

**AG CREDIT,  
AN AGRICULTURAL CREDIT ASSOCIATION  
AMENDED AND RESTATED BYLAWS**

Current as of April 2023

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These Bylaws amend and restate in their entirety the Bylaws of Ag Credit ACA and its Subsidiaries.

## **Article I     Definitions**

### 100   Definitions

“Act” means the Farm Credit Act of 1971, as it may be amended from time to time.

“Appointed Director” means a qualified individual that is a Voting Stockholder selected and appointed by the Board to serve as a Director of the Association.

“Association” means Ag Credit, Agricultural Credit Association.

“Board” means the Board of Directors of the Association.

“Bylaws” means these Amended and Restated Bylaws, as they may be amended from time to time pursuant to Articles VIII and XVI hereof.

“Director” means a member of the Board and includes Elected Directors, Appointed Directors and Outside Directors, unless the specific context requires otherwise.

“Elected Director” means a qualified individual selected and appointed as a Director, by the Members of the Association in accordance with the provisions of Article IV below.

“FCA” means the Farm Credit Administration.

“FCB” means AgFirst Farm Credit Bank.

“FLCA” means Ag Credit, FLCA, a federal land bank association with direct lending authority and a subsidiary of the Association.

“Member” or “Stockholder” means a holder of stock or participation certificates in the Association.

“1987 Act” means the Agricultural Credit Act of 1987, as the same may be amended from time to time.

“Outside Director” means a qualified individual selected or appointed by the Board to serve as a Director of the Association, who is not a director, officer, employee, agent, or stockholder of any Farm Credit System institution.

“PCA” means the Ag Credit, PCA, a production credit association and a subsidiary of the Association.

“Participation Certificate” means equity in the Association other than Stock, the holder of which is not eligible to vote on any matter regarding a vote at any annual or special meeting of Members, except as otherwise provided herein.

“Regulations” means FCA regulations or directives applicable to and binding on this association.

“Stock” means all classes of outstanding capital stock of the Association.

“System” means the Farm Credit System.

“Voting Stockholder” means a Member who possesses, under the Act, a right to vote in the election of Elected Directors.

“Wholly Successful” means having an action, suit or proceeding disposed of or resolved on a basis which does not involve a finding of liability.

#### 110 References to “Board”

All references in these Bylaws to the “Board” shall refer both to the directors sitting as of the effective date of these Bylaws and to any successors thereof pursuant to these Bylaws, unless the context otherwise requires.

## **Article II Legal Status: Authorities**

200 This Association is a cooperative credit institution which is owned by its Members and is federally chartered pursuant to the Act. Subject to the Act and the Regulations and under the supervision of the FCB, the Association in its chartered territory possesses and may exercise all lending, participation and similar authorities granted by statute or regulation, as such statutes and regulations may be amended from time to time. Without limiting the foregoing, this Association is authorized:

- a. to make, guarantee or participate with other lenders in short- and intermediate-term loans and other similar financial assistance to:

1. bona fide farmers and ranchers and producers or harvesters of aquatic products, for agricultural or aquatic purposes and other requirements of such borrowers as specified in the Act;
  2. rural residents for financing of housing in rural areas; and
  3. persons or organizations furnishing to farmers and ranchers farm related services directly related to their on-farm operating needs; and
- b. to make or participate with other lenders in long-term real estate mortgage loans in rural areas, as defined by the FCA, or to producers or harvesters of aquatic products, and to make continuing commitments to make such loans under specified circumstances, for a term of not less than five nor more than forty years; and
  - c. to provide technical assistance to borrowers, applicants and Members and make available to them, at their option, such financially related services appropriate to their on-farm and aquatic operations in accordance with applicable Regulations.
  - d. to engage in such other and further activities as are permitted under the Act and regulations promulgated thereunder.

## 210 Lending Authorities

As of the date of these Amended and Restated Bylaws the Association has received FCA and Voting Stockholder approval to conduct operations as authorized under the Act an “Authorization Event”. Further, as permitted by the Authorization Event the Board may authorize Ag Credit, PCA (“PCA”) and Ag Credit, FLCA (“FLCA”) to conduct some or all of the authorities granted in the Act and Regulations to Production Credit Associations and Federal Land Credit Associations, respectively. As of the effective date of these Amended and Restated Bylaws the Board has authorized the FLCA to conduct all of the authorities granted to it under the Act and regulations promulgated thereunder. PCA and FLCA shall be referred to collectively as the “Subsidiaries.”

## 220 Relationship with Ag Credit, FLCA and Ag Credit, PCA

The Association, PCA and FLCA may conduct an integrated lending operation. PCA may possess, among other authorities granted under the Act, the authority to make, hold and participate in short and intermediate-term loans and provide financially related services to qualified borrowers in the Association’s territory. FLCA may possess, among other

authorities granted under the Act, the authority to make, hold and participate in long-term real estate loans and provide financially related services to qualified borrowers in the Association's territory. In addition, upon the Authorization Event, all three institutions shall enter into a General Financing Agreement ("GFA") with the FCB for purposes of funding loans originated and made by Association, PCA and FLCA pursuant to their respective lending authorities. The indebtedness owed to FCB under the GFA shall be joint and several obligations of all three institutions. The Association at all times will own all of the voting capital stock of FLCA and PCA.

### **Article III Membership: Eligibility to Borrow**

300 Members of the Association shall include all holders of legal title to capital stock or participation certificates as evidenced on the books of the Association, except another Farm Credit System entity. Any person to whom this Association is authorized to extend credit or other related services is eligible to apply for a loan or such other services from this Association and become a Member of the Association. In the case of a deceased or legally incompetent Member, the executor, administrator, guardian or other legally authorized representative shall be considered to be the Member for purposes of these Bylaws. Each Member is authorized to speak on any question being considered at a meeting of Members, when recognized by the chairman. Motions, nominations and seconds may be made and voted on only by Voting Stockholders.

### **Article IV Meetings of Members**

400 Time and Place

400.1 There shall be an annual meeting of Members at such place(s) in the Association's chartered territory or, when approved by the Board, within a reasonable distance of the Association's territory, at such date(s) and time(s) as the Board may by resolution provide.

400.2 Special meetings of Members of the Association may be called at any time by resolution of the Board. Such meetings must be called upon written request of at least 5 percent of the Voting Stockholders, except that in no case shall the required number of signatures to such a request be less than 25. All notices of special meetings of Members shall state the time, place and purpose(s) of the meeting. If the Board fails or refuses to order such notice to be made, the notice may be

given by the Member(s) making the call in accordance with the provisions of Section 410 of these Bylaws.

400.3 The Board may provide for the annual meeting or special meetings of Members to be held in consecutive sectional sessions at different times and places. If the Board approves sectional meetings, the date of the convening of the first sectional meeting shall be the date of the meeting for the purpose of notice thereof to Members. Each Member shall be notified of all such sessions of the annual meeting. At each sectional session except the last, the meeting shall be adjourned until the next session of the meeting. The last sectional session must be scheduled for a time no later than 30 calendar days after the first sectional session. The attendance at all sectional sessions shall be combined for the purpose of constituting a quorum, but no Voting Stockholder shall be counted or permitted to vote at more than one session. The votes cast at all sessions shall be counted together to constitute the vote of the meeting. Nominations from the floor for directors and nominating committee members, and matters requiring a vote of all Voting Stockholders, must be introduced at the first sectional session of the meeting and so announced in the notice of the meeting, except that if balloting is by mail as provided in Section 510.5 of these Bylaws, nominations may be made and matters requiring a vote of all Voting Stockholders may be introduced at any sectional session of the meeting.

#### 410 Notice of Meetings

The chairman of the Board shall cause written notice of each annual and special meeting of the Members to be mailed not less than ten (10) business days, but not more than thirty (30) business days, prior to the date of the meeting to all Members. The record date for the determination of those entitled to notice shall be set by Board resolution as of the close of business a business day not less than ten (10) business days, but not more than ninety (90) business days preceding the date of the meeting. The notice shall be mailed to the last known post office address of the Member as it appears on the Association's records. The notice shall state the purpose, time and place of the meeting. No business shall be transacted at special meetings other than the business referred to in the notice. All notices of annual meetings must be signed by the chief executive officer, chief financial officer and a member of the Board.

#### 420 Quorum

A quorum shall be comprised of the greater of not less than fifty (50) Voting Stockholders. Proxies shall be included to establish a quorum to the extent proxies are permitted under Section 450.2 of these Bylaws. If less than a quorum is present at the meeting, the chairman of the meeting may adjourn the meeting from time to time until a quorum is obtained.

#### 430 Conduct of Annual Meetings

At the annual meeting of Members, reports of the Board, including those reports required by Section 1110 of these Bylaws, shall be given by persons designated by the Board. Other items of business which may come before the meeting include, but are not limited to: (1) a determination of a quorum, (2) proof of due notice of meeting, (3) reading and disposition of minutes, (4) annual reports or officers and committees, (5) election of directors and nominating committee members, (6) unfinished business, and (7) new business. All Member meetings shall be conducted in accordance with procedures deemed fair and reasonable by the chairman of the meeting who shall preside at the meeting.

#### 435 Minutes of Meetings

The secretary of the Association shall act as recording secretary at all meetings of Members, unless some other person is designated by the chairman of the meeting to serve in that capacity.

