

BY-LAWS
OF
KANSAS GRAIN & FEED ASSOCIATION

PREAMBLE

Recognizing and appreciating the importance to grain dealers, grain processors, feed dealers and feed manufacturers of more accurate and definite information concerning all of the various phases of the grain and feed business, and also recognizing and appreciating the advantage of cooperation in securing and disseminating any and all proper information for the mutual benefit, convenience or protection of the members of this Association, we have organized this Association and have adopted the following By-Laws for the government of its affairs.

BY-LAWS

Article I - Name

Section 1. This shall be a voluntary, non-profit, incorporated association with no capital stock, known as the Kansas Grain & Feed Association.

Article II - Limitations and Restrictions

Section 1. No laws, regulation, or By-Laws shall be adopted which in any manner stifle competition, limit production, restrain trade, regulate price or pool profits.

Section 2. No coercive measure of any kind shall be practiced or adopted toward any dealer, elevator man, person, co-partnership, corporation or association to induce them to become members of this corporation.

Section 3. This corporation or any employee hereof, acting for it, shall not have the power to buy, sell, deal in or handle, act as commission merchant or broker in grain, feed or seeds of any kind except as provided by the By-Laws, or by appropriate action of the Board of Directors, duly adopted and recorded in the minutes of the corporation.

Section 4. No part of the net earnings of the corporation shall inure to the benefit of any private shareholder or individual, or to the benefit of any private shareholder or individual, or to the benefit of any member, director or officer of the corporation, except that a reasonable allowance for salaries or other compensation may be paid for personal services actually rendered to the corporation for the purpose of effecting or carrying out one or more of its purposes.

Article III - Membership

Section 1. The membership of this corporation shall be divided into two classes, namely, Active Members and Associate Members.

Section 2. An Active Member is any person, firm or corporation primarily engaged in buying, selling, brokering, warehousing and processing grain, feeds, seeds or products thereof, in the state of Kansas. An Associate Member is any person, firm or corporation associated with, but not primarily engaged in buying, selling, brokering, warehousing or processing grains, feeds, seeds or products thereof.

Section 3. Each Active Member whose dues for the current year are fully paid shall be entitled to cast one vote on any question submitted to any regular or special meeting of the members of this corporation at which such Active Member is present. Any question submitted to the membership at any regular or special meeting shall be decided by the majority vote of the Active Members present at such meeting. An Associate Member shall not be entitled to any vote on any question submitted to the membership.

Section 4. Each applicant for membership, regardless of class, shall, by making the application, subscribe to and agree to be bound by and to conform with the Articles of Incorporation of this corporation, these By-Laws, and any rules or regulations which may be enacted by the membership of this corporation, its Board of Directors, or its Executive Committee. Each application shall be for a membership of not less than one (1) year, beginning with the month in which such application is approved, and shall constitute an application for a continuing membership unless membership is terminated as provided in these By-Laws. Applications for membership shall be received by the President and referred by him to the members of the Board of Directors, and membership shall be granted upon a favorable vote of not less than two-thirds (2/3) of the members of the Board present at the next meeting of the Board. Such referral and such vote so taken may be by mail. When one or more negative votes are cast on any such application, the President shall withhold certification of membership until the members of the

Board have been given opportunity to consider any statement offered concerning such negative vote and to reconsider their vote upon such application. Membership shall begin upon approval of the membership application by the Board of Directors and payment of dues.

Article IV - Directors

Section 1. The first Board of Directors of this corporation shall consist of sixteen (16) persons fifteen (15) of whom shall be elected by vote of the incorporators of this corporation at the first meeting of the incorporators and one (1) of whom shall be the immediate past Chairman of the voluntary organization known as the Kansas Grain and Feed Dealers Association. The first Board of Directors shall serve until the first annual meeting of the members of this corporation and until their successors are duly elected and qualified. The second Board of Directors of this corporation shall also consist of sixteen (16) persons fifteen (15) of whom shall be elected by the membership at the first annual meeting of the members of this corporation and one (1) of whom shall be the immediate past Chairman of this corporation. Of the fifteen (15) Directors so elected by the Membership, one-third (1/3) shall be elected for a term of three (3) years, one-third (1/3) for a term of two (2) years, and one-third (1/3) for a term of one (1) year. Each subsequent Board of Directors shall consist of not less than ten (10) nor more than eighteen (18) persons (each of whom shall be an Active Member or an officer, partner or manager of a firm which is an Active Member, except one may be an officer, partner or manager of a firm which is an Associate Member) as fixed by the members, from time to time, by majority vote at any regular or special meeting. One of such Directors shall be the immediate past Chairman of this corporation and the remaining Directors shall be elected by the membership, with one-third (1/3) of such total number of Directors who are to be elected by the Membership to be elected at each annual meeting of the members of this corporation for a term of three (3) years and until their successors are duly elected and qualified. If, for any reason, the immediate past Chairman of this corporation cannot serve as a member of the Board of Directors, the last preceding past Chairman of this corporation who can serve shall become a Director. A Director may be elected by the members to only three consecutive terms. A Director may be eligible for election to the board after one (1) year following his last term of elected service.

