

BY-LAWS
OF
KENTUCKY SHEEP & WOOL PRODUCERS, INC.
Updated: October 2023

ARTICLE I - Purposes and Powers

The purpose for which this corporation, hereinafter called the “association” is formed, and the powers which it may exercise are those set forth in the articles of incorporation of the association.

ARTICLE II - Members

Section 1. Qualifications -

1. **In-state member** - Any person, firm, partnership, or corporation who is a producer of sheep within the State of Kentucky and who pays such annual membership fees and meets such other uniform conditions as may be prescribed by the board of directors.

2. **Out-of-state member** - Any person, firm, partnership, or corporation who is a producer of sheep outside the State of Kentucky, and who pays such annual membership fees and meets such other uniform conditions as may be prescribed by the board of directors.

3. **Associate member** - Any person, firm, partnership, or corporation interested in sheep who pays such annual membership fees and meets such other uniform conditions as may be prescribed by the board of directors.

4. **Payment of dues**- Payment of dues made after October 1st will be applied toward the applicant’s membership for the remainder of that calendar year and the following calendar year.

Section 2. Suspension or termination - If following a hearing, the board of directors shall find that a member has failed to pay membership fees, or has violated the by-laws, rules and regulations of the association, they may suspend all rights as a member or terminate the membership. Upon termination of membership in the association all the rights and interests of such member in the association shall by that act be cancelled.

ARTICLE III - Meetings of Members

Section 1. Fiscal year - The fiscal year of this association shall commence on the first day of January and end on the last day of December.

Section 2. Annual meeting - The annual meeting of the members of this association shall be held in the State of Kentucky at place in which the board of directors shall designate, during the month of October of each year, or on any date or place in Kentucky which the board of directors shall designate at least thirty days in advance of the date specified above.

Section 3. Special meetings - Special meetings of the members of the association may be called at any time by order of the board of directors, and shall be called at any time upon the written request of at least ten (10) percent of the members, provided, however, that they file a petition stating the specific business to be brought before the association and demand a special meeting. The request shall state the time, place and object of the meeting.

Section 4. Notice of meeting – Published notice of every regular and special meeting of members shall be prepared and published on the association’s website and in the case of the annual membership meeting, published in the association magazine not less than thirty (30) days before such meeting . Members will also be e-mailed a notice to the last known address of each member, not less than

ten (10) days before such meeting. Such notice shall state the object or objects thereof and the time and place of meeting. No business shall be transacted at special meetings other than that referred to in the call.

Section 5. Voting - At any meeting, each in-state member who has paid in-state dues shall be entitled to one vote, and may vote either in person or by proxy. Out-of-state and associate members are not entitled to vote. Any member of record entitled to vote may be represented and vote by proxies or proxies appointed by an instrument in writing. In the event that any such instrument in writing shall designate two or more persons to act as proxies, a majority of such persons present at the meeting, or, if only one shall be present, then that one shall have and may exercise all of the powers conferred by such written instrument upon all of the persons so designated unless instrument shall otherwise provide. Such instrument shall be delivered to the secretary of the association. Form to be used in designating proxy may be obtained from the secretary of the association.

Section 6. Quorum - Five (5) percent of the members or ten (10) members, whichever is the greater, shall constitute a quorum for the transaction of business at any membership meeting of the association except for the transaction of business concerning which a different quorum is specifically provided by law or by these by-laws; but in the event a quorum is not present, such meeting may be adjourned from time to time by those present until a quorum is obtained.

Section 7. Order of business - The order of business at the annual meeting shall be:

1. Roll call
2. Proof of due notice of meeting
3. Reading and disposal of minutes
4. Annual reports of officers and committees
5. Election of officers
6. Unfinished business
7. New business
8. Adjournment

ARTICLE IV - Directors and Officers

Section 1. Number and qualifications of directors - The business and affairs of the association shall be managed and controlled by a board of ten (10) directors, each of whom shall be a current, active sheep producer and an in-state member of this association for the previous two (2) years.

Section 2. Election of directors - Directors shall be elected at each annual meeting for three year staggered terms. Directors may be elected to succeed themselves twice before being automatically retired for at least one year. Directors shall hold office until their successors have been elected and qualified. There shall be two (2) ex officio members of the board of directors, one being the immediate past association president and one person being a representative of the University of Kentucky Extension Animal Science faculty.