#### 440 Nominating Committee

440.1 At each annual meeting, the Voting Stockholders shall elect a nominating committee consisting of at least eighteen (18) Voting Stockholders. Directors, salaried officers and employees of the Association are ineligible to serve on the nominating committee. A nominating committee candidate may not be a candidate for election to the Board in the election which the committee is identifying nominees. In addition, nominating committee member shall meet the same qualifications for election and continuing service as set forth in these Bylaws for directors. The committee so elected shall serve until the next annual meeting or until its successors have been elected and qualified.

440.2 Voting Stockholders may elect alternate members of the nominating committee from among the nominees presented in accordance with Section 440.1. Vacancies on any nominating committee shall be filled automatically from the alternates so elected. If there are no alternates,

the remaining members of the committee shall fill the vacant position from among the Voting Stockholders willing to serve.

- 440.3 A list of eligible candidates for such election shall be presented at each annual meeting by the nominating committee that served for the preceding year. Nominations may also be made from the floor. If the meeting is held in consecutive sectional sessions, nominations may be made from the floor only at the first session and so be announced in the Notice of Meeting, except that if balloting is by mail as provided in Section 510.5 hereof, nominations may be made at any sectional session of the meeting.
- 440.4 Each nominating committee shall review lists of Voting Stockholders who are eligible to serve as directors of the Association, ascertain their willingness to serve, and submit for election a slate of eligible candidates which shall include not less than two nominees for each director position to be filled. In doing so, the committee shall endeavor to assure representation to all sections of the Association's chartered territory and, as nearly as possible, to all types of agricultural practices within the chartered territory. Voting Stockholders with out-of-territory loans serviced by local branches may be nominated for the region/County which their branch office serves. Voting Stockholders with out-of-territory loans serviced by the Agribusiness Branch shall be nominated for Region Three. If the nominating committee, after diligent effort, is unable to identify more than one eligible nominee for each position to be filled, the nominating committee shall submit to the Board its findings. Upon approval by the Board, the Association may, after calling for nominations from the floor, proceed with the election.
- 440.5 The Association will provide the nominating committee reasonable access to administrative resources in order to perform its duties. At a minimum, the nominating committee will be provided a current list of Voting Stockholders, the most recent Bylaws, the current Director Qualifications Policy and a copy of the Impartiality of Director Elections Policy. At the request of the committee, the Association shall provide a summary of the current Board self-evaluation. However, the Association will require a written pledge of confidentiality by committee members prior to releasing evaluation documents.

440.6. A majority of the nominating committee shall constitute a quorum for transacting the business of the nominating committee. The committee shall keep minutes of its deliberations, which minutes shall be maintained by the Association's chief executive officer or his or her designee in accordance with the Association's records disposal schedule.

## 450 Voting

450.1 Each Voting Stockholder shall be entitled to only one vote regardless of the number of shares held or the number of single or joint loans such Voting Stockholder may have with the Association. For the purpose of this Section, loan(s) made to one or more members of such Voting Stockholder's household, or to one or more entities in which such Voting Stockholder is an equity owner, and which the Association reasonably believes to be for the sole purpose of creating multiple votes, shall be deemed to be loan(s) made to such Voting Stockholder. In the case of a joint loan, the vote may be cast by only one of the joint holders duly authorized by the other joint holder(s) in a writing filed with the Association. The vote of a Voting Stockholder that is a legal entity shall be cast by an individual equity owner or officer of the entity, duly authorized in a writing filed with the Association. In no event may an individual vote more than once. The Voting Stockholders shall not be entitled to cumulate votes.

450.2 Voting by proxy at annual or special meetings shall be permitted when the use of proxies is permitted under the Act and Regulations and approved by resolution of the Board. Proxy forms and ballots shall be prescribed by the Board. The executed proxy shall be filed with the secretary of the Association prior to any or all sessions of the Members' meeting. In the event that the written instrument 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 the instrument shall provide otherwise. No proxy shall be valid after the expiration of eleven months from the date of its execution unless coupled with an interest, or unless the person executing it specified therein the length of time for which it is to continue in force, which in no case shall exceed seven years from the date of its execution. Subject to the above, any proxy duly executed continues in full force and effect until a written instrument revoking it or a duly executed proxy bearing a later date is filed with the secretary of the Association.

Subject to the foregoing, a Voting Stockholder may revoke a proxy in writing before voting begins at the Member's meeting.

- 450.3 A list of Members and Voting Stockholders shall be maintained by the Association. The list shall be used when mailing or distributing proxies or ballots, and for other purposes as may be authorized by the Board, subject to the Act and the Regulations. If a meeting is held in sectional sessions, the list shall be used at each sectional session to assure that no Voting Stockholder votes more than once. A list of Members shall also be maintained by the Association, and may be used for communication among such Members, as provided in Section 4.12A of the Act.
- 450.4. When a quorum is established in accordance with Section 420 of these Bylaws, the vote of a majority of the Voting Stockholders, present in person, represented by proxy or voting by mail ballot under Section 510.5, shall decide any question brought before the meeting, unless the question is one upon which by express provisions of these Bylaws, applicable law, or Regulations a different vote is required, in which case such express provision shall govern and control.

#### 460 Action Without Meetings

Any action required to be taken, or which may be taken, at any annual or special meeting of Members may be taken without a meeting, without notice, and without a vote, provided that a written consent, setting forth the action to be taken, shall be signed by all Voting Stockholders, or by their duly authorized representatives, entitled to vote with respect to the subject matter thereof.

### **Article V Board of Directors**

#### 500 Number of Directors

- 500.1 The Association shall have a Board of not less than nine (9) directors or more than eleven (11) directors. Eight of the directors shall be elected by the Voting Stockholders in accordance with Section 510 and there shall be one Outside Director who shall be a financial expert. The balance of the directors if any, may consist of two additional Outside Director(s) or one additional Outside Director and one (1) Appointed Director. The directors elected by the Voting Stockholders shall constitute at least 60 percent of the members of the Board. No individual may be elected or continue as an Elected Director unless

he or she is a holder of Class C Common Stock of the Association, is in compliance with the Act and Regulations, and is a bona fide farmer, rancher or producer or harvester of aquatic products. If a director's Class C Common Stock is redeemed or converted to Class B Common Non-voting Stock during his or her term, such director may nevertheless complete the term for which he or she was elected or appointed.

## 500.2

- a. Each director of the Board shall keep all of his System loans current and in an "acceptable" or "other assets especially mentioned" classification at all times, as those terms are defined under the Uniform Classification System adopted by the System.
- b. If a director's loan(s) become delinquent or adversely classified under the Uniform Classification System adopted by the System, then the following procedures shall apply:
  1. Any director with any portion of a loan classified "substandard with no specific reserve required" by an Association internal classification must within 60 days from receipt of written notification thereof, prepare and submit a plan to upgrade the quality of the loan within a reasonable period of time, but not to exceed 24 months after notification of the classification. Failure to upgrade the loan classification within the two year period will require the director's resignation.
  2. Any director with any portion of a loan classified as "doubtful" classification by an Association internal classification must follow the procedures as set forth in Paragraph 500.2 (b) (1) above, except the loan must have the specific reserve requirement offset within one year from the date of the notification of classification to the director. The loan must be classified as at least "other assets especially mentioned" within two years of the date of the original classification notification.
  3. Any loan classified "loss" or any loan, a portion of which is classified as a "loss" requires immediate resignation by the director.

4. In the event a director's loan becomes delinquent, a plan must be submitted within 60 days from receipt of written notification thereof, showing how the loan will be returned to a current status within 150 days after the delinquency occurs. If the loan is not current within 150 days of the delinquency, resignation is required.

500.3 Each person elected to the Board shall serve in accordance with Section 520 of these Bylaws. At least one Board member shall be elected at each annual meeting of Members.

500.4 Subject to Section 530 hereof, any vacancy on the Board of an Elected Director arising from death, resignation, removal or otherwise, shall be filled by a Voting Stockholder elected by vote of all the Board members then remaining. Such Voting Stockholder shall serve until the next annual meeting or a special meeting of the Members called for the purpose of electing a Voting Stockholder to serve the remaining unexpired term. Any Voting Stockholder elected by the Voting Stockholder to fill a vacancy on the Board referred to in Section 500.4 hereof shall serve for the remainder of the term of the person he or she replaces, and shall, to the extent possible, possess the same qualifications, as were applicable to the director being replaced pursuant to the Act as in effect at the time of the election of such director. Any vacancy on the Board of an Outside Director or Appointed Director arising from death, resignation, removal or otherwise may, but is not required to, be filled by the Board for the unexpired term. In the event that such death, resignation, removal or otherwise is that of the Outside Director who is a financial expert, the Board shall timely fill such vacancy.

500.5 Notwithstanding the foregoing subsection or any other provision of these Bylaws, in addition to the eight (8) Elected Directors and one (1) Outside Director that is a financial expert, there may be two (2) additional members of the Board who are Outside Directors; provided however, the directors elected by the Voting Stockholders shall constitute at least 60 percent of the members of the Board. Such persons shall be selected and appointed to the Board by other members thereof (other than the Outside Director seeking reappointment). The qualifications, manner of nomination and selection, and related matters shall be determined from time to time by other members of the Board. The Board shall at all times have at least one (1) Outside Director who shall have financial expertise,

including, but not limited to, education or experience in: accounting, internal accounting controls, or preparing or reviewing financial statements for financial institutions or large corporations consistent with the breadth and complexity of accounting and financial reporting issues that can reasonably be expected to be raised by the Association's financial statements. The term and bases for removal of an Outside Director shall be the same as the Elected Directors. In addition, an Outside Director shall be automatically removed from the Board if he or she becomes a director, officer, employee, stockholder or agent of any System institution (other than a director of FCB, PCA or FLCA).

