

PROPOSED AMENDMENTS TO BYLAWS

Underlined language is proposed language / language that is ~~stricken~~ is proposed to be removed.

ARTICLE I Membership

Section 5. Districts. The Cooperative shall have at least four (4) territorial districts ~~and one (1) at-large district~~ for member representation. The number, type and boundaries of each ~~territorial~~ district shall be determined by written policy of the Board of Directors. The Board of Directors shall review the boundaries of the each territorial districts at least once every five (5) years and make such adjustments as are necessary to apportion the membership between the territorial districts by reviewing and considering (i) membership in the Cooperative, (ii) Patron equity in the Cooperative, and (iii) Cooperative assets and infrastructure.

Section 10. Notice of Meetings. Notice of a meeting of the members shall be given once mailed or electronically transmitted to each member at the address of their account of record. The notice shall state the place and/or means of communication, day, hour, purpose, and include any issue to be considered at such meeting. Said notice shall be given ~~pursuant to SDCL §47-16~~ not less than ten (10) nor more than sixty (60) days before such meeting. The failure of any member to receive notice shall not invalidate any action which may be taken by the members at a meeting of the members.

ARTICLE II Directors

Section 1. Directors and Apportionment. The Board of Directors shall be comprised of at least fifteen (15) directors. The number of directors and apportionment of directors within the districts shall be determined by written policy of the Board of Directors. The Board of Directors shall review the apportionment of directors at least once every five (5) years and make such adjustments as are necessary to apportion the directors between the districts by reviewing and considering (i) membership in the Cooperative, (ii) Patron equity in the Cooperative, and (iii) Cooperative assets and infrastructure. Three (3) directors shall be directly elected from each of the four (4) territorial districts. Three (3) directors shall be elected at-large.

Section 2. Qualifications. No member or principal officer of a member may be nominated, elected, appointed or serve as a director if such member ceases to be a member. No member or principal officer of a member may be nominated, elected or appointed as a director at or above the age of seventy (70) or if they are not an active farmer or rancher. For purposes of this Section, “active farmer or rancher” means an individual whose primary occupation is that of a farmer or rancher. A director shall not be regularly employed by the Cooperative. A director shall not have any loyalty to other organizations that transcend or interfere with the director’s loyalty to the Cooperative. A director shall not, at any time during the term of such director, serve as an officer, director or manager of, or advisor to, any organization which, in the sole determination of the Board of Directors, is significantly competing with the Cooperative. ~~No more than two (2) of the directors elected at large shall have an address, as shown on the director’s account of record, in the same territorial district.~~ At the time of nomination, election or appointment, a director

representing a ~~territorial~~-district shall only be eligible if such director is nominated, elected or appointed to the ~~territorial~~-district within which the address, as shown on the member's account of record, is physically located. A director whose member's address changes on such account of record during his or her term shall be permitted to complete such term.

Section 3. Term. A director's term shall be for a period of three (3) years. The term of each director shall commence upon the adjournment of the annual meeting of the members. A director's term shall expire upon the adjournment of the annual meeting of the members at the end of his or her three (3) year term. The terms of the directors shall be staggered ~~with the election of one director from each territorial district and one director at large held during each fiscal year.~~ Each director shall serve until (i) a qualified successor shall have been duly elected or appointed, (ii) the director's death, (iii) the director's resignation, or (iv) the removal of a director in the manner provided for in Section 8 of this Article II.

Section 4. Nomination. No later than ninety (90) days prior to the annual meeting of the members, the Board of Directors shall appoint a nominating committee ~~from each territorial district and an at large nominating committee~~ for the purpose of nominating one or more members or a principal officer of a member for each termed director position. No later than sixty (60) days prior to said annual meeting of the members, the nominating committees shall place into nomination one or more members or a principal officer of a member for each termed director position.

Section 5. Petition. A member or the principal officer of a member may self-nominate himself or herself for a termed director position if they submit a petition to the principal office of the Cooperative ninety (90) days prior to the annual meeting of the members, provided such member or principal officer of a member has met the qualifications of Section 2 of this Article II. A member or the principal officer of a member intending to self-nominate himself or herself to be a director elected from a ~~territorial~~-district shall only be qualified for the ballot if such petition is signed by fifty (50) members assigned to such ~~territorial~~-district. A member or the principal officer of a member intending to self-nominate himself or herself to be a director elected at-large shall only be qualified for the ballot if such petition is signed by fifty (50) members. If all applicable qualification requirements are met, the member's name or the name of the principal officer of the member shall be placed on the ballot.

