing before participating in any business or voting at such meeting. Directors may waive in writing the necessity of notice of any special or regular meeting.

(d) The Board of Directors may take action without a meeting if the action is taken by all of the Directors. The action must be evidenced by one or more written consents describing the action taken, signed by each director and included in the minutes filed with the corporate records reflecting the action taken.

**Section 9. Quorum.** At all meetings of the Board of Directors there shall be present at least seven (7) members of the Board of Directors in order to constitute a quorum. A lesser number than a quorum may adjourn until a quorum is secured, but no business may be transacted at any meeting unless a quorum is present.

**Section 10. Voting.** A majority vote of the Directors present at any regular or special meeting regularly called and held, at which a quorum is present, shall constitute the action of the entire Board except with respect to matters concerning which the affirmative vote of a larger number of Directors is specially required by these Bylaws or by law.

**Section 11. Seal.** The Directors may adopt a seal for the Association.

## **ARTICLE VII Committees**

**Section 1. Executive Committee.** (a) At each annual meeting of the Board of Directors, the President shall appoint from among the Board of Directors four (4) members, which members so appointed, together with the President shall constitute the executive committee of the Board. The President of the Association shall serve as the chairman of the executive committee. During the intervals between the meetings of the Board of Directors, the executive committee shall possess and may exercise all the powers of the Board of Directors, except with respect to the removal of Directors (Section 6, Article VI, hereof), and the creation of debts and liens (Section 1 (b) Article VI, hereof), the imposition of penalties under Article XI and the amendment of Bylaws (Article XVII), the amendment of the Articles of Incorporation of the Association and any other powers which a committee of the Board of Directors is prohibited by law from exercising. All action by the executive committee shall be reported to the Board of Directors at its meeting next succeeding such action.

(b) Regular minutes of the proceedings of the executive committee shall be kept in a book provided for that purpose. Vacancies in the executive committee may be filled by the President who shall appoint to such vacancy or vacancies a member of the Board of Directors. A majority of the executive committee shall be necessary to constitute a quorum and in every case the affirmative vote of a majority of the members present at any meeting of the executive committee shall be necessary for the passage of any resolution. The executive committee may act by the written resolution of a quorum thereof although not formally convened. Meetings of the executive committee shall be called by the president or executive vice president upon two (2) days' written notice by mail or telecopied to the last known post office address of each member of the executive committee which notice shall state the time and place of such meeting. Said notice need not state the purposes of said meeting and any business may be transacted thereat.

**Section 2. Nominating Committee.** Not less than six (6) months prior to the annual meeting of membership, the executive committee of the Board of Directors shall appoint a nominating committee, consisting of five (5) Active Members of the Association. The nominating committee shall nominate Active Members as candidates for election to the Board of Directors in accordance with the procedures set forth in these Bylaws. At that time, the Executive Committee of the Board of Directors shall appoint one of the five as Chairman of the nominating committee. The board will ratify the nominating committee presented by the executive committee. The nominating committee will be made up of Active Members representing all four (4) Regions.

**Section 3. Other Committees.** The President of the Board of Directors may appoint such other temporary or standing committees from among its members as it deems desirable and vest therein such powers as it deems appropriate, subject to Board approval.

## ARTICLE VIII

### Officers

**Section 1. General.** The officers of the Association shall be a president; vice president; executive vice president and chief executive officer; treasurer; secretary; assistant secretary; assistant treasurer; and such other officers, as may be appointed from time to time by the Board of Directors. The president and vice president shall be elected from among the members of the Board of Directors. The president and the vice president shall have served as members of the Board of Directors for a one-year period to be eligible to be elected to such offices. All other officers of the Association shall be appointed by the Board of Directors at their special meeting.

**Section 2. President.** The president shall be the Chairman of the Board of the Association, shall preside at all meetings of the membership, the Board of Directors, and the executive committee. He shall be chairman of the executive committee and shall be ex-officio member of every other standing or temporary committee. He shall exercise

such authority and perform such duties as the Board of Directors may from time to time prescribe.