500.6 Subject to Sections 500.1 and 500.5 above, one member of the Board may be an Appointed Director. If the Board appoints an Appointed Director there shall only be two (2) Outside Directors at such time one of whom shall be a financial expert. An Appointed Director shall be selected and appointed to the Board by other members thereof (other than the Appointed Director seeking reappointment). The qualifications, manner of nomination and selection, and related matters shall be determined from time to time by other members of the Board. The term and bases for removal of an Appointed Director shall be the same as those for Elected Directors. In addition, an Appointed Director shall be automatically removed from the Board if he or she becomes a director, officer, employee or agent of any System institution (other than a director of FCB, PCA or FLCA) or is no longer a Voting Stockholder in the Association.

## 505 Qualifications of Directors

505.1 An individual designated to vote the stock of an entity may serve as director of the Association provided that such individual continues to hold an equity interest in, or serve as an officer of, the entity, and meets all other requirements contained in these Bylaws for serving as a director of the Association. A legally authorized representative of a deceased or incompetent member shall be ineligible to be elected or appointed as a director unless such representative is a Voting Stockholder in his or her own right.

505.2 No individual who is, or has been, within the year preceding the beginning of his or her term, a salaried officer or employee of the Association or of any other System institution (other than the FCB), shall be eligible to be elected and may not serve as a director. Except with the approval of the Board, no individual shall be a director of this

Association and another federal land bank association, production credit association or agricultural credit association simultaneously (other than PCA and FLCA).

- 505.3 No individual shall become or continue as a director if the individual is a director, officer, employee or agent of any non-System financial institution which is authorized to make the same types of loans that may be obtained through this Association.
- 505.4 Except with the prior written consent of the FCA, no individual shall become or continue as a director if he or she is or has been convicted of any criminal offense involving dishonesty or a breach of trust.
- 505.5 A director shall automatically be removed from the Board and his or her office shall automatically become vacant in the event such director: (1) files a voluntary petition for relief in bankruptcy, or otherwise institutes suit under applicable voluntary Federal or state bankruptcy, insolvency, or receivership laws; or (2) is adjudged a debtor in an involuntary Federal bankruptcy proceeding or placed in receivership in a state proceeding; or (3) seeks reorganization under the Federal bankruptcy laws of personal business interests or those of a corporation in which the director owns the controlling interest; or (4) is party to a foreclosure proceeding (judicial or non-judicial) involving property in which the director has an interest which is instituted because of the director's default on any indebtedness to a System institution; or (5) is finally convicted of any felony; or (6) is declared legally incompetent; or (7) is adjudged liable for fraud; or (8) is a party to a loan with the Association which becomes classified adversely and the Director has not met the requirements set forth in Section 500.2 above and has failed to resign as required hereinbefore; or (8) has, in such Director's individual capacity, been the subject of an FCA enforcement or other disciplinary action.
- 505.6 The absence of a director from two consecutive regular meetings of the board, unless explained to the satisfaction of the other directors, shall automatically terminate such director's service and the vacancy shall be filled as provided in Section 530 of these Bylaws.

## 510 Election of Directors

510.1 In the manner provided in these Bylaws, the Voting Stockholders shall elect each year one or more directors as may be required to fill the position of each Elected Director whose term is expiring or to fill any vacancy on the Board.

510.2

- a. At the annual meeting, the nominating committee shall submit the slate of candidates for election, after which the chairman conducting the election will entertain nominations from the floor. If the meeting is held in consecutive sectional sessions, nominations may be made from the floor only at the first sectional session and so announced in the notice of the meeting, except that if balloting is by mail as provided in Section 510.5 of these Bylaws, nominations may be made at all sectional sessions of the meeting.
- b. Both nominators and nominees must be Voting Stockholders. Any Voting Stockholder desiring to nominate a candidate for director from the floor at a voting session of the Stockholders shall be responsible for providing in paper or electronic form such nominee's biographical and disclosure information as required by law, Regulations and these Bylaws at such session; provided, however, if voting shall not occur at such session, such nominee's biographical and disclosure information must be received by the Association no later than three (3) business days of the nomination. Disclosure information forms will be available at the Association's corporate office for any potential floor nominee consideration and at the Annual Meeting.
- c. Upon receiving a floor nomination, the annual meeting process will be stopped until eligibility is determined. A floor nominee may only be nominated for the Elected Director position assigned to the nominee's geographical region as set forth in Section 510.3. The nominee's biographical, and disclosure information (if available), will be immediately reviewed by the Association's chief executive officer or designee and due diligence performed to determine eligibility. After eligibility is determined, the meeting will proceed.
- d. After receiving a floor nomination, the floor nominee must state if he or she accepts the nomination for election to the Board. Nominations from the floor do not require a "second"

before being placed on a ballot, although the chairman conducting the meeting, in his sole discretion, may permit Voting Stockholders to second a nomination to show support.

- e. Following the annual meeting, if the floor nomination is elected to the Board at the annual meeting and information not available at the annual meeting deems the newly elected director ineligible, the director shall be immediately removed from office and the position filled per Section 530 of these Bylaws.
- f. The requirements for a floor nomination of candidates for election to the Board shall be included in the Association's information statement as well as in the notice provision for any director elections.

510.3 Each of the eight Elected Director positions shall be assigned to the following geographical regions for purposes of nominating candidates for such position.

There shall be only one (1) Elected Director serving on the Board of the Association from each of the following geographical regions within the chartered territory of the Association:

- Region No. 1: Paulding, Van Wert and Putnam Counties
- Region No. 2: Henry, Lucas (excluding Jerusalem Township and the City of Oregon) and Wood Counties
- Region No. 3: Hancock and Hardin Counties
- Region No. 4: Ottawa and Sandusky Counties and Jerusalem Township and the City of Oregon of Lucas County.
- Region No. 5: Seneca County
- Region No. 6: Wyandot and Marion Counties
- Region No. 7: Crawford and Morrow Counties

Notwithstanding the fact that candidates may be nominated on a regional basis, each Voting Stockholder shall be accorded the right to vote in the election of each Elected Director. All candidates shall be listed on the ballot by the position to be filled. Voting Stockholders with out-of-territory loans shall be assigned to the Region that his or her branch office serves. Except as provided in Section 440.4 of these Bylaws, two or more different candidates shall stand for election for each vacancy. If more than one position is to be filled, the election with respect to each position shall be conducted independently. The candidate receiving the largest number of votes for each position shall be declared elected.

510.4 A tellers committee of eligible Voting Stockholders appointed by the chairman conducting the election, or an independent third party appointed by the Board, shall tally the ballots. No salaried officers or employees, or Stockholders who are directors, candidates, or nominating committee members or alternates, shall be eligible to serve on the tellers committee.

#### 510.5 Methods of Casting Ballots

The Board shall establish by resolution, and shall announce in the notice of meeting, the method of casting ballot for directors under this Section and for nominating committee members under Section 440 of these Bylaws, from the following alternatives:

- a. After the chairman conducting the election closes the floor nominations, the Voting Stockholders shall cast their ballots. The tellers committee, or such independent third party if retained to tally the votes, shall convene to tally the ballots and shall report the results to the chairman conducting the election who shall inform the Members of the results. If the meeting is held in consecutive sectional sessions, the results of the votes cast at all sessions of the meeting shall be reported only after the last sectional session.
- b. Within 10 business days following the annual meeting or the last sectional session of the annual meeting, ballots shall be mailed to eligible Voting Stockholders. The election polls

shall be closed at the end of the 20th business day following the date on which the ballots are mailed to the eligible Voting Stockholders. Within ten (10) business days after the polls are closed the ballots shall be counted. The Association may utilize an independent third party for validating and tabulating all ballots timely received or the Association may convene the tellers committee in the office of the Association to validate and tally the ballots timely returned to the Association. The tellers committee or independent third party if appointed by the Board shall report the results of the election to the chief executive officer who shall send a notice to the Members announcing the results of the election.

- c. If no person is elected to a position because of a tie vote, a run-off election between those tying shall be held. The ballots shall be cast and counted and the results shall be reported to the Members in the same manner as in the original election. However, if the tie is between only two candidates and if the candidates agree, the tie may be broken by any other method approved by the Board in advance of the election and announced in the notice of meeting. If the meeting is held in consecutive sectional sessions and the tie is between more than two candidates, the tie shall be broken by reballoting, by mail, those Voting Stockholders who were registered in attendance at the consecutive sectional sessions of the annual meeting. Within 10 business days following the counting of the ballots, the ballots for the run-off shall be mailed. The election polls shall be closed at the end of the 20th business day following the date on which the ballots are mailed to the Voting Stockholders. Within ten (10) business days after the polls are closed, the ballots shall be provided to an independent third party or the tellers committee to tally the ballots timely returned to the Association. The independent third party or the tellers committee shall report the results of the election to the chief executive officer who shall send a notice to the Members announcing the results of the election.

