



American-International Charolais Association Constitution

Adopted November 18, 2002

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CONSTITUTION

ARTICLE I: PURPOSE

The purpose of the American-International Charolais Association (the "Association") is (i) to provide for the registration and preservation of the purity of the blood, (ii) to provide for improvement in the breeding of registered and recorded Charolais and Charbray cattle, (iii) to act as an information and electronic database center for the breed and the beef industry, and (iv) to keep, maintain, and publish in suitable form the history, record and pedigree thereof, and to disseminate information regarding these breeds. All certificates of registration and recordation must show Association affiliation and carry the Association seal.

No part of the net earnings of the Association shall inure to the benefit of or be distributed to its members, directors, officers, or other private persons except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distribution in the furtherance of the purpose set forth in this Article of Incorporation.

No capital stock shall be issued in the Association and no dividends of any kind may be paid.

No part of the activities of the Association shall be the carrying on of propaganda or otherwise attempting to influence legislation and the Association shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

Notwithstanding any other provisions of this Constitution, the Association shall not carry on any other activity not permitted to be carried on by an association exempt from Federal Income Taxes.

Upon the dissolution of the Association, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Association, dispose of all the assets of the Association exclusively for the purpose of the Association in such manner or to such organization or organizations organized and operating exclusively for charitable, educational, religious or scientific purposes as shall at that time qualify as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States Revenue Law as the Board of Directors shall determine.

ARTICLE II: MEMBERSHIP

The Association's Board of Directors hereby forever retains the exclusive and sole right to discontinue at any time any membership, regardless of its type or kind, whenever in the sole and unlimited discretion of the Board of Directors any member shall be found to have failed to comply with any provision of the Association's Constitution.

A. Classes of membership:

1. "Active Members" shall be those individuals eighteen years of age or more, partnerships, corporations and firms who are active breeders of registered and/or recorded Charolais and Charbray cattle and who pay their initial membership fees, annual dues, and other Association fees.
2. "Junior Members" shall be young individual men and women twenty-one years of age, as of January 1 each year, and younger who are interested in the Charolais and/or Charbray breed of cattle and who are elected to membership as "Junior Members" by the Board of Directors. A Junior Member shall be entitled to all the privileges of an active membership with the exception that a Junior Member may not vote. Junior Members who meet the qualifications for being Active Members may apply for active membership and upon acceptance and payment of the required fee, they will enjoy all the rights and privileges of a full "Active Membership."
3. "Inactive Member" status is a member who has not paid the annual dues. Active status will be reinstated upon payment of current year's dues.

B. Discontinuance of Membership:

A member of any class may be dropped only by action of a majority of the Board of Directors in accordance with the provisions of this Article. If a member of the Association shall be accused of any misrepresentation, deception or fraud which might affect in any way the registration or recordation of animals, or of any act of conduct which may be inimical to the good name, welfare or credit of the Association, then in such event the Executive Committee shall examine into the matter and determine if the charges are supported by sufficient evidence, and if after reasonable notice and an opportunity shall have been given said Member to appear before the Executive Committee in his defense, he fails to adequately exonerate himself of such charges or explain the same to the satisfaction of the Executive Committee, the Committee shall recommend that the Board of Directors suspend and/or discontinue the membership. A majority vote of the members present and voting at a duly called Board meeting shall be decisive.

1. All interest and privileges of a member of this Association shall cease with the resignation, suspension or discontinuance of a membership. In the event of the death of a member, his heirs or executor may stand in his stead and may register and transfer animals for the fees chargeable to a member. In the event of dissolution of a partnership, either partner shall be entitled to membership upon payment of the membership fee, and/or a partnership membership may be transferred to either of the partners or to a surviving partner or the heirs of a deceased partner.
2. In the event the membership of a member is discontinued in the manner specified in the article, the Board may further terminate the privilege of the discontinued member to register or record any cattle in the records of the Association and to take any other disciplinary action within the power of the Association to administer, which termination or action shall be specified by the Board at the time the membership is discontinued. In a like manner the same termination or action may be directed by the Board to apply to any non-member of the Association whom it finds guilty of the same acts in the manner specified in the first paragraph above.
3. Members of the Association shall register their cattle with the Association before registering with any other breed registry or breed association, recognizing that membership carries a definite obligation on the part of the members to first register or record in the Association all of their Charolais and Charbray cattle, both purebred and crossbred, that are going to be registered and recorded. After compliance with this obligation to the Association, a member may register cattle on a dual registration basis. Should any member of the Association fail to comply with this obligation and not register or record an animal in the Association, then any subsequent registration of this animal or its progeny would be on a penalty basis, the amount to be determined by the Board of Directors.