**Section 3. Vice President.** In the event of the death, absence, incapacity, or refusal to act of the president, the vice-president shall possess all the powers and perform all the duties of the president. The vice president shall do and perform such other duties as may be from time to time assigned to him by the Board of Directors.

**Section 4. Executive Vice President and Chief Executive Officer.** The executive vice president and chief executive officer shall be the managing, administrative, and clerical officer of the Association. Unless contrary provision be made by the Board of Directors and subject to such limitations as may be imposed by the Board of Directors, the executive vice president and chief executive officer shall act as the authorized representative of the Board of Directors in signing all contracts and other written instruments binding the Association, hiring, discharging, fixing, or modifying the duties, salaries, or other compensation of employees of the Association. He shall make all reports and statements required by any laws of the United States, the State of Arizona, the State of Missouri, or any other duly constituted and established public governmental authority or as may be required by the Board of Directors.

He shall be the legal custodian of all of the books, papers, records, (except accounting) of the Association and shall permit, at such reasonable times as may be requested, an inspection of any or all of such books, deeds, instruments, papers, and records by any Director of the Association and shall, upon reasonable demand therefore and without cost, furnish to any such Director a full, true and complete copy of any paper or record in his possession.

He shall perform all other duties ordered by the president or the Board of Directors or which usually pertain to the office of chief executive officer of the Association.

**Section 5. Secretary.** The secretary shall keep full, true, and correct minutes of all meetings of the Board of Directors, the executive committee, and/or Association; he shall issue all notices of meetings required to be given; he shall have charge of and keep in his possession the seal of the Association and affix the same to deeds and other instruments necessary to be sealed, when properly authorized to do so. He shall perform all other duties ordered by the president or the Board of Directors.

**Section 6. Assistant Secretaries.** Assistant secretaries may be appointed by the Board of Directors and in the absence, permanent disability, refusal to act, or death of the secretary shall perform all of the duties of the secretary and in addition thereto shall perform such other duties as may be assigned by the president or the Board of Directors.

**Section 7. Treasurer.** The treasurer shall have supervision and custody of all moneys and securities of the Association; shall cause to be kept full and accurate

accounts of the receipts and disbursements of the Association in books belonging to it; shall cause all moneys and other valuable effects to be deposited in the name and to the credit of the Association in such accounts and in such depositories as may be designated by the Board of Directors, shall disburse and supervise the disbursement of funds of the Association in accordance with authority of the Board of Directors, taking proper vouchers therefore; shall render to the president and Board of Directors at regular meetings of the Board of Directors or whenever the president or the Board of Directors require, a written detailed account of his transactions as treasurer and of the financial condition of the Association, including a statement of all its assets, liabilities, and financial transactions; shall perform such other duties as usually pertain to the office of treasurer. The treasurer shall be relieved of all responsibility for any securities or moneys or the disbursement thereof committed by the Board of Directors to the custody of any other person or corporation, or the supervision of which is delegated by the Board of Directors to the custody of any other person or corporation, or the supervision of which is delegated by the Board of Directors to any other officer, agent, or employee, or for the performance of any other duties of the treasurer delegated by the Board of Directors to any other officer, agent, or employee, and he shall not be responsible for any actions of an assistant treasurer or other officer, agent or employee of the Association.

**Section 8. Assistant Treasurers.** Assistant treasurers may be appointed by the Board of Directors and in the absence of, refusal to act, or death of the treasurer, shall perform all of the duties of the treasurer and in addition thereto shall perform such other duties as may be assigned by the president or the Board of Directors.

**Section 9. Division of Authority.** Any two (2) or more offices may be held by the same person, except each of the offices of president, vice president, treasurer and secretary shall be held by separate persons. The Board of Directors may delegate some or all of the functions, duties, powers, and responsibilities of any officer to any other officer or to any other agent, employee of the Association or other responsible person, provided that in the event of such delegation the officer from whom such responsibility has been transferred shall be thereafter relieved of all responsibility for the proper performance of such function or duty or the proper exercise of such power or responsibility.