## 520 Term

- 520.1 Subject to Section 505.6, a director, including Outside and Appointed Directors, shall serve until the third annual meeting after being elected (appointed) and thereafter until such director's successor has been elected (appointed) and qualified; or, with respect to directors elected

to complete partially expired terms, for the unexpired portions of such terms in accordance with Section 500.4. No director shall serve in the event such director resigns, is removed from office, or becomes unable to act by reason of death or disqualification.

520.2 If, as a result of change in the number of directors or for other reasons, the terms of directors do not expire on a staggered basis, the terms of the directors elected thereafter shall be for such periods, not to extend beyond the third annual meeting thereafter, as will re-establish expiration of terms of directors on an equitably staggered basis.

520.3 No director, excluding an outside director appointed as a financial expert, shall be eligible to serve more than five (5) consecutive full three-year terms in the same position as an elected, appointed or outside director. The foregoing term limit shall not apply to a director that moves to a different director position such as from an elected director to an appointed or outside director position. However, a director initially elected to a term of fewer than three (3) years may be re-elected to not more than an additional five (5) consecutive full three-year terms.

520.4 An outside director appointed as a financial expert, shall be appointed for a term of three (3) years, however such director shall not be subject to the five (5) consecutive year term limit. A director appointed as a financial expert shall be subject to removal as set forth in Sections 500, 505, 580 and elsewhere in these Bylaws.

### 530 Vacancies

530.1 Subject to Section 5.34 of the Act, whenever a vacancy occurs in an Elected Director position on the Board, other than from the expiration of a term of office, the remaining directors shall elect a qualified Voting Stockholder to fill the vacancy until the next annual meeting or special meeting of the Members called for that purpose at which time an election will be held to fill the vacancy; provided, however, that if the vacancy occurs within six months preceding the next annual meeting, the Board may elect not to appoint a replacement and instead keep the position vacant until such annual meeting.

530.2 Whenever a vacancy in the Outside Director or Appointed Director position occurs on the Board, then either (a) the remaining members of the Board will appoint a replacement Outside Director or

Appointed Director, as the case may be, to serve the remaining unexpired term, or (b) the Board will determine to retain the vacancy in the Outside Director or Appointed Director seat so long as there is at least such number of Outside Directors and Appointed Director currently serving as required by the Act, Regulations or these Bylaws.

530.3 If all or a majority of the director positions become vacant, for any reason other than pursuant to Section 5.34 of the Act, the nominating committee shall promptly meet and, by a vote of the majority of its members present at such meeting (provided a quorum is present), shall appoint qualified persons to fill sufficient director vacancies to constitute a quorum. Such appointed directors shall then elect qualified Voting Stockholders to fill the other director vacancies, except with respect to the Outside Director appointed in accordance with Section 500.5 of these Bylaws. Such director(s) appointed in accordance with this Section 530.3 shall serve for the remainder of the term of the person he or she replaces or until the next annual or special meeting of Members called for that purpose.

#### 540 Duties of Directors

540.1 The Board shall be responsible for the general control and direction of the affairs of the Association. The Board shall determine Association policy matters, periodically review the Association's operations, and keep itself informed of the Association's fulfillment of its objectives, goals and responsibilities in accordance with the provisions of the Act and the Regulations. The Board shall recognize that the Association, PCA and FLCA are responsible for, and dependent on, each other's financial condition. Accordingly, the Board shall manage the Association's affairs and establish policies with the primary objective of improving the three institutions' combined financial condition.

540.2 The Board shall: (1) appoint and fix the salary of the chief executive officer; (2) prescribe the duties and responsibilities of the chief executive officer who shall be responsible for the management of the Association; and (3) provide for the payment from the Association's general funds of the reasonable and necessary expenses incurred by officers, employees and committees of the Association in connection with the Association's business.

#### 550 Board Meetings

- 550.1 Regular meetings of the Board shall be scheduled and held at least quarterly at such times and at such places as the Board by resolution shall determine.
- 550.2 Special meetings of the Board shall be held whenever called by: (1) the chairman of the Board, (2) the chief executive officer, or (3) a majority of the directors.
- 550.3 Meetings may also be conducted by telephone conference call provided a reasonable attempt is made to reach all directors, a quorum is present, and technical arrangements permit all participating individuals to hear each other at the same time. Such participation shall constitute presence in person at the meeting.
- 550.4 Notice of each meeting of the Board, except regularly scheduled meetings specified by resolution of the Board, shall be given to each director by the chief executive officer, secretary, or by another employee of the Association as may be designated by the Board. Such notice may be given by mail, telegram, other written or electronic means, or by telephone. If given by mail, such notice shall be mailed at least ten days before the meeting date. If given by telegraph or other electronic or telephonic means, such notice shall be sent at least two days before the meeting date. If given by telephone, the chief executive officer, secretary or designated employee shall make a reasonable effort to reach all directors, and shall certify that such notice has been given, or such efforts made, at least two days before the meeting date. Notice of any meeting may be waived in writing, either before or after the meeting. On the signing of the waiver of notice of a meeting by a majority of the directors, a meeting of the Board may be held at any time. Participation at a meeting shall constitute waiver of notice unless the sole purpose of participation is to object to the propriety of such meeting.
- 550.5 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 the writing or writings are filed with the minutes of the proceedings of the Board or committee.

## 555 Officers of the Board; Duties; Removal

- 555.1 As soon as practical following the annual meeting of Members, and at such other times as necessary to fill vacancies, the Board shall elect

a chairman and a vice chairman from among the members of the Board.

555.2 The Chairman shall: (a) preside at all meetings of the Board; (b) unless the Board designates another person, preside at all meetings of the Association's Members; and (c) perform such other duties as may be prescribed by the Board.

555.3 In the absence of the chairman, the vice chairman shall perform the duties of the chairman. In the absence of both the chairman and the vice chairman, one of the other directors shall be elected by those present to preside over the meeting.

555.4 The chairman and the vice chairman of the Board may be removed from such positions with or without cause by a majority vote of the entire membership of the Board.

#### 560 Honoraria

The Association may allow directors reasonable honoraria for attendance at Board or committee meetings, or for special assignments. The Association may also reimburse directors for reasonable expenses incurred in connection with such meetings or assignments. However, when a director represents both this Association and another system institution, the honoraria and expenses may be shared on a pro rata basis between the two institutions. The FCB may share in the payment of a director's honoraria when agreed to by the Association and the FCB in accordance with FCB policies.

#### 570 Quorum and Majority Vote

A majority of the directors then serving in office at a meeting duly assembled shall be necessary to constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board, except as may be otherwise specially provided by law, Regulations or these Bylaws. If a quorum shall not be present at any meeting of the directors, the directors in attendance may adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present. At any adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The directors present at a duly convened meeting may continue to transact business until adjournment notwithstanding the

withdrawal from the meeting of enough directors so that less than a quorum remains.

## 580 Removal

In addition to those matters enumerated in Section 505 above providing for automatic removal of a director, a director is subject to removal as set forth below.

580.1 A director may be removed from the Board by a majority vote of the Voting Stockholders present in person or by proxy at an annual or special meeting of the Members upon a motion for removal, duly made, seconded and carried, provided the notice of the meeting contains a statement that such removal is to be considered.

580.2 A person serving in an Outside or Appointed director position may be removed from the Board before the expiration of such director's term, after clear documentation of the reason for the removal is made. The removal must be approved by (a) a majority vote of all Voting Stockholders voting, in person or by proxy, at an annual or special meeting of the Members upon a motion for removal, duly made, seconded and carried, provided the notice of the meeting contains a statement that such removal is to be considered, or (b) by a two-thirds majority vote of the full Board. The director subject to the removal action is prohibited from voting in his or her own removal action.

## 590 Resignation

A director may resign by delivering written notice to the Board specifying the date upon which such resignation is to be effective.

## 595 Boards of PCA and FLCA

Upon being elected or appointed as a director of the Association, such director shall automatically become a member of the Boards of Directors of PCA and FLCA and shall remain on such Boards so long as such individual remains a member in good standing of the Association's Board.

## **Article VI Officers and Employees**

### 600 Appointment and Qualifications

- 600.1 The Board shall appoint the chief executive officer/president of the Association who shall serve at the pleasure of the Board and shall continue in office until a successor is appointed and takes office, unless the chief executive officer resigns, dies, retires or is removed by the Board. Other Association officers shall include a secretary, chief financial officer, and any other salaried officers as may be provided for by the Board. Individuals may be appointed to these positions by the Board or by the chief executive officer as prescribed in Section 610.1 of these Bylaws. A combination of these offices may be held by one individual, except that no person may simultaneously serve as chief executive officer and secretary. No officer shall sign or endorse any instrument or document on behalf of the Association in more than one official capacity.
- 600.2 No individual shall be eligible to become a salaried officer or employee of the Association if, within the previous twelve months, such individual served as a director of the Association.
- 600.3 Except with the prior written consent of the FCA, no individual shall be eligible to become or continue to serve as a salaried officer or employee of the Association if he or she is or has been convicted of any criminal offense involving dishonesty or a breach of trust.