Section 2. The conduct of all affairs of this corporation, including the establishment of policy not inconsistent with resolutions adopted by the membership at the annual meeting of the members, shall be within the duties and powers of the Board of Directors; provided, however, that the Executive Committee may act for the Board when the Board is not in session, except as to matters specifically reserved to the Board under these By-Laws.

Section 3. One third (1/3) of the members of the Board of Directors shall constitute a quorum, provided that if less than a quorum is present at any meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 4. The act of the majority of the Directors present at a meeting of the Directors at which a quorum is present shall be the act of the Board of Directors.

Section 5. Any vacancy occurring in the Board of Directors, for any reason, may be filled by the appointment of a new Director by the majority vote of the Board of Directors for the unexpired term.

Section 6. Nominations: At least ninety (90) days before the annual meeting, the Chairman shall notify the last three living Past Chairmen to nominate candidates for the Board of Directors. The committee shall notify the President, in writing, at least sixty (60) days before the date of the annual meeting, of the names of the candidates it proposes. The President shall mail the names of the candidates to the membership at least forty-five (45) days prior to the annual meeting opening day.

- (a) Independent nominations for Director may also be made, endorsed with the names of not less than fifteen (15) active members of the Association, if received by the President at least fifteen (15) days prior to the annual meeting of the Association.

Article V - Officers

Section 1. The officers of this corporation shall consist of a Chairman, a First Vice-Chairman, a Second Vice-Chairman (each of whom shall be an Active Member or Associate Member and a member of the Board of Directors of this corporation) a President, and an Executive Secretary-Treasurer. Either the Board of Directors or the Executive Committee may create such other offices as they or either of them may deem necessary or proper, and designate or define the duties of such offices and appoint persons thereto.

Section 2. The Chairman and the First and Second Vice-Chairmen shall be elected annually from and by the members of the Board of Directors for a term of one (1) year or until their successors are duly elected and qualified and must be either an Active or Associate Member or an officer, partner or manager of a firm which is an Active or Associate Member.

Section 3. The President and the Executive Secretary-Treasurer shall be appointed by the Board of Directors at the annual meeting of the Board of Directors and, if not so appointed, then said offices shall be filled by the Executive Committee.

Section 4. The Board of Directors or the Executive Committee shall have the right to remove any elected or appointed officer, agent or employee of this corporation at any time whenever, in their respective judgement, it would serve the best interests of this corporation to do so, but such removal shall be without prejudice to the contract rights, if any, of any such person so removed.

Section 5. In the event of a vacancy in the office of Chairman or first Vice-Chairman, the officer next in rank shall succeed to the office vacated for the unexpired portion of the term. In the event of a vacancy in the office of President or Executive Secretary-Treasurer, or any other office, the Board of Directors or the Executive Committee shall fill such vacancy.

Article VI - Duties of Officers

Section 1. The Chairman shall be the principal executive officer of the corporation and shall, in general, supervise and control all the business and affairs of the corporation. He shall preside at all meetings of the members and of the Board of Directors. He may sign, with the Executive Secretary-Treasurer or any other proper officer of the corporation thereunto authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors have authorized to be executed, except in cases where signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-laws to some other officers or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general, shall perform all duties incident to the office of Chairman, and such other duties as may be prescribed by the Board of Directors from time to time.

Section 2. In the absence of the Chairman, the Vice-Chairmen, in the order of their election, shall perform the duties of the Chairman, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chairman; and shall perform such other duties as from time to time may be assigned to them, respectively, by the Chairman or by the Board of Directors.

