

DAIRY CALF & HEIFER ASSOCIATION

BY-LAWS

Adopted April 15, 1998

Amended, March 30, 2005

Amended, February 2006

Amended, December 2006; Secretary-Treasurer change effective 2008 Elections

Amended, March 2010; Regional Director Listings effective 2011 Board

ARTICLE I

PURPOSE

The Dairy Calf & Heifer Association is an association of heifer growers partnering with allied industry and academia dedicated to growing high-quality dairy replacement heifers.

ARTICLE II

MEMBERSHIP

SECTION 1. CLASSES.

a. Primary General Member. A primary general membership is open to all dairy heifer grower operations, heifer growers, dairy farms, dairy producers, and any other individual person interested in the dairy heifer growing industry. The membership is held in the farm / corporate name and includes one voting membership with the rights and benefits described in the policies of the Dairy Calf & Heifer Association. Primary General members may purchase additional memberships for employees or family members but such additional member shall not have the right to vote.

b. Associate. Associate membership shall be available to individuals and organizations that wish to be involved and informed of the Dairy Calf & Heifer Association. Associate members are vested with all privileges and rights of full membership commensurate with a Regular member with the exception of voting rights. An individual or farm involved in the production of calves and heifers is not eligible for associate membership.

c. Sustaining. Sustaining membership shall be available to allied industry companies and organizations that wish to be associated with the common business interests of the Dairy Calf & Heifer Association. Such interests may include but not be limited to financial and intellectual concerns. Sustaining members shall be entitled to all rights and privileges as described in the policies of the Dairy Calf & Heifer Association.

d. Student. Student membership is a special class of Associate Membership available to students of primary and secondary educational institutions, colleges, universities, two-year institutions, community colleges, graduate school and trade schools. To be eligible for student membership, a person must not have reached their 18th birthday at the time of their application for membership is presented or must present evidence of their enrollment in an institution of higher education, such as their ID number and their expected date of graduation.

e. Founding. Founding membership shall be an honorary membership only, with no special rights or privileges bestowed. The purpose of this class of membership shall be to recognize and honor those individuals and organizations that were instrumental in the creation of the Dairy Calf & Heifer Association. The Board of Directors shall determine who shall be bestowed with Founding Membership by December 31, 1998, after which time this class of membership shall be closed.

f. Charter. Charter membership shall be an honorary membership only, with no special rights or privileges bestowed. The purpose of this class of membership shall be to recognize and honor those individuals who were instrumental in providing a core membership from which to operate the Dairy Calf & Heifer Association. Charter Membership shall be limited to only those individuals who joined Dairy Calf & Heifer Association prior to April 18th 1998.

g. Other. From time to time, the DCHA Board of Directors may establish additional classes of membership and determine the benefits and privileges of such memberships.

SECTION 2. VOTING RIGHTS.

a. General. Every Primary General Member in good standing shall be entitled to cast one vote at any annual or special meeting or in any vote by mail. In the case of farm membership, only a farm owner or employee may cast the farm vote. Whoever is empowered to cast the farm ballot, including the farm owner, may not simultaneously cast an individual ballot, even if they are an individual member in their own right. Those empowered to cast a farm vote must present credentials and proof that they are an owner or employee of the farm and authorized by the farm owner(s) to cast such ballot prior to the beginning of the meeting in which voting will take place. No class of membership, other than a Regular Member shall have voting rights under any circumstances.

b. No Proxy or Absentee Voting. Voting by proxy (i.e., one member voting in another's stead) shall not be permitted either in person or by mail. No absentee voting shall be permitted at any annual or special meeting.

c. Voting by Mail. On all matters referred to the membership of the Association for a vote at times other than at an annual or special meeting, balloting by mail shall be allowed.

d. Procedure. A ballot by mail may be used at any time the Board of Directors deems necessary. Said ballots must be sent by first-class mail to all members in good standing, and the ballot deadline must be at least thirty (30) days after the ballot mailing date. To be counted, return ballots must be postmarked on or before the date established as the ballot deadline. The Board of Directors shall specify an appropriate method of voting procedure that assures full integrity of the balloting and confidentiality of each member's vote. After the ballot deadline, at least two (2) members, one (1) of which must be a member of the Board of Directors, shall verify, open, and count the ballots. Counted ballots shall remain on file in the office of the Association for at least one (1) year after counting. Voting by facsimile, computer E-mail, or any method other than that adopted by the Board of Directors consistent with these By-Laws shall not be allowed.