## 610 Duties of Officers

- 610.1 The chief executive officer shall: (a) see that all lawful orders and resolutions of the Board, all applicable provisions of the Act and Regulations, and all policies and procedures prescribed by the FCB are carried into effect; (b) perform such duties and exercise such authority as directed by the Board; (c) be responsible for the ordinary and usual business operations of the Association; and (d) unless this power is reserved to or limited by the Board, employ, supervise and dismiss any and all officers and employees of the Association, fix their compensation within salary plans approved by the Board's compensation committee, and designate the order of precedence in which the other officers shall act in the absence of any officer. The chief executive officer may have the title of president, manager, general manager or any other title as determined by the Board.
- 610.2 The secretary shall: (a) keep a complete record of all meetings of the Members and of the Board, but not meetings of the nominating committee; (b) be responsible for the corporate records of the Association; (c) keep the corporate seal, if any, and affix it to all

Association documents requiring a seal; (d) make such reports as may be required by the Act or the Regulations; and (e) perform such other duties as may be required by the chief executive officer or by the Board.

610.3 The chief financial officer shall: (a) have custody of all funds, securities, and assets of the Association; (b) provide full and complete records of all assets and liabilities of the Association; (c) make such reports as may be required by the Act or the Regulations; (d) maintain complete stock ownership records; and (e) perform such other duties with respect to the finances of the Association as may be prescribed by the chief executive officer or by the Board.

610.4 The chief financial officer, executive vice president, assistant vice presidents, assistant secretaries, assistant treasurers, and other officers, if any, shall have such powers and shall perform such duties as may be delegated from time-to-time by the chief executive officer or the Board.

## 620 Removal

The chief executive officer may be removed from office with or without cause by a majority vote of the entire membership of the Board.

## 625 Joint Management

Unless the Board directs otherwise, all officers appointed hereunder shall have the same positions and authorities with respect to Association, PCA and FLCA.

## **Article VII Committees**

### 700 Operations Committee

The Board shall appoint credit committee of at least two Board members, to act in accordance with its Board-approved charter. The Committee will identify and review the financial goals and objectives for the Association and ensure that these goals assist in attaining the Association's overall goals and objectives. Review the Association's performance and results of operations in comparison to the approved budget and prior year actual results. Review and make recommendations to the full board concerning the monthly stock and equity retirement resolutions in accordance with FCA regulations and the Association's equity retirement policy. Review and make

recommendations concerning the declaration and actual percentage of a quarterly A-Stock dividend. Review and approve check signing and other cash management related authorities for Association team members. Review periodically the financial performance and results of operations, Key Financial Statistics, Annual Business Plan Variances, GAAP Allowance Calculations and Financial Reports to Stockholders Periodic reports of all actions shall be submitted to the Board at its regular meeting, or earlier, if required.

705. Credit Committee.

The Board shall appoint credit committee of at least two Board members, to act in accordance with its Board-approved charter. The committee shall generally evaluate the Association's lending operations to ensure compliance with all rules and regulations. Determine that sufficient and current applicant financial information to maintain a sound and adequate level of credit administration. Monitor and determine that loans are properly classified according to the guidelines adopted by the Board. Evaluate and monitor lending strategies, programs and products related to the Association's direct lending, capital markets and participation pools. Evaluate the effectiveness of the present loans, loan programs, technical assistance and recommend future areas in which the Association may help improve the income and well-being of its members. Monitor loan portfolio quality and evaluate troubled loans and recommend a course of action to be pursued by the Association. Evaluate and maintain detailed operating procedures governing the conduct of its responsibilities, including delegations of authorities, as such delegated authority is approved by the Board and submit new, and revised, procedures to the Board for approval all as otherwise set forth in the Committee's Charter as the same is approved by the Board from time to time. The loan committee shall have, possess, and exercise such other power and authority as may be delegated to it by the Board. Periodic reports of all actions shall be submitted to the Board at its regular meeting, or earlier, if required.

710. Audit Committee.

The Board shall appoint an audit committee of at least three Board members, to act in accordance with its Board-approved charter. The audit committee will be responsible for the following: (i) oversee management preparation of financial reports to shareholders; (ii) determine the appointment, compensation, and retention of external auditors, and review the external auditors work; and (iii) oversee managements system of internal controls relating to the preparation of financial reports, to include controls relating to the institutions compliance with applicable laws and regulations. The audit

committee must have at least one Board member designated as the “Financial Expert” as defined in the Regulations.

715 Compensation Committee.

The Board will establish a compensation committee of at least three Board members, to act in accordance with its Board-approved charter. The compensation committee will have the responsibility of reviewing and approving the compensation policies and plans for senior officers and employees.

720 Governance Committee.

The Board may elect from its members at least three (3) directors as the Governance Committee to act in accordance with its Board-approved charter. The Governance Committee will be responsible for the following: (i) evaluate and recommend to the Board candidates to be Outside and Appointed Directors; (ii) review, evaluate and recommend levels of Board compensation, honorarium and travel expense reimbursement; (iii) review and recommend availability and levels of continuing education and training for directors; and (iv) ensure that the Board self-evaluation is completed annually. A majority of the members of the Governance Committee shall constitute a quorum. Meetings of the Governance Committee may be conducted by telephone conference calls provided a reasonable attempt is made to reach all committee members, a quorum is present and the technical arrangements permit all participating individuals to hear each other at the same time. All actions taken by the Governance Committee shall be reported to the Board at its regular meetings, or earlier if required.

725 Other Committees

The Board may, at its discretion appoint members of the Board for such other committees as may be necessary or desirable, may appoint or discharge members of such committees, and shall prescribe the duties and responsibilities of the committees it establishes.

730. Quorum.

A majority of the members of any committee shall constitute a quorum.

740 Withdrawal from Meeting

A member of the Board or a director or an employee serving on any committee shall withdraw from the meeting of the Board or committee during its deliberation and determination of any matter related to the director's or employee's personal interests, and the minutes of the meeting shall reflect such withdrawal.

750 Minutes

Each committee shall keep a written record of its proceedings.

760 Vacancies

Vacancies on any committee shall be filled by majority vote of the entire Board.

**Article VIII Capital Stock and Participation Certificates**

800 Authorization, Classes and Par or Face Value

The Association is authorized to have outstanding stock designated as Class A Preferred Non-voting Stock, Class B Common Non-voting Stock and Class C Common Stock, respectively, and nonvoting Class C Participation Certificates in the amounts as authorized herein and as may be necessary to conduct its business. Each share of Stock and unit of Participation Certificates shall have a par or face value of \$5. Fractional shares of Stock or units of Participation Certificates shall not be issued. All transfer, exchange, conversion and retirement of Stock and Participation Certificates shall be at book value not to exceed par.

810 Evidence of Ownership

Evidence of ownership of Stock and Participation Certificates may be by book entry or in definitive form as prescribed by the Board in accordance with the Act and the Regulations.

820 Issue

- 820.1 Up to 2.5 million shares of Class A Preferred Non-voting Stock may be issued to investor in such amounts as may be permitted under a plan adopted by the Board in accordance with the Act and the Regulations, and as allocated surplus distributions, dividend payments and patronage distributions, in accordance with Article IX of these Bylaws. Additional Class A Preferred Non-voting Stock may be issued when authorized by a majority of the shares of each class of Stock and Participation Certificates affected by the preference, voting as a class, whether or not such classes are otherwise authorized to vote. Class A Preferred Non-voting Stock is non-voting.
- 820.2 Up to 50 million shares of Class B Common Non-voting Stock may be issued to investors in such amounts as may be permitted under a plan adopted by the Board in accordance with the Act and the Regulations, and in an unlimited amount as allocated surplus distributions, dividend payments and patronage distributions in accordance with Article IX of these Bylaws. Class B Common Non-voting Stock is non-voting.
- 820.3 An unlimited amount of Class C Common Stock may be issued to bona fide farmers, ranchers, producers or harvesters of aquatic products, who are borrowers or are about to become borrowers. Class C Common Stock is voting.
- 820.4 An unlimited amount of Class C Participation Certificates (hereinafter "Participation Certificates") may be issued to borrowers or applicants who are (a) rural residents for housing financing; (b) persons or organizations furnishing to farmers farm-related services and (c) persons or organizations who are eligible to borrow or participate in loans from the Association, PCA or FLCA but are not eligible to hold voting stock. Participation Certificates also may be issued for allocated surplus distributions, dividend payments and patronage distributions in accordance with Article IX of these Bylaws. In addition, Participation Certificates may be issued to any person who is eligible to be a Voting Stockholder for the purpose of qualifying such person for technical assistance, financially related services and leasing services offered by the Association, PCA or FLCA. Holders of Participation Certificates shall not be entitled to vote.
- 820.5 Class C Common Stock and Participation Certificates shall be purchased by borrowers eligible to hold such equities as a condition

for obtaining a loan from Association, PCA and FLCA in an amount as may be determined by the Board at its discretion within a range between a minimum of two percent (2%) of the loan amount or \$1,000.00, whichever is less, and a maximum not to exceed ten percent (10%) of the loan amount; provided, however, the Board may require new borrowers to purchase more Class C Common Stock or Participation Certificates if the Association is deemed not to be in compliance with the capital requirements of the Act and Regulations.

- 820.6 Dividends on any of the foregoing classes of Stock shall be payable solely at the discretion of the Board and shall be non-cumulative.
- 825 Loans Designated for Sale or Sold Into the Secondary Market

825.1 Notwithstanding any other provision of these Bylaws, no voting stock or participation certificate purchase requirement shall apply with respect to a loan that is made on or after January 30, 1997, and is designated at the time made for sale into a secondary market; provided that, if a loan designated for sale into a secondary market is not sold within 180 days following the date of such designation, the voting stock or participation certificate requirement otherwise applicable to the loan in the absence of this bylaw provision shall apply.