ARTICLE III: DIRECTORS

- A. The Board of Directors shall be the governing body of this Association and shall manage the Association's affairs. The Board of Directors shall establish in the Rules and Regulations, a division of the United States into areas. Each area to be represented by one Area Director elected in the manner set forth in Article XIX of the Rules and Regulations. An Area Director may be removed from office, with or without cause, at any time by a vote of a majority of the active Association members in the area that elected such Area Director, such removal to be by vote in accordance with the voting procedures set forth in Article IX hereof.

- B.** The President, Vice President, Secretary and Treasurer shall be elected by the Board from the area directors. The officers shall be members of the Board of Directors and all except the President shall be entitled to vote. The President shall be entitled to vote in the case of a tie. In the event a vacancy occurs on the Board of Directors, the alternate will assume the office. The majority of the Board of Directors shall constitute a quorum for all business.
1. The Board of Directors shall meet at least two times a year, and one meeting shall be within thirty (30) days of the Annual General Membership Meeting.
 2. Meetings of the Board of Directors shall be called by the President or by any five Directors. In the event the meeting is called by any five Directors, they shall give sufficient notice to the Association's Executive Vice President to allow him/her to give the President and the remaining Directors fifteen (15) days written notice of the date, time and place of such meeting.
 3. The President shall preside at all meetings of the Board of Directors, or in his/her absence, the Vice President shall preside.
 4. Any Director who is absent at two consecutive Directors meetings shall be removed from office by the affirmative vote of the remaining members of the Board of Directors, if they find such absences were without plausible reason or excuse.
 5. Directors unable to attend a called meeting may be represented by order of his/her 1st or 2nd Alternate. He/she shall notify the Executive Vice President so that the appropriate alternate can attend in his/her place.
 6. The term of an Area Director shall be 3 years, with the option for re-election for a second term. An Area Director shall not be elected to the Board of Directors for more than two consecutive three-year terms.
 7. Fifteen (15) days prior to any meeting of the Board of Directors, each Director shall be given written notice of the business to be transacted at said regular or special Board meeting. Only those matters set forth in the notice or agenda of the meeting shall be brought before the Board for action unless a majority of the members of the entire Board of Directors agrees to take-up matters not previously covered in the notice.

- 8.** All meetings of the Association, its Board of Directors and Committees are hereby declared to be open to the general membership at all times, except that a closed session of the Board of Directors and Committees may be declared by majority vote of its members then present, if it is determined that a particular subject to be considered is of a sensitive nature.
- C.** The Board of Directors shall be responsible for the adoption of a complete and comprehensive set of Rules and Regulations.
- D.** The Board of Directors shall, from time to time, establish fees to be paid by members and non-members for the registration and/or recordation of cattle, transfer of certificate, and issuance of extended pedigree. They shall have the power to set penalties which shall be collected as an addition to such entries and transfers from members or non-members, who shall in the judgment of the Board of Directors, warrant the imposition of such penalty; provided however, that any such penalized member shall have notice of the pending imposition of such penalty and shall be afforded the opportunity to appeal and be heard before the Board of Directors or its duly appointed committee before the imposition of any such penalty is made.