SECTION 3. ANNUAL MEETING OF MEMBERS. An annual meeting of the members shall be held on such date, time and place as established by the Board.

SECTION 4. NOTICE OF MEMBERSHIP MEETINGS. Written notice stating the place, date, and hour of any meeting of members shall be delivered to each member entitled to vote at such meeting not less than ten (10) nor more than sixty (60) days before the date of such meeting, or in the case of a removal of one or more Directors, a merger, consolidation, dissolution or sale, lease or exchange of assets, not less

than twenty (20) nor more than sixty (60) days before the date of such meeting. In case of a special meeting or when required by statute or by these Bylaws, the purpose for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States mail addressed to the member at their address as it appears on the records of the association, with postage thereon prepaid.

SECTION 5. SPECIAL MEETING. A special meeting of the membership shall be called by the President of the Association upon written request by a majority of the Board of Directors or by ten (10) percent of the membership in each Region or twenty-five (25) percent of the entire membership of the Association. The membership shall be notified in writing of the special meeting at least thirty (30) days before said meeting, and the notice shall state the purpose, date, time, and place of the meeting.

SECTION 6. LIABILITY OF MEMBERS. No member of the Association shall be personally liable to creditors of the Association for any indebtedness or liability of the Association, and any creditor shall look only to the assets of the Association for payment or other satisfaction of any debt of the Association.

SECTION 7. EXPULSION. The Association, by an affirmative vote of two-thirds of the Board of Directors, may expel an offending member for conduct deleterious to the best interests of dairy heifers or to the Association as determined by the Board of Directors. The member shall be notified at least ten (10) days before such action occurs and shall have opportunity to be heard by the Board of Directors. Any member so expelled shall cease to be a member of this Association and his/her/its membership shall be cancelled.

ARTICLE III

BOARD OF DIRECTORS

SECTION 1. POWERS OF THE BOARD OF DIRECTORS. The Board of Directors shall have supervision, control, and direction of the affairs of the Association; shall determine the Association's policies or changes therein within the limits of the By-Laws; shall actively prosecute its purpose and goals, and shall have discretion in the disbursement of its funds. The Board may adopt such rules and regulations for the conduct of business as shall be deemed advisable and may, in the execution of the powers granted, appoint such agents as it may determine necessary.

SECTION 2. COMPOSITION. The Board of Directors shall consist of seven (7) directors and five (5) officers. One (1) director shall be elected from each Region by the members in that Region and two at-large without regard to region. Each director must be a resident of his or her respective Region. All officers shall be elected from the national membership as a whole. No officer shall concurrently serve as a director. The Board of Directors may appoint one or more ex-officio members representing allied industry, agricultural academics, extension services, dairy producers and other constituencies deemed appropriate by the Board of Directors. No ex-officio member shall have the right to vote in matters before the Board of Directors.

SECTION 3. REGIONS. The Association shall consist of five (5) Regions as follows: West, North Central, South Central, Northeast, and Southeast. Canada and Mexico shall be incorporated into these Regions by extending regional borders south and north, respectively. Each region consists of the various states and provinces as shown on the map attached to these By-Laws as Addendum No. 1.

SECTION 4. ELECTION OF BOARD OF DIRECTORS.

a. Current Member. Any person elected to the Board of Directors must be actively engaged in the business of growing dairy replacement heifers and must be a current, active member of the Association whose

annual dues have been paid before said election and who has been a member of the Association for at least one (1) year before said election. Before a person shall be placed on the ballot for election to the Board of Directors, the Nominating Committee shall verify that each nominee is in fact actively engaged in the business of growing dairy replacement heifers.

b. Terms. Directors shall serve a term of two (2) years. A director's term shall begin immediately following the annual meeting. No director may serve more than three (3) consecutive two-year terms.

c. Time of Election. Election of the first Board of Directors will take place at the annual meeting. Subsequently, election of officers and directors shall take place by mail before the annual meeting. Each new Board of Directors shall be organized immediately following the annual meeting.