Section 3. Election of officers - The President shall appoint a nominating committee consisting of the immediate past president and 2 board members. The nominating committee's task is to develop a proposed slate of officers to be voted on by members at the association annual meeting. Association officers shall consist of a president, vice-president, and secretary, each of whom shall hold office until the election and qualification of his successor unless earlier removed by death, resignation, or for cause. The president is the only non-voting board member, however the President shall have a vote in the instance of

a tie vote among directors. Notice of such meeting is hereby dispensed with.

Section 4. Vacancies - Whenever a vacancy occurs on the board of directors, other than from the expiration of a term of office, the remaining directors shall appoint a member to fill the vacancy until the next regular meeting of the members.

Section 5. Special meeting - A special meeting of the board of directors shall be held whenever called by the president or by a majority of the directors. Any and all business may be transacted at a special meeting. Each call for a special meeting shall be in writing, signed by the person or persons making the same, addressed and delivered to the secretary, and shall state the time and place of such meeting, and the matters to be acted upon. Upon signing of a waiver of notice of a meeting by all the directors, a meeting of the board of directors may be held at any time.

Section 6. Notice of board meetings - Notice of special meetings of the directors shall be telephoned, mailed or emailed to each director at least five (5) days prior to the time of such meeting, and notice of such special meetings shall state the purpose thereof.

Section 7. Quorum - A majority of the board of directors shall constitute a quorum at any meeting of the board.

Section 8. Officer Terms: President, Vice President, and Secretary are an annual term, may be elected and serve for up to three consecutive years. The Treasurer to the KSWPA board shall be appointed by the board to the position. Position will be on a one-year term, but the board can agree to extend the position. The Treasurer position will be a non-voting position. The Treasurer will review account reconciliations performed by the bookkeeper. The Treasurer will not be prevented from simultaneously holding a voting position on the board if duly elected to the board by the members.

Section 9. Voting by email: Board of Directors may vote on issues via email. At time of calling for vote on a motion, all directors have 72 hours to respond with a vote before the final count is taken. Any email voting needs to be brought up as old business in next meeting so the motion and outcome will be recorded in the minutes as a matter of public record.

ARTICLE V - Duties of Directors

Section 1. Management of business - The board of directors shall have general supervision and control of the business and the affairs of the association and shall make all rules and regulations not inconsistent with law or with these by-laws for the management of the business and the guidance of the members, officers, employees and agents of the association. They shall have installed an accounting system which shall be adequate to the requirements of the business, and it shall be their duty to require proper records to be kept of all business transactions.

Section 2. Employment of executive director - The board of directors shall have power to employ or to authorize the employment of an association executive director and such other employees as may be deemed necessary, and to fix their compensation. The executive director shall have charge of the business of the association under the direction of the board of directors. No director shall serve as executive director.

Section 3. Bonds and insurance - The board of directors may require the executive director and all other officers, agents and employees charged by the association with responsibility for the custody of any of its funds or negotiable instruments to give adequate bonds. Such bonds shall be furnished by a responsible bonding company and approved by the board of directors, and the cost thereof shall be paid

by the association. The board of directors shall provide for the adequate insurance of the property of the association, or stored by it, and not otherwise adequately insured, and in addition, adequate insurance covering the liability for accidents to all employees and the public.

Section 4. Audits - At least once every five years The Board of Directors shall engage an independent Certified Public Accountant (CPA) to provide assurance around Association funds. This assurance can come in the form of an audit, review, or compilation. The board will decide which engagement is necessary. The Board of Directors may call for an engagement at any time if called for by a majority vote of the Board. If a special engagement is conducted, it will reset the five-year clock for additional engagements. The engagement shall be completed by a CPA using the Generally Accepted Auditing Standards (GAAS) and the American Institute of Certified Public Accountants (AICPA) as a guideline. The appropriate deliverables based on the engagement being performed shall be delivered to the board and shall be presented to the Association members at the following annual meeting. The Board of Directors may also call for an Internal Audit of the Associations financials at any time without resetting the five year clock. The Internal Audit team shall be no less than two directors selected on and confirmed by majority vote of the Board. The internal audit team will review in detail the associations balance sheet accounts and income statement accounts for the period determined to be in scope by the Board. The internal audit team shall present a report to the board of any findings in the form of a formal report.

