

=====

BY-LAWS
of
FARMERS COOPERATIVE, Carmen, Oklahoma
Dated as of March 22, 2022

=====

CONTENTS	Page
ARTICLE I CAPITAL STOCK	1
Section 1. AUTHORIZED CAPITAL	1
Section 2. ISSUANCE OF CAPITAL STOCK.....	1
Section 3. CERTIFICATE FORM.....	1
Section 4. CAPITAL CREDITS	1
Section 5. PRIOR LIEN.....	1
Section 6. STOCK AND/OR CAPITAL CREDITS SALES AND TRANSFERS	2
Section 7. LOST CERTIFICATE	2
ARTICLE II MEMBERSHIP	2
Section 1. ELIGIBILITY AND GOOD STANDING	2
Section 2. APPLICATION	3
Section 3. REPURCHASE OF COMMON STOCK.....	3
Section 4. RETIREMENT OF QUALIFIED PATRONAGE ALLOCATIONS.....	4
Section 5. REDEMPTION OF NON-QUALIFIED PATRONAGE ALLOCATIONS	5
Section 6. UNCLAIMED PATRONAGE ALLOCATIONS	5
Section 8. MEMBERSHIP TERMINATION.....	6
Section 9. RIGHTS LIMITED TO ELIGIBILITY	6
Section 10. CAPPER-VOLSTEAD PROVISION.....	6
ARTICLE III FISCAL YEAR	6
Section 1. DATE OF FISCAL YEAR.....	6
ARTICLE IV MEMBERSHIP MEETINGS	6
Section 1. MEETINGS	6
Section 2. NOTICE OF MEETINGS.....	7
Section 3. WAIVER OF NOTICE.....	7
Section 4. RECONVENED MEETINGS	7
Section 5. LIST OF MEMBERS	7
Section 6. FIXING OF THE RECORD DATE	8
Section 7. VOTING RIGHTS.....	8
Section 8. MERGER, CONSOLIDATION, SALE OF SUBSTANTIALLY ALL ASSETS, OR OTHER CORPORATE REORGANIZATION	9
Section 9. QUORUM	9
Section 10. ORDER OF BUSINESS.....	9
Section 11. BLOC MEMBERSHIP.....	9

Section 12. VOTE REQUIRED.....	10
Section 13. ROBERT’S RULES.....	10
Section 14. CONSENT OF MEMBERS IN LIEU OF MEETING	10
ARTICLE V DIRECTORS AND THEIR DUTIES	10
Section 2. DIRECTOR ELIGIBILITY	11
Section 3. BOARD AUTHORITY AND COMPENSATION	11
Section 4. REMOVAL FROM OFFICE.....	11
Section 5. BOARD ORGANIZATION	12
Section 6. MONTHLY AND SPECIAL BOARD MEETINGS	12
Section 7. BOARD QUORUM.....	12
Section 8. ACTION WITHOUT MEETING.....	12
Section 9. COMMITTEES.....	13
Section 10. FINANCIAL REPORT.....	13
Section 12. AUDITOR.....	13
Section 13. BANKS	13
Section 14. WAREHOUSE RECEIPTS	13
Section 15. BOND REQUIREMENT.....	13
Section 16. INSURANCE.....	14
Section 17. EMPLOYMENT OF DIRECTORS AND RELATIVES	14
ARTICLE VI OFFICERS AND THEIR DUTIES	14
Section 1. OFFICERS.....	14
Section 2. PRESIDENT’S DUTIES	14
Section 3. VICE PRESIDENT’S DUTIES.....	14
Section 4. SECRETARY’S DUTIES	14
Section 5. TREASURER’S DUTIES	14
Section 6. ELIGIBILITY AND REMOVAL OF OFFICERS.....	14
Section 7. MANAGER’S DUTIES.....	15
ARTICLE VII APPORTIONMENT OF EARNINGS; DISTRIBUTIONS.....	15
Section 1. APPORTIONMENT.....	15
Section 2. MINIMUM FOR DISTRIBUTION.....	15
Section 3. SURPLUS RESERVE REQUIREMENTS	15
Section 4. MEMBER EARNINGS	15
Section 5. LOSSES	16
ARTICLE VIII MISCELLANEOUS PROVISIONS	16
Section 1. TAXABLE STATUS OF PATRONAGE DISTRIBUTIONS	16

Section 2. INDEMNIFICATION OF DIRECTORS, OFFICERS, AND EMPLOYEES	16
Section 3. SPECULATION - ASSOCIATION	17
Section 4. SPECULATION - EMPLOYEES	17
Section 5. GRAIN STORAGE AUTHORITY	17
Section 6. CORPORATE SEAL	17
Section 7. NOTICE	17
Section 8. FACSIMILE SIGNATURES.....	18
ARTICLE IX AMENDMENTS	18
Section 1. NEW BY-LAWS OR AMENDMENTS	18
Section 2. CONFORMITY TO LAWS	18
ARTICLE X DEFINITIONS.....	18

By-laws of Farmers Cooperative, Carmen, Oklahoma, formed under the Cooperative Law of Oklahoma 1937, known as the "Cooperative Marketing Association Act" (the "Coop Act"), and in accordance with the Capper-Volstead Act and the Oklahoma General Corporation Act. Adopted March 22, 2022.

ARTICLE I CAPITAL STOCK

Section 1. **AUTHORIZED CAPITAL.** The Association is organized with the Capital Stock authorized in its Articles of Incorporation.

Section 2. **ISSUANCE OF CAPITAL STOCK.** The Board of Directors may authorize the Association to issue its Capital Stock. Upon approval for membership pursuant to Article II and in exchange for proper payment, the Association shall issue Common Stock. No Common Stock shall be held by a Person who is not a Member. In exchange for proper payment, the Association may also issue Preferred Stock which may be issued to non-members. No Capital Stock shall be issued for less than its par value.

Section 3. **CERTIFICATE FORM.** The certificates of the Capital Stock of the Association shall be issued in such form as the Board of Directors may direct and shall be numbered and registered as issued. The Capital Stock certificates shall exhibit the holder's name, number of shares, and number of the certificate, shall be signed by the President, shall be attested by the Secretary, and may or may not be impressed with the corporate seal. Any or all of the signatures on the certificate may be facsimiles.

A. Each Common Stock certificate shall have the following statement conspicuously printed on its face in bold type:

"This stock is subject to restrictions on its transfer and to a first lien in favor of the issuer. It is expressly issued subject to these restrictions and any other provisions in the By-laws or Articles of Incorporation of the Association in effect on the date of this certificate and as amended from time to time. The authority to make such amendments is hereby reserved by the Members."