825.2 Notwithstanding any other provision of these Bylaws, all outstanding voting stock or participation certificates held by a borrower with respect to a loan shall be retired if: (a) the loan is made prior to January 30, 1997, it is sold into a secondary market, and the permanent capital of the Association, would not, after or due to such retirement, fail to meet the applicable minimum capital adequacy standards established by the Act or Regulations; or (b) the loan is made on or after January 30, 1997, it is designated at the time made for sale into the secondary market, it is sold into such market after the 180 day period beginning on the date of such designation, and the permanent capital of this Association would not, after or due to such retirement, fail to meet the applicable minimum capital adequacy standards established by the Act or Regulations.

830 Transfer

830.1 Class B Common Non-voting Stock, Class C Common Stock and Participation Certificates may be transferred to persons or organizations eligible to receive or to hold such Stock or Participation Certificates as provided in Section 820 of these Bylaws. Class A

Preferred Non-voting Stock may be transferred in the manner set forth in the resolution authorizing the issuance of such stock. Until such time as the Association meets the minimum permanent capital standards established by the FCA, all stock required to be purchased as a condition for obtaining a loan shall be purchased from the Association.

830.2 The Association shall serve as its own transfer agent in all matters relating to its stock and participation certificates.

#### 840 Conversion

840.1 Each class of Stock and Participation Certificates may be converted into any other class of Stock (except Class A Preferred Non-voting Stock) or Participation Certificates for which the holder is eligible as provided in Section 820.

840.2 Class C Common Stock and Participation Certificates shall be converted into Class A Preferred Non-voting Stock within two years after the holder thereof ceases to be a borrower from the Association, PCA and FLCA.

#### 850 Retirements

850.1 Class B Common Non-voting Stock, Class C Common Stock and Participation Certificates may be retired by the Association, at the sole discretion of the Board, provided minimum permanent capital standards are met and continue to be met. If retired, Class B Common Non-voting Stock, Class C Common Stock and Participation Certificates, shall be retired at book value not to exceed par. The proceeds thereof shall be paid to the holder or applied against the borrower's indebtedness to the Association, PCA and FLCA.

850.2 Subject to Regulations, when a borrower is in default, the Association may, upon notice to such borrower, order the retirement of any Stock or Participation Certificates held by the borrower and the proceeds thereof applied against the borrower's indebtedness to the Association, PCA and FLCA.

850.3 Subject to the Act and the Regulations, at any time upon the death of any stockholder who is a borrower of the Association, and after receipt of written request from the borrower's legal representative, the Board in its sole discretion and upon such terms for method, determination

of value and time of payment as the Board by resolution deems appropriate, may retire all or any portion of any stock, participation certificates, surplus allocations or other equities held by or in the name of the borrower (with the exception of Class A Preferred Non-voting Stock and Class B Common Non-voting Stock and participation certificates, which are retired in the “ordinary course of business”, as defined by the Regulations.)

## 860 Impairment

860.1 Any losses which result in an impairment of the Association’s capital shall be borne ratably by, first, each share of Class B Common Non-voting Stock, Class C Common Stock, and unit of Participation Certificates outstanding; second, each share of Class A Preferred Non-voting Stock outstanding, all as of the date such losses are determined.

860.2 Impaired Stock and Participation Certificates shall be restored in the reverse of the sequence set forth in Section 860.1 until each share of Stock and unit of Participation Certificates has a book value equal to the par value or face value respectively.

## 870 Lien

Except with respect to Stock or Participation Certifications held by other system institutions, the Association, PCA and FLCA, as their interests may appear, shall have a first lien on all Stock and Participation Certificates in the Association owned by any borrower as additional collateral for any indebtedness of such borrower to the Association, PCA and FLCA.

## 880 Distribution on Liquidation

In the event of liquidation or dissolution of the Association, any assets of the Association remaining after payment or retirement of all liabilities, shall be distributed in the following order of priority:

- a. First, to the holders of Class A Preferred Non-voting Stock until an amount equal to the aggregate par value of all shares of said stock then issued and outstanding has been distributed to such holders,
- b. Second, to the holders of Class B Common Non-voting Stock, Class C Common Stock and Participation Certificates, pro rata

in proportion to the number of shares or units of each such class of stock or participation certificates then issued and outstanding, until an amount equal to the aggregate par value or face amount of all such shares or units has been distributed to such holders;

- c. Third, to the holders of allocated surplus which is evidenced by qualified written notices of allocation, pro rata on the basis of oldest allocations first, until an amount equal to the total account has been distributed to the holders;
- d. Fourth, to the holders of allocated surplus which is evidenced by non-qualified written notices of allocation, pro rata on the basis of oldest allocations first, until an amount equal to the total account has been distributed to the holders;
- e. Fifth, all unallocated surplus accrued after March 31, 1997, shall be distributed to present and former patrons from said date through the date of liquidation on a patronage basis; and
- f. Sixth, any remaining assets of the Association after such distribution shall be distributed ratably to the holders of all classes of stock and participation certificates in proportion to the number or shares or units of such class of stock or participation certificates held by such holders.

All distributions to the holders of any class of stock and/or participation certificate holders shall be made proportion to the number of shares or units of such classes of stock or participation certificates held by such holders. All distributions to holders of allocated surplus shall be pro-rata by year of issuance.

#### 890 Amendment to Capitalization Bylaws

Any amendment to Articles VIII and IX of these Bylaws or to the capitalization Bylaws of PCA or FLCA, other than those of a strictly technical nature not affecting substantive rights, shall not become effective unless approved by Voting Stockholders at a duly authorized meeting of Members. Any amendment authorizing the issuance of preferred stock shall not become effective unless approved by a majority of the shares of each class of equities affected by the preference, voting as a class, whether or not such classes are otherwise authorized to vote.

## Article IX Earnings, Surplus, Dividends and Patronage Distributions

### 900 Capitalization Plan

The Board shall adopt, maintain and amend from time to time, as Board deems appropriate, a consolidated capitalized plan for the Association, PCA and FLCA. The capitalization plan shall be designed to enable the Association to meet the capital adequacy standards established in the Regulations. Subject to these Bylaws, the capitalization plan shall provide for, among other things, the manner in which the Association's Stock and Participation Certificates and allocated equities shall be issued, transferred and retired. In connection with the Capitalization Plan, no dividends shall be cumulated.

### 910 Application of Earnings or Losses

910.1 At the end of the fiscal year, the Association shall apply its earnings (including patronage allocations and refunds received from the FCB) for such fiscal year in the following order:

- a. to cover operating expenses, including additions to loan valuation reserves as provided by law;
- b. to restore the amount of any impairment of Stock and Participation Certificates as prescribed in Section 860.2 of these Bylaws;
- c. to restore the amount of any impairment of allocated surplus in the reverse order of impairment;
- d. to create and maintain an unallocated surplus as provided in Section 920 of these Bylaws;
- e. to pay dividends on Stock of the Association if authorized pursuant to Section 940 of these Bylaws;
- f. to make patronage distributions if authorized pursuant to Section 950 of these Bylaws.

910.2 In the event of a net loss for any fiscal year, after applying earnings for such fiscal year as provided in Section 910.1(a) above, such loss shall be absorbed: first, by charges to the unallocated surplus account; second, impairment of allocated surplus which is evidenced by

nonqualified written notices of allocation in the reverse order of issuance; third, impairment of allocated surplus which is evidenced by qualified written notices of allocation in the reverse order of issuance; fourth, impairment of Class C Common Stock, Class B Common Non-voting Stock and Participation Certificates, concurrently, and fifth, impairment of Class A Preferred Non-voting Stock.

## 920 Surplus Accounts

The Association shall create and maintain an unallocated surplus account and may maintain an allocated surplus account. The minimum aggregate amounts of these two accounts shall be as prescribed by the Board of Directors. Except as provided in Section 910, the unallocated surplus account may not be reduced and no part thereof may be transferred to the allocated surplus account.

## 930 Allocated Surplus Account

930.1 As set forth in the Capitalization Plan, the Association may create, and subject to the Regulations, and Association policy, may maintain an allocated surplus account consisting of earnings held therein and allocated to borrowers on a patronage basis. Allocated surplus may be issued as either “qualified notices of allocation” or “non-qualified notices of allocations,” or both, as those terms are defined under Internal Revenue Code (“Code”) Section 1388:

(a) All allocations in the form of qualified written notices of allocation shall be issued in annual series and shall be identified by the year of issuance. Each such series shall be retired fully or on a pro rata basis, only at the discretion of the Board, in order of issuance by years as funds are available.

(b) All allocations in the form of non-qualified notices of allocation shall be issued in annual series and identified by the year of issuance. Each annual series may be subdivided between two or more classes. Each such series, or class thereof, shall be retired in the discretion of the Board.

In the event of a net loss for any fiscal year, such allocated surplus shall be subject to impairment in the order specified herein, and on the basis of most recent allocations first as provided in Section 910. Only those persons to which allocated surplus may be issued may own such

allocated surplus. Notice of allocations to evidence the amount of earnings distributed to Members shall be given to all participants.

930.2 The Association, PCA and FLCA, as their interest may appear, shall have a first lien and security interest on all surplus account allocations owned by any borrowers, and all distributions thereof, as additional collateral for such borrower's indebtedness to the Association, PCA and FLCA.