SECTION 5. MEETINGS OF THE BOARD.

a. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly. Written notice of all regular meetings shall be given thirty (30) days before each such meeting.

b. Special Meetings. Special meetings of the Board of Directors may be called by the President, by the First Vice President if the President is absent or is unable or unwilling to act, or by a majority of the Board of Directors. Written notice of each special meeting shall be given fifteen (15) days before each such in-person meeting and five (5) days before each such meeting conducted by telecommunication.

c. Place of Meetings. Regular meetings of the Board of Directors shall be held at any site designated by the Board of Directors. At least two (2) of the quarterly meetings each calendar year must be held in person, and other quarterly and special meetings may be conducted by telecommunication.

d. Procedure. Regular and special meetings of the Board of Directors shall be conducted using Robert's Rules of Parliamentary Order.

SECTION 6. QUORUM. A majority of the officers and directors constitutes a quorum of the Board of Directors for the transaction of business at any regular or special meeting of the Board of Directors.

SECTION 7. COMPENSATION. The Board of Directors shall receive no compensation, except that upon action by the Board of Directors, officers and directors may receive reimbursement of necessary expenses.

SECTION 8. RESIGNATION OR REMOVAL.

a. Procedure. Any officer or director may resign at any time by giving written notice to the President. Any officer or director may be removed, with cause, by a two-thirds vote of the Board of Directors at any regular or special meeting of the Board of Directors. For any cause other than nonpayment of dues, removal shall occur only after the officer or director has been advised of the complaint against him/her and he/she has been given reasonable opportunity for defense at a meeting of the Board of Directors. Such officer or director, if removed, may appeal the decision of the Board of Directors to the annual meeting of the Association.

b. Nonpayment of dues. Failure to pay dues in any given year is grounds for immediate removal of an officer or director without notice or hearing.

c. Absence from meetings. At the discretion of the Board of Directors, an officer or director who is absent from two (2) regular Board meetings during any given year shall result in that officer or director being

placed on probation for a period of one (1) year. If absences continue after the probationary period, the officer or director may be removed from office by the Board of Directors.

SECTION 9. *RECALL.* Recall of a director or officer may occur. Any special recall election shall be conducted by mail in the same manner as regular election procedure as established by the Board of Directors.

a. Director. A special election to recall a director shall be initiated by submitting to the Board of Directors a petition signed by fifteen (15) percent of the members in the Region from which the director was elected. Recall of a director requires an affirmative vote of two-thirds of votes cast by members in the Region from which the director was elected.

b. Officer. A special election to recall an officer shall be initiated by submitting to the Board of Directors a petition signed by fifteen (15) percent of the members in each of two (2) Regions. The total number of signatures submitted also must constitute fifteen (15) percent of the entire membership of the Association.

SECTION 10. *VACANCY.* Any vacancy in office, regardless of whether the vacancy was created by resignation, death, removal, recall or any other reason, shall be filled within sixty (60) days of such vacancy by appointment of the president and subsequent approval by 2/3 majority of the Board of Directors. A director or officer appointed in such manner shall serve the unexpired portion of the predecessor's term. A director so elected shall not be prohibited thereafter from serving up to two (2) additional consecutive terms.

ARTICLE IV

OFFICERS

SECTION 1. *OFFICERS.* The officers of the Association shall be President, First Vice President, Second Vice President, Secretary-Treasurer, and Immediate Past-President. These five officers will create the Executive Committee. Officers also shall be members of the Board of Directors. Officers must be actively engaged in the business of growing dairy replacement heifers and must be current, active members of the Association for at least twelve (12) months before election to office, except for the initial officers of the Association. Officers may be elected every two years by the membership as a whole. Except as provided otherwise in these By-Laws, there is no limit on the number of terms an officer may serve.

SECTION 2. *PRESIDENT.* The President shall be the principal volunteer non-staff officer of the Association. Except as provided otherwise in these By-Laws, the President shall make appointments to all standing and special committee chairs and shall be a member ex-officio, with right to vote, of all committees except the Nominating Committee. At the annual meeting of the Association and at such other times as the President shall deem appropriate, the President shall communicate to the Board of Directors or to the membership of the Association regarding such matters that tend to promote the welfare of and increase the effectiveness of the Association. The President shall perform such other duties as are necessarily incident to the office of President or as may be prescribed by the Board of Directors. The President shall not cast a vote on matters before the Board of Directors except in the event of a tie vote.