B. In addition to the above statement, each Preferred Stock certificate shall have a legend printed conspicuously on its face and/or back stating the relative rights and preferences of the Preferred Stock in full or summary or stating that the Association will furnish a full statement of the relative rights and preferences without charge to any holder so requesting.

Section 4. **CAPITAL CREDITS.** The Association may issue Capital Credits in the form of ledger credits such as capital stock credits, member equity credits, special reserves, certificates of equity, or any other form of non-interest bearing instruments without due date. The Capital Credits may or may not be represented by a certificate, as the Board of Directors determines.

Section 5. **PRIOR LIEN.** Each Member and other Person holding Capital Stock, Capital Credits, and/or Patronage Distributions hereby grants to the Association a first lien (and right of set-off) on such Member or holder's Capital Stock, Capital Credits, Patronage Distributions, and any other

property rights and interest in this Association for any indebtedness of such Member or holder to the Association. This statement shall be imprinted on all Patronage Distribution statements.

Section 6. STOCK AND/OR CAPITAL CREDITS SALES AND TRANSFERS.

A. In case any Member wishes to sell his/her/its Capital Stock and/or Capital Credits, he/she/it must first offer to sell to the Association at the book value of the Capital Stock and/or Capital Credits. Transfer of Capital Stock and/or Capital Credits shall be made on the books of the Association only with the approval of the Board of Directors and only to Persons eligible to hold stock and only when the transferring Member is free of indebtedness to the Association. The old stock certificate properly endorsed shall be surrendered and canceled before a new certificate is issued. The stock books of the Association shall be closed against transfers from the date the notice of any regular or special meeting is mailed until after the meeting has been held.

B. If a Member of the Association is a party to a divorce proceeding, the Member may not transfer the Member's Capital Stock and/or Capital Credits to the Member's spouse if the spouse is not eligible to be a Member as defined in Article II, Section 1 of these By-laws. If a Member's spouse is eligible for membership, then the transfer may only be made with the written approval of the Board of Directors. Any retirement of said approved transfer shall be controlled by the By-laws.

Section 7. LOST CERTIFICATE. In case of loss or destruction of a certificate of stock, no new certificate shall be issued in lieu thereof except upon satisfactory proof to the Board of Directors of such loss or destruction and upon the giving of an affidavit of lost certificate to prevent loss to the Association. Any new certificate shall be plainly marked "DUPLICATE" upon its face.

ARTICLE II MEMBERSHIP

Section 1. ELIGIBILITY AND GOOD STANDING.

A. Any Person, either as a landlord and/or tenant, who is engaged as a producer of agricultural products within the territory served by this Association may become a Member upon approval of the Board of Directors by agreeing to comply with the requirements of these By-laws and by purchasing one (1) share of its Common Stock at the par value and by meeting any other requirements of the Board.

B. To maintain its good standing and be eligible to vote in the management or affairs of the Association, a Member must:

1. remain eligible under the requirement of subsection A above;
2. acquire and maintain at least one (1) share of Common Stock and Capital Credits;
3. transact, annually, at least Three Thousand Five Hundred Dollars (\$3,500.00) of business with the Association as averaged over the Association's prior three (3) fiscal years; and

4. be in compliance with all terms and provisions of the credit policy of the Association.

The minimum annual patronage requirement in paragraph 1(B)(iii) applies only to Persons who have been Members for at least three (3) consecutive fiscal years. The patronage requirement is calculated by dividing the sum of the Member's business with the Association during the Association's most recent three (3) fiscal years by three (3). Following the adoption of this Bylaw changes, upon written request, the Board may waive a Member's non-compliance with paragraph (iii) for good cause shown or if the Member would meet the good standing requirement for a new Member when patronage is measured from the date of adoption of this Bylaw change.

Section 2. APPLICATION. All applications for membership must be in writing and must be submitted to and approved by the Board of Directors before Common Stock is issued. All applicants shall be given a copy of the Association's By-laws. Approval of an application may be made contingent upon the payment by the applicant of the purchase price of the Common Stock.

Section 3. REPURCHASE OF COMMON STOCK.

A. In case of the death of a Member, if a Member ceases to be eligible for membership, or if a Member ceases to be in good standing, then the Association shall terminate the membership and retire, under terms to be determined by the Board of Directors, all of the Member's Common Stock by tendering to him/her/it or his/her/its heirs or legal representatives the value of the Member's Common Stock, subject to the conclusive appraisal by the Board of Directors, reduced by any indebtedness due from him/her/it to the Association. The Association need not retire the Common Stock of a Member who owns or controls any part of a Person that is eligible for membership under Article II, Section 1.

B. In case of the death of an owner of a Member-entity or if an owner ceases to own an interest in the Member-entity, upon request of the Member-entity, the Association shall redeem, under terms to be determined by the Board of Directors, a percentage of the Common Stock equal to the owner's interest in the Member-entity and at a value subject to the conclusive appraisal of the Board of Directors, reduced by a similar percentage of any indebtedness due from the Member-entity to the Association.

C. In the event a Member willfully breaches these By-laws and other requirements or willfully obstructs the purposes and proper activities of the Association, the Board of Directors may suspend such Person's rights as a Member or may terminate that Person's membership.

D. When a membership is terminated, the Association shall:

1. repurchase the Member's Common Stock by tendering to him/her/it or his/her/its heirs or legal representatives the Repurchase Price,
2. convert the terminated Member's Common Stock into shares of nonvoting Preferred Stock having a redemption and liquidation value equal to the Repurchase Price,
3. convert the terminated Member's Common Stock into shares of nonvoting certificates of interest or Capital Credits equal to the Repurchase Price, or

4. tender any combination of the consideration provided in paragraphs 1, 2 or 3.

The terminated Member shall return to the Association the certificate evidencing the Common Stock and any other certificates of interest. If such Member fails to deliver the certificates, the Association may cancel such certificates on its books and records, and the certificates shall then be null and void. A suspended or terminated Member shall have no rights or privileges on account of any stock held nor any vote or voice in the management or affairs of the Association.

E. The Board of Directors may adopt a uniform policy providing for the retirement of Common Stock, provided, however, that each Member in good standing must hold at least one (1) share of Common Stock. Such retirement may be made regardless of the order in which the Common Stock was originally issued. If the policy adopted is based on the age of the individual, when the owner of a Member-entity reaches such age, the Association may redeem a percentage of the shares of Common Stock held by the Member-entity equal to the owner's interest in the Member-entity.