**Section 10. Vacancies.** Vacancies occasioned by the death, resignation, incapacity, or removal of officers of the Association, whether or not elected by the Board of Directors, shall be filled by a majority vote of the Directors at the next regular or at a special meeting of the Board of Directors called for that purpose and such person or persons so chosen to fill such vacancy or vacancies shall serve until the next annual election of officers or until their successors are elected and qualified.

## **ARTICLE IX Indemnification**

**Section 1. Indemnification in Actions by Third Parties.** The Association shall indemnify each person who has been or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil,

criminal, administrative, investigative or appellate (other than an action by or in the right of the Association) by reason of the fact that such person is or was serving in an Indemnifiable Capacity against all liabilities and expenses, including, without limitation, judgments, amounts paid in settlement (provided that such settlement and all amounts paid in connection therewith are approved in advance by the Association in accordance with Section 4 of this Article IX, which approval shall not be unreasonably withheld or delayed), attorneys' fees, ERISA excise taxes or penalties, fines and other expenses actually and reasonably incurred by such person in connection with such action, suit or proceeding (including, without limitation, the investigation, defense, settlement or appeal of such action, suit or proceeding) if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Association, and , with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful; provided, however, that the Association shall not be required to indemnify or advance expenses to any such person seeking indemnification or advancement of expenses in connection with an action, suit or proceeding initiated by such person (including, without limitation, any cross-claim or counterclaim) unless the initiation of such action; suit or proceeding was authorized by the Board of Directors of the Association or as otherwise provided in Section 4 of this Article IX. The termination of any such action, suit or proceeding by judgment, order, settlement, conviction or under a plea of no contest or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, that such person had reasonable cause to believe that such person's conduct was unlawful.

**Section 2. Indemnification in Action, by or in the Right of Association.** The Association shall indemnify each person who has been 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 the Association to procure a judgment in its favor by reason of the fact that such person is or was serving in an Indemnifiable Capacity against amounts paid in settlement thereof (provided that such settlement and all amounts paid in connection therewith are approved in advance by the Association in accordance with Section 4 of this Article IX, which approval shall not be unreasonably withheld or delayed) and all expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit (including, without limitation, the investigation, defense, settlement or appeal of such action or suit) if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Association; provided, however, that no indemnification under this Section 2 of this Article IX shall be made in respect of any claim, issue or matter as to which such person shall have adjudged to be liable to the Association unless and only to the extent that the court in which the action or suit is brought determines upon application that, despite the adjudication of liability and in view of all the circumstances of such case, the person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

**Section 3. Indemnification for Success on the Merits or Otherwise.** Notwithstanding the other provisions of this Article IX, to the extent that a person serving in an Indemnifiable Capacity has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 or Section 2 of this Article IX (including, without limitation, the dismissal of any such action, suit or proceeding without prejudice or, with the prior approval of the Association in accordance with Section 4 of this Article IX, the settlement of such action, suit or proceeding without admission of fault or liability), or in defense of any claim, issue or matter therein, such person shall be indemnified against any amounts which may be approved by the Association to be paid in settlement of any such action, suit or proceeding and against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

For purposes of this Section 3, references to “the Association” shall include in addition to the resulting or surviving corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger as well as the resulting or surviving corporation so that any person who is or was a director or officer of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee, or agent of any other enterprise, shall stand in the same position under the provisions of this Section 3 with respect to the resulting or surviving corporation as such person would have if such person had served the resulting or surviving corporation in the same capacity.