SECTION 3. *FIRST VICE PRESIDENT.* The First Vice President shall assume the duties of the President if the President is absent. Any person elected to the office of First Vice President shall in effect be the president-elect and shall assume the presidency immediately following the annual meeting at which the President's term expires and he or she becomes Immediate Past President.

SECTION 4. SECOND VICE PRESIDENT. The Second Vice President shall assume the duties of the First Vice President if the First Vice President is absent. If both the President and the First Vice President are absent, the Second Vice President shall assume the duties of the President. The Second Vice President also shall serve as chair of the Audit Committee.

SECTION 5. SECRETARY-TREASURER. The Secretary-Treasurer may be re-elected to serve a maximum of two one-year terms. The Secretary-Treasurer shall be responsible for ensuring the funds and finances of the Association; ensures that management completes and maintains the records of the corporation; provides notice of all Board of Directors and membership meetings in accordance with bylaws and policies; maintains minutes of such meetings. The Secretary-Treasurer shall ensure that management provides regular financial reports at such times as may be requested by the Board of Directors. The Secretary-Treasurer shall arrange for an annual audit of the Association, by an auditor approved by the Board of Directors, and be responsible for having all governmentally required reports filed.

SECTION 6. IMMEDIATE PAST-PRESIDENT. The Immediate Past-President shall serve as a voting member of the Board of Directors for one (1) year past the expiration date for his or her term as President. During that year, the Immediate Past-President also shall serve as chair of the Nominating Committee.

SECTION 7. EXECUTIVE DIRECTOR. The Board shall have the power to contract with an association management company, or employ an Executive Director, who shall not be a member of the Board, to assist the Officers in carrying out the functions of their offices and perform such other functions as from time to time may be assigned by the Board.

SECTION 8. DELEGATION OF DUTIES. Any and all duties described above may be, at the discretion of the Board of Directors, delegated to paid staff for the Association.

ARTICLE V

FISCAL MATTERS

SECTION 1. MEMBER DUES. Annual dues and fees shall be set at an appropriate time each year by the Board. A majority vote of the Directors present at a meeting in which a quorum is present is required to set the dues and fee schedule.

SECTION 2. TERMINATION FOR FAILURE TO PAY DUES. Dues shall be paid by December 31 of each year for membership the following year. If dues are not received by February 15, the member shall be deemed to have resigned from membership and, without further notice and without a hearing, be dropped from the rolls and thereupon forfeit all rights and privileges of membership. Delinquent members may reinstate their membership by paying the full annual dues for the year of reinstatement. The Board may, however, from time to time, prescribe procedures for extending the time for payment of dues and continuation of membership privileges upon request of a member and for good cause shown

ARTICLE VI

COMMITTEES

SECTION 1. *STANDING COMMITTEES.* The Association shall retain three standing committees at all times to assist in the responsibilities and operations of the Association: Nominating Committee, Finance Committee and Audit Committee. The Executive Committee or the Board of Directors may form other committees as needed, and the President shall appoint chairs of such committees. Chairs shall recruit Association members to serve on their respective committees. Terms shall run in coordination with officer elections, except for the Finance Committee, whose terms are stated below.

SECTION 2. *NOMINATING COMMITTEE.* The Nominating Committee shall nominate candidates for election to the Board of Directors, including officer positions.

a. Members. The Committee shall consist of a minimum of four (4) members appointed by the President in addition to the Immediate Past-President, who shall serve as chair of the Committee. Members of the Nominating Committee other than the Immediate Past-President shall be from different Regions.

b. Verification. Before nominating candidates for election to the Board of Directors, the Nominating Committee shall reasonably verify that each candidate is actively engaged in the business of growing dairy replacement heifers.

c. Deadline. No less than ninety (90) days before each annual meeting, the Nominating Committee shall submit to the Board of Directors the name of at least one (1) qualified member as a candidate for each office.