Section 3. The Executive Secretary-Treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for money due and payable to the corporation and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as may be approved by the Board of Directors or the Executive Committee; record and preserve the minutes of meetings of the membership and Board of Directors; give all notices required to be given to members and Directors under the provisions of these By-Laws or as required by law; be custodian of the corporate seal and of the records of the corporation and affix the seal to all authorized documents requiring same, maintain a register of the post office address of each member and Director; prepare and present such financial reports as may be required by the Board of Directors or the Executive Committee or the membership and in general perform all duties incident to the office of Executive Secretary-Treasurer and such other duties as may from time to time be assigned to him by the Chairman, Board of Directors or Executive Committee.

Section 4. The President shall be the chief operating officer of the corporation, and shall supervise the carrying out of the policies and orders of the Board of Directors, Executive Committee and of the membership of this corporation. He shall be authorized to from time to time, and within the budget of the corporation, employ such persons as he may deem necessary for the proper conduct of the affairs of this corporation, and determine the compensation to be paid therefor; and he shall do all and every such other things and acts pertaining to the office of President as may be directed by the Board of Directors and Executive Committee, and shall make such reports, recommendations, and suggestions to the Board of Directors and to the Executive Committee as in his judgment will be in the best interest of this corporation.

Article VII - Executive Committee

Section 1. Immediately upon election at each annual meeting, the Board of Directors shall meet and, as its first business, choose four (4) Directors who, with the Chairman, First Vice-Chairman, and the Second Vice-Chairman shall constitute the Executive Committee.

Section 2. The Chairman shall be chairman of the Executive Committee.

Section 3. Four (4) members of the Executive Committee, meeting in person or voting by mail, shall constitute a quorum.

Section 4. The Executive Committee shall have general charge of the affairs of this corporation, acting in the name of the Board when the Board is not in session, except where action is reserved to the Board only.

Section 5. The Executive Committee may, upon request of its Chairman, vote upon any proposal by mail, a majority vote to decide any such question so submitted.

Section 6. The Executive Committee shall meet on the call of the Chairman of the Corporation.

Section 7. The Executive Committee shall record its action and report same to the Board of Directors.

Article VIII - Dues and Assessments

Section 1. The dues of this corporation shall be regulated and fixed by the Board of Directors and are to be paid annually in advance in keeping with policies established by the Board of Directors.

Section 2. Should the regular fees and dues not be sufficient to maintain the expenses of the corporation, the Board of Directors may levy a pro rata assessment on all members to meet the deficit.

Article IX - Meetings

Section 1. An annual meeting of the members of this corporation for the election of Directors and for such other business as may properly come before the meeting shall be held at such place and at such time between April 1 and June 1 of each year as may be determined by the Board of Directors or the Executive Committee. At such annual meeting, ten (10) Active Members present and qualified to vote shall constitute a quorum. Written or printed notice stating the place, day and hour of the annual meeting shall be mailed by the Chairman to each member at least five (5) days prior to the date of such meeting.

Section 2. An annual meeting of the Board of Directors of this corporation for the election and appointment of officers and for such other business as may properly come before the meeting shall be held immediately following the annual meeting of the members and at the same place, and no notice thereof shall be necessary.

Section 3. Special meetings of the members or Board of Directors may be held at any time or place upon call thereof by the Chairman, the Board of Directors or the Executive Committee. Notice of any such special meeting if given by mail shall be given at least two (2) days prior to the date of such meeting, or if given personally or by telegram, within twenty-four (24) hours prior to the date of such meeting, and each notice shall specify the place, day, hour and purpose of such special meeting.

Section 4. If notice of any meeting is given by mail, such notice shall be deemed to be given when deposited in the United States mail in a sealed envelope, addressed to the respective member or Directors at his address as it appears on the records of the corporation, with postage prepaid. If notice of any meeting is given by telegram, such notice shall be deemed to have been given when the telegram is delivered to the telegraph office.

Section 5. Any member or Director may waive notice of any meeting and the attendance of any member or Director at any meeting shall constitute a waiver of notice of such meeting, unless he appears specially for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Article X - Withdrawals and Expulsions

Section 1. Any member in good standing, with dues fully paid for the year of his membership, may resign from this corporation by filing his written resignation with the President; provided, however, that no resignation can be accepted while unadjusted trade differences exist, or while arbitration is pending, or while an award of an Arbitration Committee remains unsettled.