**Section 4. Determination of Right to Indemnification.** Prior to indemnifying a person pursuant to the provisions of Section 1 or Section 2 of this Article IX, unless ordered by a court and except as otherwise provided by Section 3 of this Article IX, the Association shall determine that such indemnification is proper in the circumstances because such person has met the specified standard of conduct entitling such person to indemnification as set forth under Section 1 or Section 2 of this Article IX. Any determination that a person shall or shall not be indemnified under the provisions of Section 1 or Section 2 of this Article IX shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to the action, suit or proceeding, (ii) if such quorum is not obtainable, in a written opinion of independent legal counsel appointed by a majority of the disinterested directors for that purpose, (iii) if there are no disinterested directors, by the court or other body before which the action, suit, or proceeding was brought or any court of competent jurisdiction upon the approval of an application by any person seeking indemnification, in which case indemnification shall include all expenses, including attorney’s fees, actually and reasonably incurred in connection with any such action (including, without limitation, the investigation, defense, settlement or appeal of such action), or (iv) by act of the members: provided, however, that in the event such determination is adverse to the person to be indemnified hereunder, such person shall have the right to maintain an action in any court of competent jurisdiction against this corporation to determine whether or not such person has met the requisite standard of conduct and is entitled to such indemnification hereunder. For the purposes of such court action, an adverse determination as to the eligibility of a person for indemnification made pursuant to any clauses (i), (ii) or (iii) of this Section 4 shall not constitute a defense to such action nor create a presumption regarding such person’s

eligibility for indemnification hereunder. If such court action is successful and the person is determined to be entitled to such indemnification, such person shall be reimbursed by this corporation for all fees and expenses (including attorney's fees) actually and reasonable incurred in connection with any such action (including without limitation the investigation, defense, settlement or appeal of such action).

**Section 5. Advancement of Expenses.** Expenses (including attorney's fees) actually and reasonably incurred by a member, director, officer, employee or agent of the Association who may be entitled to indemnification hereunder in defending an action, suit or proceeding, whether civil, criminal, administrative, investigative, or appellate, shall be paid by the Association in advance of the final disposition of such action, suit, or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of such person to repay such amount unless it shall ultimately be determined that such person is entitled to indemnification by the Association. In no event shall any advance be made in instances where it is reasonably and promptly determined (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to the action, suit or proceeding, (ii) if such quorum is not obtainable, or even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the members, that, based upon the facts known to the board, counsel or members of this corporation at the time such determination is made, such person acted in bad faith and in a manner that such person did not believe to be in or not opposed to the best interest of this corporation or, with respect to any criminal proceeding, that such person believed or had reasonable cause to believe such person's conduct was unlawful. In no event shall any advance be made in instances where the board, members of this corporation or independent legal counsel reasonably determines that such person deliberately breached such person's duty to this corporation or its members.

**Section 6. Non-Exclusivity.** The indemnification and the advancement of expenses provided by this Article IX shall not be exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any statute, the Articles of Incorporation, these Bylaws or any agreement, vote of members or disinterested directors, policy of insurance or otherwise, both as to action in their official capacity and as to action in another capacity while holding their respective offices, and shall not limit in any right which the Association may have to make additional indemnifications with respect to the same or different persons or classes of persons. The indemnification and advancement of expenses provided by this Article IX shall continue as to a person who has ceased to serve in an Indemnifiable Capacity and shall inure to the benefit of the heirs, executors and administrators of such a person.

**Section 7. Insurance.** This corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, agent or employee of this corporation, or is or was serving at the request of this corporation as a director, officer, agent or employee of any Other Enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's

status as such, whether or not this corporation would have the power to indemnify such person against such liability under the provisions of this Article IX.

**Section 8. Vesting of Rights.** The rights granted or created hereby shall be vested in each person entitled to indemnification hereunder as a bargained-for, contractual condition of such person's serving or having served in an Indemnifiable Capacity and while this Article IX may be amended or repealed, no such amendment or repeal shall release, terminate or adversely affect the rights of such person under this Article IX with respect to any act taken or the failure to take any act by such person prior to such amendment or repeal or with respect to any action, suit or proceeding with respect to such act or failure to act filed before or after such amendment or repeal.