SECTION 3. *FINANCE COMMITTEE.* The Finance Committee shall maintain fiscal responsibility for the Association.

a. Duties. The Committee shall formulate and propose dues structures, dues amounts, and dues deadlines to the Board of Directors. The Committee also shall prepare a proposed budget and submit the budget proposal to the Board of Directors at the same time as the Committee submits its dues proposal(s).

b. Members. The Treasurer shall serve as chair of the Committee. The remaining three (3) members shall be recruited by the Treasurer and each shall serve for a term of three (3) years, said terms to be staggered.

SECTION 4. *AUDIT COMMITTEE.* The Second Vice President shall serve as chair of the Audit Committee. By thirty (30) days before the end of each fiscal year of the Association, the President shall appoint three (3) additional members in good standing to comprise the Audit Committee. The Committee shall review the financial records of the Association and shall report the results of said review to the Board of Directors and to the membership at the annual meeting. At least once every two (2) years, the financial matters of the Association shall be examined by an independent auditor to be selected by the Board of Directors. The term of each Committee member shall be the three (3) months immediately preceding the annual meeting, and each term shall expire at the close of the annual meeting.

ARTICLE VII

BY-LAWS CHANGES

SECTION 1. *BY THE BOARD.* The By-Laws of the Association may be amended by a two-thirds vote of the Board of Directors, subject to ratification by a majority of the membership present at any annual or special meeting of the Association. The call of the meeting must announce the proposed amendment(s). If a By-Laws amendment approved by the Board of Directors is not subsequently ratified by the membership no later than the first annual meeting following the Board's approval, then the amendment shall be null

and void and any action taken by the Association or the Board of Directors pursuant to the unratified amendment shall, to the extent possible, be nullified.

SECTION 2. *BY THE MEMBERSHIP.* If an amendment to the By-Laws is submitted by the Board to the membership other than at an annual or special meeting of the Association, the amendment must be approved by a two-thirds majority of all members in good standing who returned ballots in a vote by mail.

SECTION 3. *PROCEDURE.* Members may submit proposals for amendment of these By-Laws to the By-Laws Committee. The By-Laws Committee shall review each proposal within ninety (90) days of submittal and shall communicate with the originator of the proposal during the review period. After review by the By-Laws Committee, a proposal may be submitted to the membership with the recommendations of the By-Laws Committee and the Board of Directors. A member who originates a proposal for a By-Laws amendment shall be permitted to submit an explanatory statement that will be distributed to the membership along with the recommendations of the By-Laws Committee and the Board of Directors. A proposed By-Laws amendment to which the By-Laws Committee or the Board of Directors is opposed or upon which the By-Laws Committee fails to act within the designated period shall be submitted to the membership for a vote if the proposal is submitted or otherwise approved by fifteen (15) percent of the members in each of at least two (2) Regions.

ARTICLE VIII

INDEMNIFICATION

SECTION 1. *INDEMNIFICATION.* The Association shall indemnify, hold harmless, and defend any current or former officer, director, committee member, employee, or agent of the Association (hereinafter referred to as "indemnified person") against any and all expenses actually and reasonably incurred by such indemnified person, including but not limited to judgments, costs, and attorney fees, arising from, related to, or in connection with any action, suit, claim, or proceeding, civil or criminal, in which such indemnified person is made a party by reason of being or having been an indemnified person of the Association.

SECTION 2. *NEGLIGENCE.* No indemnified person of the Association shall have any right to defense or reimbursement in relation to such matters as to which such indemnified person shall be adjudged in such action, claim, suit, or proceeding to be liable for negligence or misconduct in the performance of duty to the Association.

SECTION 3. *SETTLEMENT.* The right to indemnity for expenses also shall apply to expenses of actions, suits, claims, or proceedings that are compromised or settled, if the court having jurisdiction of the matter shall approve such settlement. This right of indemnity shall be in addition to, and not exclusive of, all other rights to which such indemnified person of the Association shall be entitled.

ARTICLE IX

DISSOLUTION

SECTION 1. *DISSOLUTION.* The Association may be terminated and dissolved by a two-thirds vote of the membership present at any regular or special meeting of the Association or by a two-thirds vote of the membership returning ballots in a vote by mail. In the event of dissolution of the Association, the assets of the Association shall be disbursed at the discretion of the Board of Directors to another nonprofit organization.