ARTICLE IV: OFFICERS

- A.** The officers of this Association shall be a President, Vice President, Secretary and Treasurer, all of whom shall be members of the Board of Directors at the time of their election and shall be elected for a term of one year by the Board of Directors at their meeting held in conjunction with the Annual Membership Meeting, except that the President shall be elected as provided in subsection B of this Article IV. Except for the President, any officer who is not re-elected as a director at the expiration of his or her term as a director may not continue to serve as an officer and shall be replaced by the members of the Board of Directors. Each officer will assume office immediately following his or her election. An officer may succeed himself/herself in the same office only one time.
- B.** The Board of Directors shall be responsible at its Fall Meeting for selecting the President-Elect for the coming year. He/she will assume the office of President after the next Annual Meeting and additionally this person being elected President-Elect will not have to stand re-election from his area for the coming year. The Alternate shall fill the vacancy caused by the election of the new President.

C. Duties of Officers:

1. **President:** The President shall be the Chief Executive Officer of the Association. He/she shall preside at its meetings and shall be Chairman of the Board of Directors. He/she shall issue the call for all Board Meetings. He/she shall carry on the business of the Association under this Constitution, the Rules and Regulations, and the instructions of the Board of Directors.
2. **Vice President:** In the absence of the President, the Vice-President of the Association shall occupy the position of President and perform the duties of said office.
3. **Secretary:** The Secretary shall cause to be kept the Minutes of the Meetings of the General Membership and the Board of Directors and shall perform such other duties as may be delegated to him/her by the President or the Board of Directors.
4. **Treasurer:** The Treasurer, under the direction of the Board of Directors, shall oversee the financial affairs of the Association and shall prepare and submit financial reports to the Board of Directors at each meeting and shall prepare and submit an annual report to the General Membership Meeting each year.

D. Vacancies:

Any vacancies in any of the above offices of the Association by reason of death, resignation, or incapacity of an Officer during his/her term of office, shall be filled by the Board of Directors for the remainder of the year, except that the Vice President shall succeed the President, in the case of his/her death, resignation, or incapacity.

ARTICLE V: EXECUTIVE VICE PRESIDENT AND RECORDING SECRETARY

- A. **Executive Vice President:** There shall be an Executive Vice President who shall be employed by the Board of Directors and shall serve at its pleasure. The Executive Vice President shall not be elected, but shall be employed by the Board of Directors and serve at its pleasure and for such compensation as it shall fix from time to time. He/she shall manage and administer the business affairs of the Association as its executive officer in accordance with the provisions and requirements of the Rules and Regulations, together with the policy directives from the Board of Directors as periodically communicated to him/her by the President. He/she shall be the official custodian of the seal and the records of the Association.

The Executive Vice President shall receive instructions from the Board of Directors and the Executive Committee through the President. He/she shall not be accountable for failure to execute or administer instructions from any individual member of the Board of Directors, or any other member of the Association. Subject to the budget and to the limitations set by the Board of Directors, he/she shall hire and discharge all other employees of the Association and shall define or modify the duties, salaries, or other compensation of such employees. He/she shall be responsible to the Board of Directors for the proper and efficient conduct and operation of the affairs of the Association. He/she shall perform the duties and exercise the powers of the chief executive of the Association in the absence, disability or inability of the President, or Vice President, to act.

- B. Recording Secretary:** A Recording Secretary shall be employed by the Executive Vice President by and with the approval of the Board of Directors. The Recording Secretary shall be the recording officer of the Association; shall receive and verify entries for insertion in the Herd Register subject to the Rules and Regulations of the Association; shall sign and issue all certificates of registration and recordation, and keep a record of all such certificates issued; shall keep on file all documents constituting the authority for pedigrees subject to the inspection of any member of the Association; shall keep a record of all transfers of animals; shall issue all certificates of membership; and shall perform or cause to be performed all other duties properly ordered by the Executive Vice President or the Board of Directors or which usually pertain to the Office of the Recording Secretary.

ARTICLE VI: COMMITTEES

- A.** The Association shall have an Executive Committee and such other standing committees as may be appointed by the President and approved by the Board of Directors, and in addition such other committees (including ad hoc committees) as the President may appoint from time to time. Each standing committee shall consist of a Chairman and Vice Chairman, one of which shall be a Director, and as many additional members, not to exceed the number of director areas with one member from each area, if an interested member is available. If unavailable, a member from another area may be appointed. Each standing committee, through the chairman, shall report, either verbally or in writing, to each meeting of the Board of Directors if, as and when required.