**Section 9. Certain Definitions. For purposes of this Article IX.**

- (i) References to serving in an "Indemnifiable Capacity" shall mean service by a person as a director or officer of this corporation or service by a person at this corporation's request as a director, officer, employee, or agent of any Other Enterprise (as hereinafter defined);
- (ii) References to "Other Enterprises" or "Other Enterprise" shall include without limitation any other corporation, partnership, limited liability company, joint venture, trust or employee benefit plan;
- (iii) References to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan;
- (iv) References to "defense" shall include investigations of any threatened, pending or completed action, suit or proceeding as well as appeals thereof and shall also include any defensive assertion of a cross-claim or counterclaim;
- (v) References to "serving at the request of this corporation" shall include any service as a director, officer, employee, or agent of a corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries;
- (vi) A person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of this corporation";

- (vii) Unless the board of directors of this corporation shall determine otherwise, any director or officer of this corporation who shall serve as a director, officer, employee, or agent of any Other Enterprise of which this corporation, directly or indirectly, is a shareholder or creditor, or in which this corporation is in any way interested, shall be presumed to be serving as such director, officer, employee, or agent at the request of this corporation; and
- (viii) In all other instances where any person shall serve as a director, officer, employee, or agent of any Other Enterprise, if it is not otherwise established that such person is or was serving as such director, officer, employee or agent at the request of this corporation, the board of directors of this corporation shall determine whether such person is or was serving at the request of this corporation, and it shall not be necessary to show any actual or prior request for such service, which determination shall be final and binding on this corporation and the person seeking indemnification.

**Section 9. Severability.** If any provision of this Article IX or the application of any such provision to any person or circumstance is held invalid, illegal or unenforceable for any reason whatsoever, the remaining provisions of this Article IX and the application of such provision to other persons or circumstances shall not be affected thereby and to the fullest extent possible the court finding such provision invalid, illegal or unenforceable shall modify and construe the provision so as to render it valid and enforceable as against all persons or entities and to give the maximum possible protection to persons subject to indemnification hereby within the bounds of validity, legality and enforceability. Without limiting the generality of the foregoing, if any person who is or was serving in an Indemnifiable Capacity is entitled under any provision of this Article IX to indemnification by this corporation for some or a portion of the judgements, amounts paid in settlement, attorney's fees, ERISA excise taxes or penalties, fines or other expenses actually and reasonably incurred by any such person in connection with any threatened, pending or completed action, suit or proceeding (including without limitation, the investigation, defense, settlement or appeal of such action, suit or proceeding), whether civil, criminal, administrative, investigative or appellate, but not, however, for all of the total amount thereof, this corporation shall nevertheless indemnify such person for the portion thereof to which such person is entitled.

## ARTICLE X Hereford Records

The executive vice president shall cause to be kept and preserved in the office of the Association a full and complete record, known as the American Hereford Record (a) of the tattoo, sex, date of birth, owner, sire, and dam of every purebred Hereford offered for registry in said records in accordance with the rules governing entries therein; and (b) of all subsequent transfers of ownership of animals so recorded.

The Board of Directors shall establish rules governing entries and transfers in and on such records and shall establish fees to be paid by members and non-members as a condition to such entries and transfers and for the issuance of certifications thereof. The Board of Directors shall have power to establish penalties which shall be collected, as a condition to such entry or transfer from members and non-members who shall present an application for registration or transfer under such circumstances as shall, in the judgment of the Board of Directors, warrant the imposition of such penalty. The rules adopted by the Board of Directors governing the entries and transfers on such records, together with any fees and penalties established by the Board of Directors, shall be printed and distributed from time to time to the members of the Association and to such other persons as the Board of Directors may deem desirable and shall be binding upon members and upon all other persons who shall apply for registration, transfers, or other action pursuant thereto.

## ARTICLE XI

### **Violation of Rules or Bylaws; Imposition of Suspensions and Sanctions**

The Board of Directors or the executive committee of the Board of Directors shall have the power to impose suspensions and sanctions as provided in this Article XI for violations of the rules or bylaws of the Association. Whenever any complaint is made to the Association or whenever the Association otherwise receives information regarding such a violation, such complaint or information shall be referred to the Board of Directors or to the executive committee of the Board of Directors. Upon receipt of such complaint or information, either the Board of Directors or the executive committee may impose such sanctions as it deems advisable against the animal, its owner and the members involved, or any of them, prior to granting an opportunity to the owner and/or the members involved for a hearing thereon, if in the opinion of the Board of Directors or the executive committee that the nature of the matter and the interest of the Association and its members require such sanctions prior to a hearing on the matter. Without limiting the generality of the foregoing, the Board of Directors or executive committee may temporarily suspend registration of any animal which is the subject of such alleged violation and during the period of such suspension, (i) transfer of ownership of the animal will not be recognized by the Association, (ii) registration of the animal's descendants will not be processed, and (iii) the animal may not participate in programs or activities sponsored by the Association.