F. Each Member may transfer his/her/its economic rights in the Common Stock to a Family Trust for estate planning or other purposes, but such Member shall retain all incidents of membership, and the Association shall regard such Member as its member. For purposes of this Section, when such Member dies or becomes ineligible, the Association shall not redeem the Common Stock of the Member-entity but shall, upon the request of the Member-entity, redeem a percentage of the Capital Credits of the Family Trust as set forth in Article II, Section 4(E) below.

Section 4. RETIREMENT OF QUALIFIED PATRONAGE ALLOCATIONS.

A. In case of the death of a Member or Patron or if a Member or Patron ceases to be eligible for membership, then the Association shall terminate the membership and retire, under terms to be determined by the Board of Directors, all of the Member or Patron's Capital Credits by tendering to him/her/it or his/her/its heirs or legal representatives the value of the Member's or Patron's Capital Credits, subject to the conclusive appraisal by the Board of Directors, reduced by any indebtedness due from him/her/it to the Association. The Association need not retire the Capital Credits of a Member who owns or controls any part of a Person that is eligible for membership under Article II, Section 1.

B. In case of the death of an owner of a Member-entity or if an owner ceases to own an interest in the Member-entity, upon request of the Member-entity, the Association shall redeem, under terms to be determined by the Board of Directors, a percentage of the Capital Credits equal to the owner's interest in the Member-entity and at a value subject to the conclusive appraisal of the Board of Directors, reduced by a similar percentage of any indebtedness due from the Member-entity to the Association.

C. In the event a Member willfully breaches these By-laws and other requirements or willfully obstructs the purposes and proper activities of the Association, the Board of Directors may suspend such person's rights as a Member or terminate that person's membership.

D. When a membership is terminated, the Association shall:

1. repurchase the Member's Capital Credits by tendering to him/her/it or his/her/its heirs or legal representatives the Repurchase Price,

2. convert the terminated Member's Capital Credits into shares of nonvoting Preferred Stock having a redemption and liquidation value equal to the Repurchase Price,
3. convert the terminated Member's Capital Credits into shares of nonvoting certificates of interest or Capital Credits equal to the Repurchase Price, or
4. tender any combination of the consideration provided in paragraphs 1, 2, or 3.

E. The Board of Directors may adopt a uniform policy providing for the retirement of Capital Credits. Such retirement may be made regardless of the order in which the Capital Credits were originally issued. If the policy adopted is based on the age of the individual, when the owner of a Member-entity reaches such age, the Association may redeem a percentage of the shares of Capital Credits held by the Member-entity equal to the owner's interest in the Member-entity.

EF. Each Member may transfer his/her/its economic rights in the Capital Credits to a Family Trust for estate planning or other purposes, but such Member shall retain all incidents of membership, and the Association shall regard such Member as its member. For purposes of this Section, when such Member dies or become ineligible, the Association shall redeem, under terms to be determined by the Board of Directors, such Member's Capital Credits from the Family Trust.

Section 5. REDEMPTION OF NON-QUALIFIED PATRONAGE ALLOCATIONS. Non-qualified patronage allocations may be redeemed at the discretion of the Board of Directors upon the death of a Member, if a Member ceases to be eligible for membership or pursuant to any other plan for redemption.

Section 6. UNCLAIMED PATRONAGE ALLOCATIONS.

A. If the Board of Directors determines that certain allocated Patronage Distributions should be paid to the Patrons in cash or property, each Patron shall have one (1) year thereafter in which to claim such cash or property. No claim may be made for such cash or property thereafter, and no action or proceedings may be commenced or enforced thereafter to require the Association to pay such cash or property to the Person entitled to such allocated Patronage Distribution. Upon the expiration of this one (1) year period, the allocated Patronage Distribution shall be canceled on the books of the Association, and the proceeds thereof less income taxes due thereon, shall be credited to the Association's unallocated surplus account and shall be retained therein by the Association for the general benefit of the Association and all of its Patrons.

B. Any distribution to a non-member Patron shall revert to the Surplus Reserve Fund to be used for educational purposes if, after two (2) years, the amount is less than the value of a membership certificate or a share of Common Stock or in the case where said Person does not accept and exercise his/her/its membership privileges.

Section 7. SET-OFF. The Association may exercise its lien and be entitled to set-off any indebtedness it may have against any Person's Capital Stock and/or Capital Credits at the value of the Capital Stock and/or Capital Credits as determined by the Board of Directors.

Section 8. MEMBERSHIP TERMINATION.

A. If the Association is required to redeem or retire any Common Stock or Capital Credits, then the Board may issue Preferred Stock (if authorized by the Articles) in lieu of the cash payment for the Common Stock and Capital Credits.

B. The Board of Directors shall determine the order in which the Association will redeem or repurchase Common Stock or Capital Credits, except settlement of estates shall be given first priority.

C. A member ceases to be in good standing when he, she, or it becomes ineligible for membership regardless of whether the Board has notified the member or otherwise taken action to terminate the Member's membership and redeem or convert the Member's Common Stock or Capital Credits. When a Member ceases to be in good standing, the Member has no rights or privileges on account of any stock held nor vote or voice in the management or affairs of the Association.

D. If the Board of Directors determines that any of the Common Stock has come into the hands of any person who is not eligible or has not been approved, or that a Member has ceased to be in good standing, the Board may terminate the Member's rights by providing at least thirty (30) days' notice of termination. If the Member delivers its written objection to the termination to the Association's Secretary within the thirty (30) day period, then the Board shall afford the Member the opportunity to present the basis of the Member's objection after which the Board shall determine whether the termination is warranted. The Board's decision shall be final. If the member does not object within the thirty (30) day period, then the termination shall become effective.

Section 9. RIGHTS LIMITED TO ELIGIBILITY. Only those Persons who are eligible according to Section 1 of this Article to hold Common Stock shall acquire any rights or privileges by any purported purchase or transfer of any such Common Stock.

Section 10. CAPPER-VOLSTEAD PROVISION. This Association must operate for the mutual benefit of its Patrons and shall not deal in the products of non-patrons to an amount greater in value than such as are handled by it for Patrons, except that business done with the United States Government shall not be included in such determination.

ARTICLE III FISCAL YEAR

Section 1. DATE OF FISCAL YEAR. The fiscal year of this Association shall commence on the first day of January and end on the last day of December.

ARTICLE IV MEMBERSHIP MEETINGS

Section 1. MEETINGS.

A. REGULAR ANNUAL MEETING. The regular annual meeting of the Members shall be held within the territory served by this Association within one hundred twenty (120) days following the close of the Association's fiscal year, the date, time and place to be set by the Board of Directors.

B. SPECIAL MEETING. Special meetings of the Members may be called by the President or by action of the Board of Directors. Upon petition by ten percent (10%) or more of the Members filed with the Secretary and stating the business to be brought before the special meeting, the Board shall call a special meeting. Each call shall set forth the date, time, and place of the meeting.