930.3 When the debt of a borrower is in default or is in the process of final liquidation by payment or otherwise, the Association, upon approval of the Board, may order any and all surplus account allocations owned by such borrower to be applied against the indebtedness based on its fair value.

930.4 Any surplus allocated to a borrower shall be retired at the sole discretion of the Board. There is no express or implied right granted to a Member to have such allocated surplus retired upon request.

930.5 Upon approval of the Board, any retirement of surplus allocated may be paid, oldest allocations first, in cash, in other forms of available equities or applied against any of the Member's indebtedness to the Association, PCA or FLCA in accordance with Section 930.3. In no event shall such retirement reduce the Association's permanent capital below the minimum required by Regulations. Retirements of less than the full amount of "qualified" allocations issued in the same series shall be on a pro rata basis. Any part of a surplus allocated distribution in stock to one Member that is less than the par amount of one share may be held by the Association and included with subsequent shares of Class A Preferred Non-voting Stock or Class B Common Non-voting Stock.

930.6 A record of the holders of allocated surplus shall be kept and maintained by the Association. Allocations of "qualified" amounts will be maintained separately from the allocations of "non-qualified" amounts. Such surplus accounts shall be transferable only to the Association or to an eligible Member of the Association in the manner established by the Board, and no transfer thereof shall be binding upon the Association unless so transferred on the books of the Association.

## 940 Dividends

- 940.1 The Board, at its sole discretion, may declare dividends on the Stock and Participation Certificates of the Association; provided, however, that no dividend shall exceed eight percent (8%) per annum of the par value of the respective Stock and Participation Certificates. Such dividends may be paid on Class A Preferred Non-voting Stock alone or on all classes of Stock and Participation Certificates. No dividends may be paid on Class B Common Non-voting Stock, Class C Common Stock and Participation Certificates during any fiscal year with respect to which the Association has obligated itself to distribute earnings on a patronage basis pursuant to these Bylaws. The rate of dividends paid on Class B Common Non-voting Stock, Class C Common Stock and Participation Certificates shall be the same for any fiscal year. All dividends shall be paid on a per share or unit basis and without preference between classes of common stock and participation certificates. Dividends on common stock and participation certificates shall be noncumulative.
- 940.2 Dividends may be paid to holders of record on the effective date of the declaration, provided the Stock or Participation Certificates were outstanding for at least thirty calendar days prior to the effective date of the declaration.
- 940.3 Dividends on Stock and Participation Certificates may be paid in cash, Class A Preferred Non-voting Stock, Class B Common Non-voting Stock, or partly in cash and partly in stock, except that dividends on Stock held by the FCB shall be paid in cash. If any part of such dividends payable in Stock to one borrower are less than \$5, the dividends may be distributed in cash or held by the Association and accumulated with subsequent dividends until the retained dividends equal \$5, so that the dividends may be distributed as one whole share of Class A Preferred Non-voting Stock or Class B Common Non-voting Stock.
- 940.4 Dividends on Class A Preferred Non-voting Stock shall be paid in accordance with, and subject to, the resolution authorizing the issue of such Class A Preferred Non-voting Stock.
- 940.5 Any dividend that is declared by the Board on capital stock or participation certificates and distributed by the Association shall not reduce the net earnings from business done with or for Patrons for the year of distribution as defined in Section 950. Such dividends are in addition to amounts otherwise payable to Patrons which are derived from business done with or for Patrons during the fiscal year.

## 950 Patronage Distributions.

950.1. Patronage Resolutions - Subject to the provisions of the Act and Regulations, prior to the beginning of any fiscal year or other period, the Association's Board may, by adoption of a resolution (the "Patronage Resolution"), obligate the Association to distribute as patronage dividends, as defined in Code Section 1388, to Patrons on the basis of the quantity or value of patronage business done with the Association and its Subsidiaries, the available Patronage-Sourced Net Earnings for such fiscal year or other period, or for that and subsequent fiscal years. Patrons shall include Members and such other customers, borrowers and financial institutions with which the Association, PCA and/or FLCA conduct business during the fiscal year and as identified by the Board in the Patronage Resolution. Patronage-Sourced Net Earnings shall mean the pre-tax net earnings of the Association, PCA and FLCA for the fiscal year, as computed under generally accepted accounting principles, attributable to patronage business done with or for Patrons. All transactions done with or for Patrons shall be deemed patronage business unless otherwise provided in the Patronage Resolution. Patronage-Sourced Net Earnings shall also include taxable income from the retirement of any allocated equities in AgFirst, FCB. Any outstanding Patronage Resolution that is not rescinded prior to the beginning of a fiscal year shall become irrevocable and constitute a binding legal obligation of the Association with respect to such fiscal year. Each patronage transaction shall include as part of its terms, whether the same has been expressly referred to in said transaction or not, the provisions of this Article IX of the Bylaws.

Net earnings of any fiscal year shall be available for patronage distribution only after making the applications as required in subsections (a) through (e) of Section 910.1, including the setting aside of a portion of the net earnings in the unallocated surplus account, as deemed prudent for sound capital accumulation, and making provision for payment of the Association's federal income or related taxes for the fiscal year; provided, that, these amounts shall first come from net earnings, if any, attributable to sources other than patronage business and any non-patronage sourced net earnings not so applied shall be set aside in the unallocated surplus account. The Board in its resolution may establish a minimum level of available earnings and if the available earnings fall below this level no patronage distribution will be made.

950.2. Basis of Distribution - All patronage distributions shall be in the proportion that the amount of interest earned by the Association, PCA and FLCA on their loans to each Patron bears to the total interest earned by the Association, PCA and FLCA on all such loans outstanding during the fiscal year, or such other proportionate patronage basis as may be approved by the Board consistent with the requirements of Subchapter T of the Code. Any earnings pools that may be established for the payment of patronage distributions shall be established on a rational and equitable basis and shall ensure that each Patron of the Association receives its fair share of earnings and bears its fair share of expenses. The Board shall retain discretion not to pay patronage distributions on one or more such pools provided Patrons are treated equitably and fairly.

950.3. If the Association will meet its capital adequacy standards after making the patronage distributions, the patronage distributions may be in cash, authorized stock of the Association, allocations of earnings retained in an allocated surplus account, or any one or more of such forms of distribution. Patronage distributions of the Association's earnings may be paid on either a qualified or nonqualified basis, or a combination of both, as determined by the Board. All qualified notices of allocated surplus shall satisfy the definition of a "qualified written notice of allocation" as defined in Section 1388 of the Code. All nonqualified notices of allocated surplus shall satisfy the definition of a "nonqualified written notice of allocation" as set forth in Section 1388 of the Code. Any part of a patronage distribution in stock to one borrower that is not a multiple of \$5.00 may be distributed in cash or held by the Association for the borrower and included in a subsequent distribution.

950.4. If a borrower is in default, any part of the patronage distribution to that borrower, except for the minimum amount that must be paid in cash to qualify the distribution as a deduction for Federal income tax purposes, may, at the discretion of the Association, be applied against the borrower's indebtedness to the Association, PCA and FLCA.

In the event that the total patronage distribution to a Patron is less than the minimum amount as determined annually by the Board, prior to the end of the taxable year, such distribution may be (i) paid entirely in cash, (ii) applied to the Patron's indebtedness; or (iii) be retained by the Association.

950.5. Patron's Consent to Take Patronage Distribution into Income - Each holder of voting stock shall, by such act of membership and receipt of a copy of this By-Law article, consent that the amount of any distributions with respect to patronage which are made in, or evidenced by, qualified written notices of allocation, as defined in Code Section 1388, including allocations of surplus and patronage refunds paid in stock, and which are received by him or her from the Association, will be taken into account as income by such person at the stated dollar amount in the manner provided in Code Section 1385(a) in the taxable year in which such qualified written notices of allocation are received. Such holder also consents by such act alone, to take into account as income in the same manner the amount of any distributions with respect to patronage provided he or she receives written notice that such amount has been applied on his or her indebtedness to the Association, PCA or FLCA. Each such holder further consents that the amount of any distributions with respect to his or her patronage which are made in, or evidenced by, nonqualified written notices of allocation (as defined in Code Section 1388) will be taken into account (as income) by the holder in the taxable year in which such nonqualified written notices of allocation are redeemed. Consent under this paragraph shall be continuing in effect, but shall cease to be effective with respect to patronage of a distributee occurring after the distributee has ceased to hold voting stock of the Association.

950.6. The Association may obtain the written consent of each Patron that the amount of any distributions with respect to such party's patronage, which are made in, or evidenced by, qualified written notices of allocation (as defined in Code Section 1388), including patronage allocation of surplus account, patronage refunds paid in stock or distributions with respect to patronage that has been applied to the Patron's indebtedness to the Association, PCA or FLCA and for which the Patron has received written notice, will be taken into account (as income) by the Patron at their stated dollar amounts in the manner provided for in Code Section 1385(a) in the taxable year in which such qualified written notices of allocation are received by the Patron. The Association may further obtain the written consent of each Patron that the amount of any distributions with respect to such party's patronage which are made in, or evidenced by, nonqualified written notices of allocation (as defined in Code Section 1388), will be taken into account (as income) by such party in the taxable year such nonqualified written notices of allocation are redeemed. The form of consent shall be prescribed by the Board and shall be

continuing in effect until revoked by the Patron, and it may be included as part of the loan application or other appropriate form signed by Patrons. Consent may also be obtained by use of a qualified check in the manner provided for in Code Section 1388.