- B.** In addition to the committees set forth, the Association shall have a Long-Range Planning Committee consisting of seven members who are elected by the Board. This Committee shall consist of the current President of the Association, two past-Presidents, two members of the Board of Directors and two Members-at-Large. Exclusive of the President, two Committee vacancies shall be filled in the order of priority each year. All terms are for three years, unless otherwise directed by the Board, except that of the current President of the Association, and shall commence at the conclusion of the Annual Membership Meeting. All vacancies are to be filled by majority vote of the Board from Association members in good standing who qualify for the vacant classification at the time they begin their term. The Member-at-Large classification may be filled by a past-President or current member of the Board or an Active Member of the Association. A member of the Association shall not be elected to the Committee for more than two consecutive three-year terms. The Executive Vice President shall be a non-voting Ex-officio member of the Committee.

The Chairman and Vice Chairman shall be elected annually by a majority vote of the Committee and may serve successive terms.

The committee shall be charged with the responsibility of developing a long-range plan for the Association, which shall be continuously updated at least annually and submitted to the Board of Directors for acceptance.

The Board shall elect two additional alternates to the Long-Range Planning Committee to assure full attendance and continuity. Any committee member who is unable to attend a meeting of the committee shall notify the Executive Vice President so that the appropriate alternate can attend in his/her place.

ARTICLE VII: AMENDMENT TO THE CONSTITUTION

Amendment to this Constitution may be made upon the affirmative vote of a majority of the active members of the Association at an Annual General Membership Meeting or at a Special General Membership Meeting called for that purpose, with such active members voting in the manner prescribed under Article IX hereof. Amendments may be submitted to the membership for approval in accordance with the following procedures:

- 1. Amendments proposed by The Board of Directors:** The Board of Directors shall be required to advise the General Membership in writing at least forty-five (45) days before said Annual or any Special Meeting of any Constitutional Amendments proposed by the Board of Directors.

- 2. Amendments proposed by The Members:** If at least 100 active members desire to amend this Constitution, the members desiring to amend this Constitution shall give the President and Executive Vice President of the Association notice of their proposed amendment to this Constitution at least sixty (60) days before any General Membership Meeting of the Association. Such notice will only be valid if signed by at least 100 of the active members of the Association. Upon timely receipt of such notice and verification that at least 100 of the active members of the Association have signed such notice, the Association shall furnish such notice in writing to all active members at least forty-five (45) days before said Annual Membership Meeting of the Association. The date the notice from the members was received by the Association shall be the record date for determining who is an active member of the Association for purposes of receiving notice of the proposed amendment from the Association.

ARTICLE VIII: MEMBERSHIP MEETINGS

- A.** The members of the Association shall meet at least once during the period from January 1st through April 30th of each year on a date and at a place to be fixed by the Board of Directors. The members will be given thirty (30) days notice in writing of each meeting together with a printed agenda of the business to be transacted by the membership, save and except that notice of a Constitutional Amendment shall be given as prescribed under Article VII hereof. Notification in the official breed publication of the Association shall be considered written notice for purposes hereof. Notice shall be deemed given when deposited in the U.S. Mail, postage prepaid, addressed to the member at his or her last known address. Business transacted at any meeting of members shall be limited to the purposes stated in the notice. Only active members in good standing shall be entitled to vote at such meetings and each such member or his proxy shall have a single vote. The affirmative vote of the majority of the members present, in person or by proxy as hereinafter authorized, shall be the act of the members meeting, unless the vote of a greater number is required by law, the Articles of Association, or this Constitution.
- B.** Partnerships, corporations, trusts or firms which are Active Members, shall each designate some individual partner, officer, director, or member of the firm who shall exercise, on behalf of the partnership, corporation, trust, or firm the rights and privileges of such Membership, including the right to vote and hold office in the Association.
- C.** A special meeting of the General Membership may be called by the Board of Directors upon thirty (30) days notice in writing to the members, save and except that notice of a Constitutional Amendment shall be given as prescribed under Article VII hereof. The call shall set forth the subjects to be considered at the Special Membership Meeting. Only the subjects specified in the call of the meeting may be considered.