C. SPECIAL MEETING REQUIREMENT. The notice of a special meeting of the Members shall include the purpose or purposes for which the meeting is called. At all special meetings of the Members, action shall be limited to the purpose or purposes outlined in the notice of the meeting.

Section 2. NOTICE OF MEETINGS. Written notice of each meeting of the Members, whether annual or special, shall be given not less than ten days (10) nor more than sixty (60) days before the date of the meeting. An affidavit of the Secretary that he or she has given notice constitutes, in the absence of fraud, prima facie evidence of the facts stated in the affidavit.

Section 3. WAIVER OF NOTICE. Whenever these By-laws require written notice, a written waiver of notice, signed by the person entitled to notice, whether before or after the time stated in the notice, constitutes the equivalent of notice. Attendance of a person at any meeting constitutes a waiver of notice of such meeting, except when the person attends the meeting for the express purpose of objecting to the call of the meeting and makes such objection at the beginning of the meeting. A written waiver of notice need not specify either the business to be transacted at or the purpose of any regular or special meeting of the Members, Directors, or members of a committee of the Board.

Section 4. RECONVENED MEETINGS. If the Members adjourn a meeting intending to reconvene the meeting at another time or place, notice need not be given of the meeting to be reconvened if the time and place are announced before adjournment and the meeting is to be reconvened no more than thirty (30) days after the adjourned meeting. At the reconvened meeting, the Members may transact any business that they may have transacted at the original meeting. If the adjournment is for more than thirty (30) days or, if after the adjournment, the Board fixes a new record date for or changes the time or place of the reconvened meeting, then the Board must give notice of the meeting to be reconvened to each Member of record entitled to vote.

Section 5. LIST OF MEMBERS.

A. At least ten (10) days before every meeting of the Members, the Secretary cause to be prepared a list of the Members entitled to vote at the meeting or any adjournment thereof, arranged in alphabetical order, showing the address of each Member and the number of shares registered in the name of each Member. If the Association intends to maintain the list at a place other than where the meeting will take place, every notice of a meeting of the Members shall specify where the Association will maintain the list of Members entitled to vote at the meeting. The Association must make the list available for examination by any Member for any purpose germane to the meeting, either at a place within the city where the meeting will take place or at the place designated in the notice of the meeting.

B. The Secretary must produce and keep the list at the meeting during the entire duration of the meeting, and any Member who is present may inspect the list at the meeting. The list constitutes presumptive proof of the identity of the Members entitled to vote at the meeting.

C. The failure to comply with this Section does not invalidate any action taken at the meeting, provided, however, that any Director who has willfully neglected or refused to produce the list is

ineligible to stand for election at the meeting. A determination of Members entitled to vote at any meeting of Members pursuant to this Section applies to any adjournment.

Section 6. FIXING OF THE RECORD DATE.

A. To determine Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof or in order to make a determination of Members for any other proper purpose, the Board may fix in advance a date as the record date for any such determination of Members. The Board may not, however, fix such date more than sixty (60) days before the date of the particular action.

B. If the Board does not fix a record date for the determination of Members entitled to notice of or to vote at a meeting of Members, the date of the mailing of notice is the record date for such determination of Members. If the Board does not fix a record date and action is to be taken by the written consent of the Members, the record date is the first date on which a signed written consent is delivered to the Association, provided, however, if prior action by the Board is required under the Corporation Act, the record date is at the close of business of the day on which the Board adopts the resolution taking such prior action.

Section 7. VOTING RIGHTS.

A. At all meetings of the Members, each Member in good standing of record is entitled to cast only one (1) vote on each question, irrespective of the number of shares of Common Stock owned.

B. The Members may vote by voice vote on all matters. Upon demand by a Member entitled to vote, however, the Members must vote by ballot. In that event, each ballot shall state the question to be voted on, the name of the Member voting, its authorized representative casting the vote for the Member if the Member is not a natural person, whether or not the Member votes in favor of or against the question to be voted on, and such other information as the Association may require under the procedure established for the meeting.

C. A Member's ballot is valid if signed by a partner, officer, director, trustee, personal representative, member, manager, (as applicable, based upon the type of legal entity of the Member-entity), or other person purporting to act on behalf of such Member. No corporate seal, attestation, or copy of By-laws or resolution conferring authority is necessary.

D. When Common Stock is held jointly by two (2) or more natural persons or a Member-entity, they or it shall be entitled to one (1) vote, which may be cast by any one (1) of the joint Members or authorized partner, or officer, or director of the corporation.

E. Cumulative voting or voting by proxy shall not be allowed.

F. Any Member may vote by absentee ballot on any specific question other than the removal of a member of the Board of Directors. An official absentee ballot must meet the following requirements:

1. It must set forth on its face the proposal being voted upon.

2. It must provide space for the Member to indicate whether he/she/it votes in favor or against the proposal submitted on the ballot.
3. It must be provided to the Member by the Secretary.
4. Absentee ballots shall not be counted if delivered to the Secretary less than six (6) hours prior to the official call to order of the meeting. Ballots may be delivered by facsimile, e-mail, or other electronic media.

Any absentee ballot meeting these four (4) requirements shall be counted in the final consideration of the proposal whether such final consideration is made at a regular meeting, special meeting, or adjourned meeting.

Section 8. MERGER, CONSOLIDATION, SALE OF SUBSTANTIALLY ALL ASSETS, OR OTHER CORPORATE REORGANIZATION. If the purpose of the meeting is to vote on a merger, a consolidation, a share acquisition under Section 1090.1 of the Corporation Act, or the sale, lease, or exchange of all or substantially all of the Association's property and assets, the following procedure shall apply:

A. The Board of Directors shall adopt a resolution approving such merger, consolidation, share acquisition, sale of substantially all assets, or other corporate reorganization.

B. Written notice shall be sent to each Member, whether or not such Member is entitled to vote at such meeting, not less than twenty (20) days nor more than sixty (60) days before such meeting. Said notice shall indicate the details of the merger, consolidation, share acquisition, sale of substantially all of the assets of the corporation, or other corporate reorganization that will be presented at the Member meeting.

C. Approval of a merger, consolidation, share acquisition, sale of substantially all of the assets, or other corporate reorganization shall require the affirmative vote representing a majority of the voting Members who cast their vote thereon.

Section 9. QUORUM. At any Member meeting, thirty (30) shall constitute a quorum for the transaction of business, but the Members present at any meeting may adjourn the meeting to some other specific day, hour, and location. In the event of a regular or special meeting, recessed or adjourned, at which the only item of business to be considered is the final consideration of a proposal previously submitted to the Members, absentee ballots shall be counted to meet the requirements for a quorum.