The Association shall immediately send a written notice (the "Notice") by certified or registered mail to the members and/or the owner of any animal against whom or which any sanctions have been imposed pursuant to the preceding paragraph. The Notice shall contain a summary of the alleged violation and information upon which the Board or the executive committee had acted and shall set forth the time and location of a hearing after which the Board or the executive committee shall make a final determination of whether or not a violation has occurred. Such hearing shall be within twenty (20) days of the date of the Notice, but any member or owner involved shall have the option to designate to the Association a later date for the hearing at a time mutually satisfactory to the Association and such member or owner, but no later than ninety (90)

days after the date of the Notice and provided a written request for a later hearing is received by the Association at least seven (7) days before the scheduled hearing.

If the Board of Directors or executive committee determines that there is reasonable ground to believe that an alleged violation of the rules or bylaws of the Association has occurred but that the imposition of sanctions prior to a hearing on the matter is not required, the Board of Directors or the executive committee may designate a date for a hearing on the matter and order the members or owner of any animal involved in the alleged violation to appear at the hearing and answer the allegations. The notice of

the hearing shall set forth information similar to that required in the Notice referred to in the preceding paragraph.

If a member or owner who has been notified of a hearing or ordered to appear at a hearing under either of the two (2) preceding paragraphs does not appear and a subsequent date for a hearing has not been mutually agreed upon, the alleged violation shall be deemed to have been conclusively established and any decision with respect thereto, including any sanction imposed by the Board of Directors or executive committee with respect thereto, shall be final and not appealable.

At any hearing pursuant to this Article XI, the members and owners of any animal involved and the Association may be represented by counsel and may present experts or other witnesses and any relevant evidence. The procedures to be followed at the hearing shall be informal and judicial rules of evidence shall not apply. The Association shall maintain an appropriate record of the proceeding. As promptly as practicable following the hearing, the Board of Directors or the executive committee, as the case may be, shall either terminate any sanctions imposed prior to the hearing or, if it determines that a violation has occurred, impose such permanent sanctions as it deems appropriate including, but not limited to, (i) permanently or conditionally striking the registration or the transfer of the subject animal from the records of the Association, (ii) permanently or conditionally striking the registration of descendants of the subject animal, (iii) refusing to allow the animal involved to participate in any of the Association's programs or activities, (iv) fining members or owners who participated in the violation amounts of up to \$100, and (v) refusing to receive a subsequent application of any kind from a member or owner involved in the violation, and (vi) expelling from membership in the Association members who have knowingly or willfully participated in the violation.

A vote of a majority of the members of the Board of Directors or of the executive committee present at a meeting thereof at which a quorum is present shall control all decisions made thereby under this Article XI.

Final decisions of the executive committee made pursuant to this Article XI may be appealed to the Board of Directors at its next meeting and final decisions of the Board of Directors on such appeals or on original actions of the Board of Directors under this Article XI may be appealed to Active Members of the Association at the next annual meeting of the members of the Association; provided, however, that the person appealing shall, within ten (10) days of any such final decision, file with the executive vice president a notice in writing of his intention to so appeal. The decision of the Board of Directors may be rescinded or modified by majority vote of the Active Members present at such meeting with the number of votes to which an Active Member is entitled determined by application of Article V of the Association's Articles of Incorporation. If a member or owner does not appear at the meeting of the Board of Directors or of the members, as the case may be, to prosecute his appeal, the decision from which he filed his appeal shall stand approved and be conclusive.