950.7. PCA and FLCA - In the event of an Authorization Event under Section 210 hereof, where the Association arranges for the provision of credit and/or related services to its Patrons through PCA and/or FLCA, and such Patrons avail themselves of the arrangements made and maintained by the Association by borrowing or acquiring related services from PCA and/or FLCA, all net earnings or loss attributable to such provision of credit and/or related services shall be treated as net earnings or loss of the Association from business done with its Patrons and all business done with PCA and FLCA shall be treated as business done with the Association.

## **Article X    Execution of Documents**

### 1000 Transactions, Releases and Uniform Commercial Code Transactions

All documents required to be executed in connection with transactions with the Association, and all releases of security, including releases and satisfactions of judgments, subordination agreements, and all security agreements, financing, continuation and termination statements, and other writings relating to secured transactions within the meaning of the Uniform Commercial Code, may be executed in the name of the Association by the Chief Executive Officer or by the Chief Executive Officer's designee (who shall be identified by name in a report to the Board and recorded in the minutes of the Board meeting.) or pursuant to a resolution of the Board delegating such authority to other employees of the Association.

### 1010 Other Transactions

Bonds, contracts, conveyances, and all other documents, except checks and vouchers of the Association, shall be signed by the chief executive officer or other officer of the Association designated by resolution of the Board, and, when required, shall be attested to by such officer(s) or employee(s) as may be designated by the Board.

## 1020 Expenses and Checks

The chief executive officer or such employee(s) as may be designated by the chief executive officer or by resolution of the Board delegating such authority to other employees of the Association, shall, unless prior approval is required by the Board under its established policies, approve and pay all expenses of the Association, and shall sign all checks and vouchers issued by the Association.

## **Article XI Records and Reports**

### 1100 Records

Copies of the organization papers of the Association, returns of Association elections, proceedings of all regular and special meetings of the Members, and of directors, the Bylaws and any amendments thereto, resolutions of the Board, and reports of all committees shall be recorded in the minute books of the Association. The Board shall adopt such rules as it may deem appropriate for the transaction of its business and shall keep permanent and accurate records and minutes of its acts and proceedings. Minutes of each meeting shall be signed by the chairman and secretary of such meeting. The foregoing materials, and such others as the Board may specify from time to time, shall be retained by the Association in accordance with the records retention program approved by the Board.

### 1110 Reports

The Association shall make available to each of its Members such reports as are required by the Act and Regulations and such other reports as the Board deems advisable. The financial statements included in each annual report of the Association shall be audited by independent accountants.

## **Article XII Unclaimed Property**

### 1200 Unclaimed Property

The Association shall make diligent efforts to pay the proceeds of any retirement of Stock, Participation Certificates and accrued dividends to the owners thereof. If, after a period of five years from the date such funds become payable, the Association is unable to determine the address or whereabouts of the owners or the heirs and assigns of the owners, such funds may be transmitted to the State of Ohio, Department of Commerce, Unclaimed Funds division or as otherwise permitted, taken into income of

the Association unless other disposition is required by the Act, the Regulations, or applicable state law.

### **Article XIII Fiscal year**

The fiscal year of the Association shall end on December 31<sup>st</sup> of each year.

### **Article XIV Seal**

The Association may have such seal as the Board may determine.

### **Article XV Indemnification of Directors, Officers, Employees and Agents**

#### 1500 Indemnification

1500.1 The Association shall indemnify, to the fullest extent permitted by law, any director, officer or employee who is or was a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director, officer or employee of the Association, or is or was serving, pursuant to authorization in writing by the Association's Board or its chief executive officer or his or her delegate, as a director, officer, employee, partner, agent, administrator, advisor, fiduciary or member of another corporation, non-profit or cooperative organization, partnership, incorporated association, joint venture, trust, retirement or other employee benefit plan or other organization or entity, against expenses (including attorneys' fees), judgments, fines, penalties and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding.

1500.2 The Association may indemnify any agent of the Association to the same extent as and under the same provisions applicable to directors, officers and employees, but only by specific action of and to the extent designated by the Board.

1500.3 As used in this Article, "party" means a defendant or respondent in an action, suit or proceeding.

#### 1510 Additional Indemnification Provisions

Notwithstanding any other provision of this Article, a director, officer or employee of the Association who has been Wholly Successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Section 1500 of this Article to which he or she was a party shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with such action, suit or proceeding.

#### 1520 Procedure

Any indemnification under Section 1500 of this Article (unless ordered by a court) shall be made by the Association only as authorized in each specific case upon a determination that indemnification of the director, officer or employee is proper in the circumstances. Such determination shall be made (1) by the Board by a majority vote of directors who were not parties to such action, suit or proceeding, even though less than a quorum, or (2) if such a majority is not obtainable (or, even if obtainable, if a majority of disinterested directors so directs), by independent legal counsel in a written opinion. For the purposes of this Section, independent legal counsel shall be selected by a majority of disinterested directors or, if such a majority is not obtainable, by the Board.

#### 1530 Advances of Expenses

Notwithstanding the provisions of Section 1520, reasonable expenses incurred in defending any action, suit or proceeding referred to in Section 1500 of this Article, shall be paid by the Association in advance of the final disposition of such action, suit or proceeding, if the director, officer or employee shall undertake in writing to repay such amount to the extent that it is ultimately determined, as provided herein, that such person is not entitled to indemnification for such amount. Advances of expenses shall be made promptly and, in any event, within thirty days, upon the written request of the director, officer or employee. Notwithstanding the foregoing, no advance shall be made by the Association if and to the extent a determination is reasonably made pursuant to Section 1520 that the director, officer or employee is not entitled to indemnification for such expenses pursuant to Section 1500.

## 1540 Right of Claimant to Bring Suit

1540.1 If a claim for indemnification or advancement under this Article is not paid in full by the Association within thirty days after a written claim therefore has been received by the Association, the claimant may any time thereafter bring suit against the Association to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking has been tendered to the Association) that the claimant has not met the standards of conduct which make it permissible under the applicable law for the Association to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Association.

1540.2 Neither the failure of the Association (including its Board or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he/she has met the applicable standard of conduct, nor an actual determination by the Association (including its Board or independent legal counsel) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

## 1550 Contractual Rights

The right to be indemnified or to the reimbursement or advancement of expenses pursuant to this Article (i) is a contract right based upon good and valuable consideration, pursuant to which the person entitled thereto may bring suit as if the provisions hereof were set forth in a separate written contract between the Association and the director, officer or employee, (ii) is intended to be retroactive and shall be available with respect to events occurring prior to the adoption hereof, and (iii) shall continue to exist after the rescission or restrictive modification hereof with respect to events occurring prior thereto. However, this Article does not constitute a contract of employment or any terms and conditions of employment, and does not alter the employment status of any employee.

## 1560 Requested Service

Any director, officer or employee of the Association serving, in any capacity, (i) another entity of which a majority of the securities entitled to vote in the election of its directors or comparable executives is held directly or indirectly by the Association and/or other Farm Credit System entities, (ii) any employee benefit plan of the Association or of any entity referred to in clause (i) above, or (iii) any committee, subcommittee, special asset group or other similar body related to the Farm Credit System, shall be deemed to be doing so pursuant to authorization in writing by the Association's Board.

## 1570 Other Rights

The indemnification and advancement of expenses provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expense may be entitled under any insurance or other agreement, vote of directors or otherwise, both as to actions performed in their official capacities and as to actions in another capacity while holding office, and shall continue as to a person who has ceased to be a director, officer or employee and shall inure to the benefit of the heirs, executors and administrators of such person. The Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the association, or who is or was serving in any of the capacities referred to in Section 1500 of these Bylaws, against any liability asserted against such person or incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the association would have the power to indemnify the person against such liability under the other provisions of this Article.

Notwithstanding the foregoing, the Association may not indemnify directors, officers, employees, or agents against expenses, penalties, or other payments incurred as a result of an administrative proceeding or action instituted by the FCA which results in a final order assessing civil money penalties personally against such individual(s) or requiring affirmative action by such individual(s) to make payments to the Association.

## **Article XVI Amendments**

### 1600 Amendments in General

Except as provided below, these Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the affirmative vote of a majority of the entire membership of the Board at any meeting of the Board with respect to which notice of intention to alter, amend, repeal or adopt new Bylaws at such meeting has been given, and which notice includes a copy of the proposed amendment(s).

### 1610 Amendments Affecting Capitalization

Any amendment to Articles VIII and IX of these Bylaws or to the capitalization Bylaws of PCA or FLCA, other than those of a strictly technical nature not affecting substantive rights, shall not become effective unless approved by Voting Stockholders at a duly authorized meeting of the Members.

### 1620 Effective Date

These Amended and Restated Bylaws shall become effective as of April 23, 2023 and the Bylaws and amendments thereto in effect prior to said date are hereby amended and restated in their entirety.

## **CERTIFICATION**

I, the undersigned, corporate secretary of Ag Credit, ACA, hereby certify that at a meeting duly held on the 26th day of April, 2023, the Board of Directors of said association duly adopted the foregoing Amended and Restated Bylaws.

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Daniel E. Ebert, Secretary