Section 10. ORDER OF BUSINESS. The order of business at the annual meeting of the Members shall include:

- | | |
|--|------------------------------|
| A. Roll Call or Registration | E. Apportionment of Earnings |
| B. Proof of Due Notice of Meeting | F. Unfinished Business |
| C. Reading and Disposal of Minutes | G. New Business |
| D. Annual Report of Officers,
Committees, and Manager | H. Election of Directors |
| | I. Adjournment |

Section 11. BLOC MEMBERSHIP. Bloc membership of the Members of the Association shall not be allowed.

Section 12. VOTE REQUIRED. At any regular or special meeting of the Members, a plurality of the votes cast shall determine all elections and, except when the law or a resolution of the Board requires otherwise, a majority of the votes cast shall determine all other matters.

Section 13. ROBERT'S RULES. At all meetings, the procedure of business not covered by these By-laws shall be governed by the Robert's Rules of Order or such other rules of conduct that the Board may choose to adopt.

Section 14. CONSENT OF MEMBERS IN LIEU OF MEETING. The Members may take any action that they could take at any annual or special meeting without a meeting, prior notice, or a vote if the Members having the number of votes necessary to authorize or take the action at a meeting at which all Members entitled to vote were present and voted sign a written consent or consents, setting forth the action taken, and deliver such consent or consents to the Association. To be effective, a consent or consents representing the required number of votes must be delivered to the Association within sixty (60) days of the day that the first consent was delivered with respect to the action taken.

The Secretary or an Assistant Secretary shall note the delivery date on each written consent delivered to the Association and give prompt notice of the taking of any action by less than unanimous consent to the Members who have not delivered written consents.

ARTICLE V DIRECTORS AND THEIR DUTIES

Section 1. DIRECTORS AND THEIR TERMS. The affairs of this Association shall be managed according to the policies approved by a Board of Directors of five (5) Common Stockholders who shall be elected at the annual meeting of the membership. The term of office of each Director shall be staggered so the terms of not more than two (2) Director shall expire in any one year. The Board of Directors shall be composed of two (2) Directors who shall reside north of Highway 64 and the county road that extends west from Highway 64 where said Highway intersects Highway 8 south of Cherokee, two (2) Directors who shall reside south of that same line and one (1) Director at large.

As the terms of office of each of these Directors expires, a successor shall be elected who shall serve for three (3) years, or until his/her successor is elected and qualified. As a result of the reduction of the Director terms to three (3) years, the terms of the Directors serving as of the date of the adoption of these Bylaws on March 22, 2022, shall be adjusted as follows:

<u>Director</u>	<u>Expiration of Term</u>
Ross Littlefield	2022
James Lott	2023
Greg Dietz	2023
Jeff Irwin	2024
Clay Cudmore	2024

Whenever a vacancy occurs in the Board of Directors, other than from the expiration of a term of office, the remaining Directors shall fill the vacancy by electing a member who resides in the district in which the vacancy occurs until the next regular annual meeting of the membership, at which time the membership shall elect a Director to serve any unexpired term.

Section 2. DIRECTOR ELIGIBILITY. No person shall be eligible for election or appointment as Director:

A. unless the person is a natural person of legal age,

B. unless the person is a Member in good standing as set forth in Article II or is the Representative of a Member-entity in good standing as set forth in Article II; provided that any one (1) Member shall have no more than one (1) representative on the Board at any time,

C. unless the person is not in competition with, or is not affiliated with any enterprise that is in competition with, the Association, as may be determined in the sole and exclusive discretion of the Board of Directors whose decision on the subject will be final, and

D. unless the person is in compliance with all terms and provisions of the credit policy of the Association.

If a current Member of the Board of Directors is determined to be in violation of this Section, then such Board Member shall be immediately ineligible to serve on the Board of Directors and his/her office shall be declared vacant.

Section 3. BOARD AUTHORITY AND COMPENSATION. The Board of Directors shall employ a Manager to oversee the day-to-day operations of the Association. The Manager shall work under the authority of the Board of Directors, which may employ and dismiss the Manager. In the event the position of Manager is vacant, the Board of Directors may employ and dismiss any other employee during the interim vacancy. The Board of Directors shall have full power to make all necessary rules and regulations for this Association which are not inconsistent with the laws of Oklahoma, the Articles of Incorporation, or By-laws of this Association. The Board of Directors shall determine the salary of the Manager, which shall be reviewed at least once each year. The salary range of other employees shall be recommended by the Manager, approved by the Board of Directors, and reviewed at least once each year. The per diem of the Board of Directors and officers shall be a minimum of Two Hundred Fifty Dollars (\$250.00) per each regular and special meeting of the board of Directors with said per diem to be adjusted annually on January 1 of each calendar year based on the average monthly percentage change of the CPI-W as published by the Bureau of Labor Statistics of the United States of America for the previous year. By way of example:

assuming that the per diem for the calendar year of 2021 was \$250.00, the average monthly CPI-W for 2020 was \$249.324 and the average monthly CPI-W for 2021 was \$252.771, then, on January 2, 2022, the per diem for the calendar year 2022 would be calculated as follows:

$$(\$252.771 - \$249.324)/\$249.324 * \$250.00 + \$250.00 = \$253.46.$$

Directors shall also be reimbursed for actual travel expenses and mileage in attending meetings authorized by the Board of Directors.

Section 4. REMOVAL FROM OFFICE.

A. Any Director of the Association may be removed from office with cause by vote of the Members present at any annual meeting or special meeting if, in the case of a special meeting, the notice to the Members for the special meeting indicates that such a vote will be taken to remove a

Director. The Director shall be informed in writing of the charges preferred against him/her at least ten (10) days before such meeting and at such meeting shall have an opportunity to present witnesses and be heard in person or by counsel in answer thereto. Any Director who ceases to be a Member shall at the same time cease to hold the office of Director.

B. Any Director's term of office shall be automatically terminated if his/her present account with the Association or the account of a Member-entity of which he/she is the Representative is ninety (90) days past due according to the credit policy established by the Association.

Section 5. BOARD ORGANIZATION. The Board of Directors shall hold a meeting within ten (10) days after the adjournment of the annual meeting of the Members for the purpose of electing the President, one (1) or more Vice Presidents, Secretary, and Treasurer. The offices of Secretary and Treasurer may be held by the same person.

Section 6. MONTHLY AND SPECIAL BOARD MEETINGS.

A. Monthly meetings, with the time and place determined by the Board of Directors, shall be held. If the time and place of the monthly Board meeting remains unchanged from the prior month, no notice of the meeting need be given individually to each Director. If the time or place of the monthly Board meeting is changed from the prior month, each Director shall be given one (1) week's written notice prior to the time of the meeting by the officer calling the meeting or such other person as he/she may direct.