ARTICLE XII  
**Fees and Payments**

All Association fees, whether for entries in the Record, for transfers, duplicates, or supplies, must be prepaid. All remittances received by the Association will be placed to the credit of the remitter, subject to acceptance of his application.

ARTICLE XIII  
**Members Required to Assist Officers**

It shall be the duty of each member and officer of the Association to furnish to the Board of Directors, any and all information they have or may receive with reference to any violation of the rules governing the registration of Hereford cattle in the American Hereford Record by any member or non- member of the Association, and to aid and assist to the best of their ability the officers and Board of Directors of said corporation in detecting any fraud or willful violation of the rules in the registry of cattle therein.

ARTICLE XIV  
**Proceedings By and Against Non-Members**

Non-members of the Association having relations therewith, may make complaint or be complained against, and such complaint shall be heard and determined and suspensions and sanctions may be imposed and appeals prosecuted and determined in all respects as nearly as may be in cases of members. Without limiting the generality of the foregoing and subject to the same procedures and appeals as provided in the case of a member, the Board of Directors may bar such non- member from registering or transferring any cattle in the American Hereford Record.

ARTICLE XV  
**Custodians and Depositories**

**Section 1. Custodian of Securities.** The Board of Directors may from time to time appoint one or more banks or trust companies doing business in Kansas City, Missouri, to act for a reasonable compensation as custodian of all securities owned by the Association, and to exercise in respect thereof such powers as may be conferred by resolution of the Board of Directors. The Board of Directors may remove such custodian at any time.

**Section 2. Depositories and Checks.** The moneys of the Association shall be deposited in such manner as the Board of Directors shall direct in such banks or trust companies as the Board of Directors may designate, and shall be drawn out by checks signed in such manner as may be provided by resolution or resolutions adopted by the Board of Directors.

**Section 3. Bond.** Any officer or employee handling money or securities of the Association may be bonded at the Association's expense in such amount as may be determined by the Board of Directors.

## ARTICLE XVI **Fiscal Year and Audit**

The fiscal year of the Association shall close on August 31 of each year. It shall be the duty of the Board of Directors prior to each annual meeting of the members of the Association to appoint a competent certified public accountant who is not a member, officer, director, or employee of the Association, nor related to any of its members, who shall examine and audit all the books, records, checks, vouchers, and accounts of the Association. Such accountant shall make a written report thereof to the Board of Directors. Such accountant shall receive a reasonable compensation for such services to be fixed by the Board of Directors and paid by the Association.

## ARTICLE XVII **Amendments**

These Bylaws may be amended, altered, or repealed by the Board of Directors; provided, however, that any amendment to (i) Article IV, Section 6, (ii) Article V, Section 1, (iii) Article V, Section 5, (iv) Article VI, Section 4, (v) the last paragraph of Article XI, and (vi) this Article XVII, shall require the affirmative votes of (a) a majority of the votes cast by Active Members, either in person or by proxy at a duly convened meeting of members at which a quorum is present, or (b) a majority of votes actually cast by Active Members by ballot. For purposes of the proviso to the immediately preceding sentence, each Active Member shall be entitled to the number of votes determined by application of Article VI of the Association's Articles of Incorporation.

## ARTICLE XVIII **Bylaws and Rules Binding**

These Bylaws and all rules relating to entries and transfers upon the American Hereford Record and the fees and penalties provided therein, together with all amendments thereto and modifications thereof, shall be binding upon all members of the

Association; and all non- members applying for entries or transfers upon such American Hereford Record shall, as a condition to such entries or transfers, agree to be and shall become bound by all applicable provisions thereof. All fees, fines, and penalties imposed pursuant to these Bylaws and said rules shall be deemed an indebtedness duly incurred pursuant to contract between the members of the Association, or in the case of non- members, between the Association and all such non-members.

## ARTICLE XIX

### **Gender**

Masculine pronouns used in these Bylaws shall be construed to include feminine and neuter pronouns, and words in the singular shall include the plural, unless the context otherwise requires.

April 23, 2004

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