Section 5. Depository - The board of directors shall have the power to select one or more banks to act as depositories of the funds of the association and to determine the manner of receiving, depositing, and disbursing the funds of the association and the form of checks and the person or persons by whom same shall be signed, with the power to change such banks and the person or persons signing such checks and form thereof at will.

Section 6. Conflict of Interest- All members of the board of directors shall sign a Conflict of Interest statement within 60 days of being elected to the board.

ARTICLE VI - Executive Committee

Section 1. Powers and duties - The board of directors may at its discretion appoint from its own membership an executive committee consisting of the president, vice president and one additional board member and determine their tenure of office and their powers and duties. The executive committee shall have such powers as may, from time to time, be prescribed by the board of directors and these duties and powers may be all of the duties and powers of the said board of directors. Subject to the general direction, approval, and control of the board of directors. Copies of the minutes of any meeting of the executive committee shall be mailed to all directors within seven (7) days following such meeting.

ARTICLE VII - Duties of Officers

Section 1. Duties of president - The president shall (1) preside over all meetings of the association and of the board of directors, (2) call special meetings of the board of directors, (3) perform all acts and duties usually performed by an executive and presiding officer, and (4) sign all papers of the association as authorized or directed to sign by the board of directors, provided, however, that the board of directors may authorize any person to sign any or all checks, contracts, and other instruments in writing on behalf of the association. (5) The president is the only non-voting board member, however the president shall have a vote in the instance of a tie vote among directors. (6) The president shall perform such other duties as may be prescribed by the board of directors.

Section 2. Duties of the vice-president - in the absence or disability of the president, the

vice-president shall perform the duties of the president, provided, however, that in case of death, resignation, or disability of the president, the board of directors may declare the office vacant and elect a successor.

Section 3. Duties of secretary - The secretary shall keep a complete record of all meetings of the association and of the board of directors and shall have general charge and supervision of the books and records of the association. The secretary shall sign papers pertaining to the association as authorized or directed to sign by the board of directors. The secretary shall serve all notices required by law and these by-laws or make arrangements to accomplish the same and shall make a full report of all matters and business pertaining to the office to the members at the annual meeting. The secretary shall make all reports required by law and shall perform such other duties as may be required by the association or the board of directors. Upon the election of a successor, the secretary shall turn over to that person all books and other property belonging to the association that may be in the secretary's possession.

Section 4. Treasurer - The treasurer shall perform such duties with respect to the finances of the association as may be prescribed by the board of directors. The treasurer shall be bonded as referred to in Article V, section 3.

ARTICLE IX - Operating Funds

Section 1. Expense allocation - From the receipts of the association there shall be deducted the actual costs and expenses of operation, including wages, salaries, equipment, materials or supplies, taxes, bonds, and insurance, interest, repairs, depreciation, and any other costs or expenses of the association, and any balance shall be retained in a reserve for contingencies.

ARTICLE X - Dissolution

Section 1. Upon dissolution or winding up of the association in any manner the assets of the association shall be distributed in the following order and manner:

1. To the payment of secured debts of the association.
2. To the payment of unsecured debts of the association.
3. Any assets or property remaining shall be conveyed by order of the board of directors to some other corporation created under the laws of Kentucky for the purpose not of profit but for the benefit and improvement of agriculture; provided, that assets and property so conveyed shall be used by the grantee for purposes similar to those of the association.

ARTICLE XI - Miscellaneous Provisions

Section 1. By-laws printed - After adoption, these by-laws, preceded by the articles of incorporation, shall be printed in pamphlet form and a copy thereof shall be available to each member and to each person who may later become a member of the association hereafter as shown on the books of record.

Section 2. Seal - The seal of the association shall contain these words and figures: "Kentucky Sheep and Wool Producers, Incorporated, 1980", in circular form, the impress of which is placed hereon.

ARTICLE XII - Amendments

If proper notice is given and the character of the amendment proposed has been stated in the notice of the meeting, these by-laws may be altered or amended at any regular or special meeting of the

members by the affirmative vote of a majority or more of the members present or voting by proxy.