- D.** Questions of procedure at meetings not covered by the Rules and Regulations of the Association shall be determined in accordance with Robert's Rules of Order and should any dispute arise concerning the meaning of application of said Rules of Order, this Association's attorney's construction thereof shall be binding and final.

ARTICLE IX: VOTING

A. Who May Vote:

- 1.** Subject to the limitations set forth in this Article, any individual, partnership, corporation, firm or trust that is an Active Member of the Association may vote.
- 2.** Since partnerships, corporations, firms or trusts do not have actual physical existence but are instead legal fictions, they must vote through one of their partners, trustees, or in the case of a corporation, through an officer or member of the Board of Directors. Any person voting on behalf of any corporation, partnership, firm or trust shall be known as its “**Designee**”.

B. How to Vote:

- 1.** Members must vote by ballot for the election of directors and for Constitutional Amendments. Members may vote by ballot in person or by mail. Absentee ballots submitted by mail must be identified by breeder number and signature and received in the Association's office for tabulation by the chief officer of his/her designee no later than five (5) days prior to the Annual Meeting or a specially called meeting.
- 2.** Members may vote in person or by proxy, except that members may not vote by proxy for the election of directors or for Constitutional Amendments. A proxy is distinguished from a ballot for purposes hereof in that it authorizes another person to cast a member's vote. Any membership, whether owned by an individual, a corporation, a partnership, a firm or a trust may vote by properly executing a proxy. Every proxy to vote on behalf of an absent active member at General Membership Meetings shall always relate specifically to the question to be voted upon, shall specify who is to cast the vote at the meeting, shall be used within one month of the date of execution, and shall be revocable unless the proxy form conspicuously states that the proxy is irrevocable and coupled with an interest. The proxy may specify how the absent member desires his/her vote to be cast or may leave it to the discretion of the person voting the proxy.

3. Voting by secret written ballots shall be allowed on any question presented when requested by a majority of the votes cast by Active Members voting in person on the question.

C. Rights of Junior Members

A Junior Membership is not entitled to a vote.

ARTICLE X: RULES AND REGULATIONS

All Rules and Regulations of the Association shall be adopted and amended upon the vote of the Board of Directors. Such adoption or amendment may be by simple majority of the Board members present and voting at any duly constituted meeting.

ARTICLE XI: RESPONSIBILITY OF THE ASSOCIATION

Every Certificate of Registration, Recordation or Transfer of ownership is based on statements in the application thereof and the Association assumes no responsibility for damages or losses which may be caused by any certificates issued on erroneous or fraudulent information, or damages or losses incurred by striking any animal from the Herd Register in accordance with the Rules and Regulations of this Association. Neither the Association nor any member of its staff shall have responsibility or liability of any kind for damages or losses occasioned by an unintentional error, act or omission on their part.

ARTICLE XII: INDEMNIFICATION OF OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES

In addition to any other provision in the Constitution of this Association, it is hereby further provided that no Director, Officer, Employee or Agent of the Association shall be liable to any member or non-member of the Association for any act or omission done by him/her with respect to any matter within the scope of his official duty except in the case where such act or omission shall not have been in good faith or shall not have been for a purpose which he/she reasonably believes to be in the best interest of the Association.

Article 1396-2.22A of the Texas Non-Profit Corporation Act (the "Act") permits the Association to indemnify its present and former members, directors and officers to the extent and under the circumstances set forth therein. In addition, in some circumstances, indemnification is required by the Act. The Association hereby elects to and does hereby indemnify all such persons to the fullest extent permitted or required by the Act promptly upon request of any such person making a request for indemnity hereunder. Such obligation to so indemnify and to so make such determination may be specifically enforced by resort to any court of competent jurisdiction. Further, the Association shall pay or reimburse the reasonable expenses of such persons covered hereby in advance of the final disposition of any proceedings to the fullest extent permitted by the Act and subject to the conditions thereof.

The Association may purchase and maintain insurance against any liability asserted against and incurred by any officer or director in a capacity described in this Constitution or arising out of the status of such a person, whether or not the Association would have the power to indemnify such person against that liability under this Article.

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