Section 2. Neglect, after written request by the President of the corporation, or refusal to submit to arbitrate the subject matter of any controversy with another member or failure to comply with the award of an Arbitration Committee, shall be deemed uncommercial conduct, and the penalty therefor shall be expulsion from membership in the corporation. Failure of a member to sign a contract for arbitration in such form and manner as may be determined by the Executive Committee in accordance with the Arbitration Rules, within thirty (30) days after being requested by the President of this corporation to do so, shall be deemed to be a refusal to submit to arbitration. Any member who is expelled from a Grain Exchange or Board of Trade, or who admits in writing his inability to meet his financial obligations, shall, upon complaint of a member and approved by the Board of Directors, or by the Executive Committee, be dropped from the membership rolls of this corporation. Any member who shall be delinquent in the payment of his dues for a period of sixty (60) days from the time they become due shall be notified of such delinquency and suspended from further participation. If payment of the same is not made within the next thirty (30) days, the delinquent member shall be dropped from the rolls and thereupon forfeit all rights and privileges of membership, unless such suspension, at the request of the member, is waived by the affirmative vote of a majority of the members of the Board of Directors.

Section 3. Any individual or firm who withdraws, or is suspended or expelled, from this corporation, may be reinstated to membership by action of the Board or Executive Committee.

Article XI - Proceedings for Expulsion

Section 1. The Executive Committee shall have authority to suspend or expel any member from this corporation for violation of any provision of the Articles of Incorporation, By-Laws, Trade Rules, or Arbitration Rules, or for any good cause. Before a member shall be expelled, he shall receive a written notice from the President of this corporation which notice shall be sent by registered mail, and which shall state the grounds for the proposed expulsion. Within five days thereafter, said member shall make written reply to the President of the corporation, stating the objections, if any, or the defenses, if any he may have, against said expulsion. Said member may, if he so desires, request an oral hearing before the Executive Committee. If such hearing is requested, the Executive Committee shall set a time and place for same. If no oral hearing is requested, the Executive Committee shall determine from the evidence placed before it in writing by the President whether or not the member should be suspended or expelled. If an oral hearing is requested then after said hearing, or the time fixed thereof, the Executive Committee shall determine whether said member should be suspended or expelled.

Section 2. Any member so suspended or expelled by the Executive Committee may appeal said suspension or expulsion to the Board of Directors within ten days after being notified thereof in writing by the President of this corporation. Said appeal shall be in writing, and same shall state all pertinent facts pertaining to the matter. A copy thereof shall be sent to the President for transmittal to the Board of Directors. The decision of the Board of Directors shall be final.

Article XII - Trade Rules and Arbitration Rules

Section 1. The Trade Rules of the National Grain and Feed Association now in effect, or as same may be from time to time amended, shall be and the same are hereby adopted as part of the By-Laws of this corporation, with the same force and effect as though said Trade Rules were incorporated herein.

Section 2. The Arbitration Rules of the Kansas Grain and Feed Association now in effect, or as same may be from time to time amended, shall be and the same are hereby adopted as part of the By-Laws of this corporation, with the same force and effect as though said Arbitration Rules were incorporated herein.

Article XIII - Appointment of Committees

Section 1. Within thirty (30) days following the close of any annual meeting, the Chairman shall appoint five members who are Directors or have served previously as Directors who shall serve until the date of the next annual meeting, as members of the Arbitration Appeals Committee. Within the same time the Chairman also shall appoint three (3) members who shall serve until the date of the next annual meeting as members of the Arbitration Committee.

Section 2. At least ten days prior to any annual meeting the Chairman shall appoint a Nominations Committee, whose duty it shall be to recommend to the membership at the annual meeting the names of persons to be elected to the Board of Directors.

Section 3. The Chairman shall appoint seven or more persons to serve upon a Trade Rules Committee, at least three (3) as a subcommittee on feed rules, and at least three (3) as a subcommittee on grain rules, and a chairman. It shall be the duty of this Committee to consider the Trade Rules of this corporation, and proposals for changes in or additions to such Trade Rules, and to report its recommendations to the membership at any annual meeting, or to the Board.

Section 4. The Chairman shall appoint the chairman for any committee provided for in this Article.

Section 5. The Chairman may appoint any committees he considers necessary for the conduct of business of this corporation, and may in his discretion, fill any vacancy on any such committee.

Section 6. The term of service of any committee appointed by the Chairman shall expire on the date of the next annual meeting, or upon an earlier date indicated by the Chairman.