B. Special Board meetings may be called by the President, or in his/her absence by one (1) of the Vice Presidents, or such meetings may be called by any two (2) Directors if the President and the Vice Presidents are absent, or unable, or unwilling to call the special meeting. Actual notice of a special meeting shall be given to each Director at least twenty-four (24) hours prior to the special meeting unless such notice is waived by each Director.

C. Attendance at any meeting shall waive any defect in the notice of the meeting, unless the Director specifically objects to the defect. Notice of any meeting may also be waived in writing by any Director. No notice shall be required of an adjourned meeting if the time and place of such meeting be fixed at the meeting adjourned.

D. Any member of the Board, or of any committee thereof, may participate in a meeting 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 in a meeting by such means constitutes presence in person at such meeting.

Section 7. BOARD QUORUM. At all regular or special meetings of the Board of Directors, a majority of the Board of Directors shall constitute a quorum for the transaction of business, but a smaller number may adjourn the meeting to another day or hour. No measure voted upon by the Board of Directors shall be effective unless a quorum is present and a majority of all members of the Board present and voting vote in favor thereof.

Section 8. ACTION WITHOUT MEETING. Unless otherwise restricted by the Articles of Incorporation or these By-laws, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all members of the Board or

committee, as the case may be, consent thereto in writing and such writing or writings are filed with the minutes of proceedings of the Board or committee.

Section 9. COMMITTEES. The Board may, by resolution passed by a majority of the whole Board, from time to time appoint such committees as may be permitted by law. Such committees appointed by the Board must consist of one (1) or more members of the Board and have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committees.

Section 10. FINANCIAL REPORT. At each regular annual meeting of the Members, the Board of Directors shall present or cause to be presented a statement or report of the business of the Association for the preceding fiscal year. Such statement shall show the financial condition of the Association at the end of the fiscal year and be in such form as shall fairly represent the assets and liabilities of the Association and include a Statement of Operation for the period. Such condensed financial report shall be made available to all Members who attend the annual meeting or be made available to any Member upon request. It shall not be required to mail a copy of this report to the entire membership.

Section 11. INVENTORY. Each year the Association shall cause to be performed a complete inventory of all property, merchandise, grain, and cash in the possession of the Association not later than five (5) days following the close of the fiscal year. The results of such inventory shall be put into a written report properly itemized. The original of each inventory report shall be made a part of the permanent records of the Association. The information contained in any inventory report shall be available to any auditor or auditors engaged in auditing the business of the Association.

Section 12. AUDITOR. The Board of Directors shall annually employ an independent accountant who is experienced in cooperative accounting to render services as follows:

A. Make an audit of the books of the Association at least once in each year or as often as the Board of Directors deems necessary.

B. Make a full report to the Board of Directors of the auditor's findings and recommendations.

C. Assist in the preparation of all necessary tax returns, if consistent with the auditor's independence obligations.

D. Assist in the preparation of such other reports that are required and submit them to the Association at the proper time for filing, if consistent with the auditor's independence obligations.

Section 13. BANKS. The Board of Directors shall select one (1) or more banks to act as depositories of the funds of the Association. The Board of Directors shall authorize one (1) or more persons to handle the banking transactions.

Section 14. WAREHOUSE RECEIPTS. The Board of Directors shall determine which employees are authorized to sign warehouse receipts.

Section 15. BOND REQUIREMENT. The Manager, other employees, and officers who handle funds or property of the Association shall be bonded, to guarantee their fidelity, by a responsible surety company in such amounts as the Board of Directors may require. Said bonds shall be paid by and shall be in favor of the Association.

Section 16. INSURANCE. It shall be the duty of the Board of Directors to provide for the insurance of all real and personal property which may be in the possession of the Association in such amounts as the Board of Directors shall deem necessary. They shall also provide employer's public liability, property damage, and workers' compensation insurance for the Association and employees if available.

Section 17. EMPLOYMENT OF DIRECTORS AND RELATIVES. No member of the Board of Directors of this Association shall be employed by the Association for a period of more than ninety (90) days during any calendar year. No relative within the third degree of consanguinity or marriage of any member of the Board of Directors or of the Manager shall be regularly employed by the Association except by approval of the Board of Directors.

ARTICLE VI OFFICERS AND THEIR DUTIES

Section 1. OFFICERS. Officers of this Association shall consist of a President, one (1) or more Vice Presidents, Secretary, and Treasurer who shall be elected by the Board of Directors. The office of Secretary and Treasurer may be combined. The Board of Directors may also establish such other offices as it may deem reasonable and necessary. Such other offices may or may not be required to be filled by a Director, as determined by the Board. Officers shall hold office for one (1) year and until their successors are elected and qualified. Whenever a vacancy occurs in the officers, the remaining Directors shall elect an officer to fill the vacancy until the next annual meeting of the Association.

Section 2. PRESIDENT'S DUTIES. The President shall preside or designate a member of the Board of Directors to preside at all meetings of the Board of Directors and Members, shall sign Capital Stock certificates and all legal instruments and obligations of the Association, and shall perform all such other duties incident to the office of President.

Section 3. VICE PRESIDENT'S DUTIES. In case of the absence or disability of the President, the duties of the President shall be performed by the Vice President who is also a Director. In the absence or disability of the Vice President, who is also a Director, any Vice President, who is not a Director, shall perform the duties of the President. In the absence or disability of any Vice Presidents, a chairman shall be elected from the Directors present to preside at the meeting. The Vice Presidents shall also perform all such other duties as are incident to the offices of Vice President.

Section 4. SECRETARY'S DUTIES. The Secretary shall issue, or cause to be issued, notices of all Board of Director and Member meetings, shall attend and keep the minutes of the same, shall have charge of all corporate books, records, and the seal of the Association, and shall perform all such other duties as are incident to the office of Secretary.

Section 5. TREASURER'S DUTIES. The Treasurer shall perform such duties with respect to the finances of the Association as may be prescribed from time to time by the Board of Directors and all such other duties as are incident to the office of Treasurer.

Section 6. ELIGIBILITY AND REMOVAL OF OFFICERS. No person shall be eligible to hold the office of President unless he/she is a Director. At least one (1) Vice President shall also be a Director. Any officer can be removed from office, but not from the Board of Directors, by the vote of a majority of the other members of the Board of Directors at any regular or special meeting of the Board of

Directors if the Board of Directors determines that such removal is in the best interest of the Association.