Section 8. Removal. A director may be removed by the affirmative vote of eighty percent (80%) of the Board of Directors at a special meeting of the Board of Directors called for such purpose. A director ~~elected from a territorial district~~ may also be removed by ~~the affirmative~~ vote of eighty percent (80%) of a quorum of the members within the district the director represents, by voting thereon at a special meeting of the members called for such purpose by a signed petition of twenty-five percent (25%) of the members ~~within the district the director represents of such territorial district. A director elected at large may also be removed by a vote of eighty percent (80%) of the members voting thereon at a special meeting of the members called for such purpose by a signed petition of twenty-five percent (25%) of the members.~~

ARTICLE V Delegates

Section 1. Delegates and Apportionment. The Delegate Council shall be comprised of at least sixty (60) delegates. The number of delegates and apportionment of delegates within the districts shall be determined by written policy of the Board of Directors. The Board of Directors shall review the apportionment of delegates at least once every five (5) years and make such adjustments as are necessary to apportion the delegates between the districts by reviewing and considering (i) membership in the Cooperative, (ii) Patron equity in the Cooperative, and (iii) Cooperative assets and infrastructure. ~~Fifteen (15) delegates shall be directly elected from each of the four (4) territorial districts.~~

Section 2. Qualifications. No member or principal officer of a member may be nominated, elected, appointed or serve as a delegate if such member ceases to be a member. No member or principal officer of a member may be nominated, elected or appointed as a delegate if they are not an active farmer or rancher. For purposes of this Section, “active farmer or rancher” means an individual whose primary occupation is that of a farmer or rancher. A delegate shall not be regularly employed by the Cooperative. At the time of nomination, election or appointment, a delegate representing a ~~territorial~~ district shall only be eligible if such delegate is nominated, elected or appointed to the ~~territorial~~ district within which the address, as shown on the member’s account of record, is physically located. A delegate whose member’s address changes on such account of record during his or her term shall be permitted to complete such term.

Section 3. Term. A delegate’s term shall be for a period of three (3) years. The term of each delegate shall commence upon the adjournment of the annual meeting of the members. A delegate’s term shall expire upon the adjournment of the annual meeting of the members at the end of his or her three (3) year term. The terms of the delegates shall be staggered ~~with the election of five (5) delegates from each territorial district held during each fiscal year.~~ Each delegate shall serve until (i) a qualified successor shall have been duly elected or appointed, (ii) the delegate’s death, (iii) the delegate’s resignation, or (iv) the removal of a delegate in the manner provided for in Section 8 of this Article V.

Section 5. Petition. A member or the principal officer of a member may self-nominate himself or herself for a termed delegate position if they submit a petition to the principal office of the Cooperative ninety (90) days prior to the annual meeting of the members, provided such member or principal officer of a member has met the qualifications of Section 2 of this Article V. A member or the principal officer of a member intending to self-nominate himself or herself to be a delegate elected from a ~~territorial~~ district shall only be qualified for the ballot if such petition is signed by fifty (50) members assigned to such ~~territorial~~ district. If all applicable qualification requirements are met, the member’s name or the name of the principal officer of the member shall be placed on the ballot.

Section 8. Removal. A delegate may be removed by the affirmative vote of eighty percent (80%) of the Board of Directors or the Delegate Council at a special meeting of either body called for such purpose. A delegate elected from a ~~territorial~~ district may also be removed by a vote of eighty percent (80%) of a quorum of the members within the district the delegate represents, by voting thereon at a special meeting of the members called for such purpose by a signed petition of twenty-five percent (25%) of the members within the district the director represents~~of such territorial district.~~

Section 10. Notice of Meeting. Notice of a meeting of the Delegate Council shall be given once mailed or electronically transmitted to each delegate. The notice shall state the place and/or means of communication, day, hour, purpose, and include any issue to be considered at such meeting. Said notice shall be given not less than ten (10) nor more than sixty (60) days before such meeting pursuant to SDCL §47-16.

ARTICLE VI
Patrons and Patronage

Section 4. Participating Patron. A “Participating Patron” is (i) a Patron whose patronage would otherwise entitle ~~him, her or its~~ such Patron to a share of the Patrons’ Net Proceeds ~~of at least Fifty Dollars (\$50)~~ in a minimum amount determined by the Board of Directors in the particular fiscal year at issue, (ii) a Patron who has not expressly disclaimed in writing all right to any share of Patrons’ Net Proceeds, and (iii) a Patron not designated by the Board of Directors as not being a Participating Patron.