**Article XIV - Indemnifications of Officers and Directors
Against Liabilities and Expenses in Action**

Section 1. Each director and officer, or former director or officer, of this corporation, and his legal representatives, shall be indemnified by this corporation against liabilities, expenses, counsel fees and costs reasonably incurred by him or his estate in connection with, or arising out of, any action, suit, proceeding or claim in which he is made a party by reason of his being or having been, such director or officer; provided, that in no case shall the corporation indemnify such director or officer with respect to any matters as to which he shall be finally adjudged in any such action, suit or proceeding to have been liable for negligence or misconduct in the performance of his duties as such director or officer. The indemnification herein provided for, however, shall apply also in respect of any amount paid in compromise of any such action, suit, proceeding or claim asserted against such director or officer (including expenses, counsel fees, and costs reasonably incurred in connection therewith), provided the Board of Directors of the Corporation shall have first approved such proposed compromise settlement and determined that the director or officer involved was not guilty of negligence or misconduct; but in taking such action, any director involved shall not be qualified to vote thereon, and if for this reason a quorum of the Board cannot be obtained to vote on such matter, it shall be determined by the Executive Committee. In determining whether or not a director or officer was guilty of negligence or misconduct in relation to any such matter, the Board of Directors or Executive Committee may rely conclusively upon an opinion of independent legal counsel selected by such Board of Directors or Executive Committee. The right to indemnification herein provided shall not be exclusive of any other rights to which such directors or officer may be lawfully entitled.

Article XV - Seal

Section 1. The Board of Directors shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation, and the word, "Seal".

Article XVI - Budget

Section 1. At a special meeting of Board of Directors to be held in the month of January of each year, said Board shall adopt or fix a total budget for the year ahead; provided, however, that the details of the budget shall be fixed by the Executive Committee acting from time to time. No funds in excess of the total so budgeted shall be paid out without order of the Board.

Section 2. Expenses of travel and subsistence for employees, officers, directors and members of this corporation who are engaged in

activities in furtherance of the interests of this corporation may be authorized by the Board of Directors or the Executive Committee in such manner and amount as it deems proper.

Section 3. The fiscal year shall commence on January 1 and shall end on December 31 of each year.

Article XVII - Bonds and Salaries

Section 1. All employees of this corporation shall give a bond for the faithful discharge of their duties in such sum, against such risks and with such surety or sureties as the Board of Directors or Executive Committee shall determine from time to time. The premiums for such bonds shall be paid by the corporation.

Section 2. The Board of Directors or the Executive Committee shall annually review and fix the amount of compensation to be paid to the President and the Executive Secretary-Treasurer.

Article XVIII - Dissolution

Section 1. In the event of dissolution of this corporation, all of the assets of this corporation at the time of such dissolution remaining after payment of debts of this corporation shall be distributed to the college or university in the State of Kansas designated by a resolution duly adopted by a majority vote of the membership present at a meeting called for that purpose prior to dissolution, subject to the condition that such remaining assets shall be used by such college or university solely for the purpose of financing scientific research carried on for the purpose of obtaining scientific information concerning production and marketing of grains, feeds, or seeds in the State of Kansas for publication and dissemination to the interested public, and for no other purpose whatsoever, and no part of such remaining assets of this corporation shall inure to the benefit of any private shareholder, individual or to the benefit of any member, director or officer of this corporation.

Article XIX - Procedure

Section 1. The rules contained in Roberts' Rules of Order shall govern the procedure of any meeting in all cases to which they are applicable and in which they are not in conflict with these By-Laws.

Article XX - Amendments

Section 1. These By-Laws may be amended by a majority vote of the members present at any annual meeting, or by a majority vote of the members of the Board of Directors, subject to an affirmative vote of a majority of the voting power present at the next annual meeting of the members. Any amendment to be proposed to the membership shall be sent in writing to each member at least ten (10) days prior to such annual meeting.

Section 2. Alterations and amendments made by the Board of Directors shall take effect at such time as they may designate, and shall continue in force until approved or rejected by the members at an annual meeting, as hereinbefore provided. Notices of any alterations or amendments made by the Board of Directors shall be mailed to each Active Member at least ten (10) days prior to the date set for the next annual meeting.

Section 3. Amendments made to the Trade Rules and Arbitration Rules shall become effective 30 days after the date of adoption as provided for in either Section 1 or Section 2 of this Article. Such changes and amendments shall be applicable to transactions and arbitration proceedings initiated after their effective date, and shall not be applicable to any transaction or arbitration proceedings which took place or were initiated prior to the effective date of such changes or amendments.

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