Section 7. **MANAGER'S DUTIES.** The Manager shall have charge of the business of the Association under the general control, supervision, and direction of the Board of Directors. The Manager shall have custody of the funds used in the operation of the business of the Association and shall be responsible for such books as will preserve accurate records of all business transacted by this Association. The records shall at any time show the current financial condition of the Association. The Manager shall make or cause to be made a written detailed statement, as of the first of each month, showing the business done the previous month and file said statement with the Secretary. The Manager shall employ, supervise, and dismiss all agents and employees of the Association and set their compensation. The Manager shall perform all such other duties as are incident to the position of Manager.

ARTICLE VII APPORTIONMENT OF EARNINGS; DISTRIBUTIONS

Section 1. **APPORTIONMENT.** The Board of Directors shall apportion the Association's net earnings to its Members' Capital Accounts at least once in each year. The Association is obligated to distribute all such amounts to the Members as provided in Article VII, Section 4 below.

Section 2. **MINIMUM FOR DISTRIBUTION.** If the amount for Patronage Distributions to Members for any fiscal year shall be less than Twenty Five Thousand Dollars (\$25,000), the total net earnings shall be credited to the Surplus Reserve Fund, and no allocation shall be made to the Members.

Section 3. **SURPLUS RESERVE REQUIREMENTS.** The Association shall maintain a Surplus Reserve Fund, to which the Board of Directors shall allocate ten percent (10%) of the Association's earnings, regardless of source, as permitted in Section 521(c)(3) of the Internal Revenue Code, until and unless the Surplus Reserve Fund balance equals one hundred percent (100%) or more of the Association's combined stated capital and Capital Credits. In allocating earnings to the Surplus Reserve Fund, the Board shall first allocate all non-patronage income, less all expenses attributable to the production of the non-patronage sourced income and all income taxes payable on such receipts by the Association. If the allocated non-patronage income is insufficient to meet the ten percent (10%) requirement, the Board shall allocate funds from other sources, including patronage earnings.

Section 4. **MEMBER EARNINGS.** After deduction of the Surplus Reserve Fund requirements, the balance of net earnings accrued on business transacted with or for Members and other Patrons shall be apportioned and distributed to all Members and other Patrons as a qualified or non-qualified allocation, as defined in current federal income tax laws, on the basis of patronage being apportioned and distributed on the same basis and same percentage. A qualified distribution shall be distributed either in cash, merchandise, Capital Stock, Capital Credits, or any form of non-interest bearing instruments without due date ratably upon the value or volume of the products sold to or handled through the Association and/or the value or volume of the purchases from or through the Association by each Patron. A non-qualified distribution shall be distributed in the form of a non-qualified, non-interest bearing instrument issued ratably upon the value or volume of the products sold to or handled through the Association and/or the value or volume of the purchases from or through the Association by each Patron. These patronage allocations must be made in accordance with the current Internal Revenue Service regulations.

Section 5. LOSSES.

A. The earnings and losses of the various allocation units may be offset in computing the net earnings for the purpose of determining the amounts to be distributed or allocated to Patrons. If this netting option is used, Members and other Patrons must be informed in writing on or before the 15th day of the ninth month following the close of the tax year for which earnings and losses were netted.

B. If in any fiscal year the Association shall incur a net operating loss which is recognizable for tax purposes, the Board of Directors shall have full authority to charge the loss either against the net earnings of subsequent years, against the Surplus Reserve Fund, against past reserves or other funds or credits, or in such other manner as will afford the Association the maximum benefit for tax purposes, and, further provided, that the Board of Directors, at its discretion, may charge such loss against the Capital Credits of all Patrons.

ARTICLE VIII MISCELLANEOUS PROVISIONS

Section 1. TAXABLE STATUS OF PATRONAGE DISTRIBUTIONS. Each Member and other Patron hereby consents that the amount of any distributions with respect to his/her/its patronage, which are made in qualified written notices of allocation (as defined in Internal Revenue Code Section 1388 (c)) and which are received by him/her/it from the Association, will be taken into account by him/her/it at their stated dollar amounts in the manner provided in Internal Revenue Code Section 1385 (a) in the taxable year in which such qualified written notices of allocation are received by him/her/it. Further, if this Association should distribute a non-qualified written notice of allocation (as defined in Internal Revenue Code Section 1388 (d)) each Member and other Patron of this Association likewise consents to take into account on the date of redemption the value of the proceeds so received.

Section 2. INDEMNIFICATION OF DIRECTORS, OFFICERS, AND EMPLOYEES.

A. Each person who is a Director, officer, or employee of the Association (including the heirs, executors, administrators, or estate of such person) shall be indemnified by the Association against any liability, judgment, fine, amount paid in settlement, cost and expense (including attorneys' fees) asserted or threatened against and incurred by such person in his/her capacity as or arising out of his/her status as a Director, officer, or employee of the Association so long as the individual acts in good faith and in a manner he/she reasonably believes to be in the best interest of the Association. Such Director, officer, or employee shall be conclusively deemed to have acted in good faith if the individual has followed the advice of professionals, including licensed accountants and attorneys.

B. The Association shall pay the costs, charges, and expenses (including attorneys' fees) incurred by a person referred to in Article VIII, Section 2(A) in defending himself or herself in advance of the final disposition of the action, suit, or proceeding, provided, however, that the payment of the costs, charges, and expenses incurred by a Director, officer, or employee in advance of the final disposition of the action, suit, or proceeding may be made only upon receipt of an undertaking to repay all amounts so advanced in the event that it shall ultimately be determined that he or she is not entitled to be indemnified by the Association as authorized in this Section. The Board may, in the manner set forth above and upon approval of the Director, officer, or employee, authorize the Association's counsel to represent the person, in any action, suit, or proceeding, regardless of whether the Association is a party to such action, suit, or proceeding.

C. The indemnification provided by this Bylaw provision shall not be exclusive of any other rights to which those indemnified may be entitled under any other Bylaw or under any agreement, vote of Members, or disinterested Directors or otherwise and shall not limit in any way any right which the Association may have to make different or further indemnifications with respect to the same or different persons or classes of persons. Generally, no indemnification shall be made if the individual shall have been involved in intentional misconduct in the performance of his/her duty to the Association or shall have breached a fiduciary duty to the Association.

Section 3. SPECULATION - ASSOCIATION. No Director, officer, Member, agent, or employee of this Association shall, in the name of the Association, deal or trade in futures or options in any grain, commodity, stock, or thing except as it may be necessary or proper to hedge actual dealings in specific goods in which the Association has an interest and then only within the guidelines as set forth in the association's risk management (hedging) policy approved by the Board of Directors.

Section 4. SPECULATION - EMPLOYEES. No agent or employee of this Association shall, for his/her own account, deal or trade in futures or options in any grain or commodity except as it may be necessary or proper to hedge actual dealings in specific goods in which the employee has an interest and then only with the knowledge of the Board of Directors. Furthermore, said agent or employee shall not maintain a personal trading account with the same brokerage firm used by the Association.

Section 5. GRAIN STORAGE AUTHORITY. Subject to general approval and supervision of the Board of Directors, the Manager shall have authority to place grain delivered to this Association for storage in warehouse facilities operated by this Association or ship such grain for storage to any licensed and bonded warehouse or warehouses eligible to issue warehouse receipts; provided, however, warehouse receipts of this Association may be issued only for grain stored in this Association's warehouses, and provided, further, that the names of warehouses to whom grain has been shipped shall be submitted regularly to the Board of Directors for approval.

Section 6. CORPORATE SEAL. The corporate seal of this Association shall consist of two (2) concentric lines between which shall be the name of the Association and the words "Incorporated 1927 Oklahoma".

Section 7. NOTICE.

A. Unless these By-laws expressly provide otherwise, the Association may give effective notice under these By-laws by U.S. Postal Service, by overnight delivery service, or by Electronic Transmission such as telephone, facsimile transmission, e-mail, voice mail, or other similar medium. Effective notice may also be made in person. Receipt of effective notice must not be contingent upon the recipient's payment of any charges as a prerequisite to the notice's receipt. Effective notice must be posted or transmitted to recipient's address, telephone number, facsimile number, or e-mail address as shown on the books of the Association in a manner normally used for the posting or transmission of information in the medium chosen. Effective notice to the Association may be posted or transmitted to the President, Vice Presidents, Secretary or Treasurer at the Association's principal office. Notice to Directors and Members may also be given by facsimile transmission or by electronic mail if the Director and/or Member to whom the notice is given have consented to the form of notice. Notice by facsimile transmission is deemed given when directed to a number at which the Director or Member has consented to receive notice, and notice by electronic mail is deemed given when directed to an electronic mail address at which the Director or Member has consented to receive

notice. Notice to Directors may also be given personally, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages.

B. Whenever the law or these By-laws require notice, the person entitled to notice may waive notice in writing or by Electronic Transmission, either before or after the time stated in the notice.

Section 8. FACSIMILE SIGNATURES. In addition to the use of facsimile signatures that these By-laws specifically authorize, the Association may use such facsimile signatures of any Director, officer or officers, and/or agents or agent, as the Board may authorize.

ARTICLE IX AMENDMENTS

Section 1. NEW BY-LAWS OR AMENDMENTS. These By-laws may be altered or amended or complete new By-laws adopted at any regular or special meeting of the Association by a vote representing a majority of the Members present who cast their vote thereon when notice of such proposed amendment or the intention of adopting complete new By-laws is included in the call for such meeting. When complete new By-laws are to be considered by the Members, a complete listing of the proposed changes shall be available at the Association's general office for Members' inspection.

Section 2. CONFORMITY TO LAWS. Any proposed amendment to these By-laws or new By-laws adopted shall be in conformity with the Articles of Incorporation of this Association, and the Coop Act, and in accordance with the Capper-Volstead Act and the Corporation Act.

ARTICLE X DEFINITIONS

"Articles of Incorporation" means the Articles of Incorporation of the Association as filed with the Secretary of State of the State of Oklahoma and includes all amendments subsequently filed.

"Association" means the cooperative association named in the preamble of these By-laws.

"Board" means the Board of Directors of the Association.

"By-laws" mean these By-laws as adopted by the Board and includes amendments subsequently adopted by the Board or by the Members.

"Capital Account" means the account maintained for each Member reflecting the sum of the purchase price of the Common Stock and all Capital Credits, less distributions or redemptions charged to the Capital Account.

"Capital Credits" means the non-cash retained margins or per-unit retains that are allocated to a Member's Capital Account and are distinguished from a Member's investment in Common Stock. The Capital Credits are referred to variously as capital stock credits, member equity credits, special reserves, or certificates of equity.

"Capital Stock" means the stock authorized for issuance in the Association's Articles of Incorporation.

“*Capper-Volstead Act*” means the Federal Capper-Volstead Act (7 U.S. Code §§291 and 292).

“*Common Stock*” refers to the capital stock of the Association so designated in the Articles of Incorporation.

“*Coop Act*” means the Oklahoma Cooperative Marketing Association Act (2 O.S. §§17-1, *et seq.*).

“*Corporation Act*” means the Oklahoma General Corporation Act, which governs those matters not covered by the Coop Act (18 O.S. §§1001, *et seq.*).

“*Electronic Transmission*” means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof and that may be directly reproduced in paper form by a recipient through an automated process. It includes e-mail, other Internet-based communications, and facsimile transmissions.

“*Family Trust*” in respect of any Member means any trust, partnership, limited liability company, or other entity, the beneficiaries, partners, members, or other equity owners of which (as the case may be) comprise solely members of that Member’s family, by blood or marriage.

“*Member*” means a holder of Common Stock of the Association meeting the qualifications set forth in Article II of these By-laws.

“*Member-entity*” means a Person other than a natural person.

“*Patron*” means a Member or a Person eligible to be a Member who does business with the Association.

“*Patronage Distribution*” means the amount paid to Members or other Patrons from the Association’s net earnings from patronage income based on their percentage patronage during the calculation period. The amount is net of the Association’s expenses attributable to the production of the patronage income, any dividends on capital stock, and allocations to the Surplus Reserve Fund from patronage income. Patronage Distributions may be paid in cash, in Capital Credits, or a combination of both.

“*Person*” means any natural person, corporation, trust, estate, partnership, limited liability company, association, or other entity.

“*Representative*” means a natural person who is the manager, director, officer, trustee of, or partner or owner in a Member-entity.

“*Repurchase Price*” means the value of the Member’s Common Stock or Capital Credits, as applicable, subject to the conclusive appraisal by the Board of Directors, reduced by any indebtedness due from the Member to the Association and reduced by any damages resulting from any breach or obstruction by the Member as determined by the Board of Directors in its sole discretion, provided, however, that the Repurchase Price shall not exceed the par value paid for such Common Stock or Capital Credits, as applicable, reduced by any indebtedness and/or any damages as described above.

“*Surplus Reserve Fund*” means the unallocated earnings of the Association retained by it as a capital reserve.

“*Section*” refers to a Section of these By-laws.

\\fp1.enidlaw.local\clt\Clients\Carmen Coop\Bylaw Review & Update\02 - Documents\Typed\2022 Bylaw Changes - 03-22-022 - (FINAL AND ADOPTED).docx