

**BYLAWS OF THE
NORTH AMERICAN SHETLAND SHEEPBREEDERS
ASSOCIATION**

(adopted April 9, 1998, as amended in 2003, 2015, 2016, 2019, 2/2021, 12/2021)

ARTICLE I: NAME

The name of this Corporation is North American Shetland Sheepbreeders Association (NASSA).

ARTICLE II: OFFICES AND FISCAL YEAR

Section 1. Offices. NASSA shall maintain in the state of Oregon a registered office and a registered agent located at the registered office. The Board of Directors may, at any time, change the location of the registered office and the person designated as the registered agent. NASSA may also have other offices at such other places as the board of Directors may fix by resolution.

Section 2. Fiscal Year. The fiscal year of NASSA shall coincide with the calendar year.

ARTICLE III: PURPOSE

Section 1. Purpose. This Association shall be organized and operated exclusively as an agricultural organization. Subject to the limitations stated in the Articles of Incorporation, the purposes of this Association shall be to engage in any lawful activities, none of which are for profit, for which Corporations may be organized under Chapter 65 of the Oregon Revised Statutes and Section 501 (c)(5) of the Internal Revenue Code of 1986 (or their corresponding future statutes). In no event shall the Association carry on any activities not permitted to be carried on by an organization described in 501 (c)(5) of the Internal Revenue Code. No part of income, profit, or property of the Association may be distributed to or used for the personal benefit of NASSA members or other private persons. NASSA may pay reasonable compensation for services rendered and may make distribution to further its purpose.

NASSA's primary purposes will be to further the common interest of its members in promoting Shetland sheep in North America, preserving and protecting this rare breed, facilitating communication and information exchange between members, and maintaining registration and pedigree information.

Section 2. Breed Standards. The breed standards of the Association shall be those defined in the Shetland Flock Book and adopted by the Rare Breeds Survival Trust. The effect of any subsequent amendments, as well as any interpretations of the standards, shall be determined by the Board.

Section 3. Nondiscrimination. NASSA shall not discriminate against any person on account of race, national origin, age, sex, religion, sexual preference, or any other arbitrary basis.

ARTICLE IV: MEMBERSHIP

Section 1. Classes and Voting. Membership in NASSA shall be of four classes: (i) regular members shall consist of persons who are currently breeding Shetland sheep; (ii) associate members shall consist of interested persons who are not currently breeding Shetland sheep; (iii) junior members shall consist of persons who are under the age of eighteen (18); and (iv) honorary members shall consist of persons selected by the Board for their expertise or contribution to NASSA or the Shetland breed and may be nominated by any member. Honorary members shall

be exempt from all annual dues. Members shall pay annual dues, registration, and other fees as determined by the Board. Except where the context clearly requires otherwise, the term “member” or “membership” in these Bylaws shall include members of all classes. Each member shall be entitled to one vote on all matters for which a membership vote is required by the law, the articles of Incorporation, or the Bylaws of this Corporation.

Section 2. Qualifications. Membership in NASSA shall be voluntary and open to any person who is in accord with its purpose, desires to further its activities, and meets the criteria of a class of membership set forth above. Applicants shall be admitted to membership upon submitting information required by the Association and paying stated fees. In the event of questionable eligibility, admission to membership shall be subject to Board approval.

Section 3. Termination, Expulsion, and Suspension. Members may be terminated, expelled, or suspended for malfeasance after a hearing and action by two-thirds of the current Board of Directors. The member will be given notice at least 20 days prior to the scheduled hearing and will be given the opportunity to provide any necessary documentation. Following the hearing the member will be notified of the Board’s decision within 10 days. The decision of the Board or its designated agent shall be final, and shall not be subject to any review or appeal by any court or other persons. Membership may also be terminated by a member upon written notice to the NASSA.

Section 4. Annual Meeting. The annual meeting of the members of this Corporation shall be held each fiscal year at a time and place determined by the Board.

Section 5. Special Meetings. Special meetings of members of this Corporation may be called by the Board of Directors, by the President, or by petition of no less than five percent of the members by a demand signed, dated, and delivered by the Corporation’s Secretary. Such demand shall describe the purpose of the meeting.

Section 6. Notice. Notice of all meetings of the members shall be given to each member at the last address of record, by first class mail at least seven days before the meetings, or by means other than first class mail at least 30 but not more than 60 days before the meeting. The notice shall include the date, time, place, and purposes of the meeting.

Section 7. Quorum and Voting. Thirty (30) percent of all regular members shall constitute a quorum for the transaction of business at any meeting of members. Each regular member shall be entitled to cast one and only one vote on each issue submitted to members. There shall be no cumulative voting by members. Only persons who are regular members of record at least thirty (30) days before the date of the meeting shall be entitled to vote at any meeting of members. Decisions shall be made by majority vote unless a higher percentage is required by law or by these Bylaws. Meetings shall be conducted according to Robert’s Rules of Order.

Section 7-1. Annual Election for Board of Directors. Each regular member shall be entitled to one and only one vote on each issue submitted to members, at the time of the annual election for Board of Directors. Only persons who are regular members of record as of September 1 of the current year shall be entitled to vote in the annual election. Decisions shall be made by majority vote unless a higher percentage is required by law or by these Bylaws.

Section 8. Proxy Voting. There shall be no voting by proxy.

Section 9. Action by Consent. Any action required by law to be taken at a membership meeting, or any action which may be taken at a membership meeting, may be taken without a meeting if a consent in writing, setting forth the action to be taken or so taken, shall be signed by all of the members.

Section 10. Dues and Assessments. The Board of Directors may periodically adopt a schedule of fees, charges, dues or assessments, or amend such a schedule, as a condition for admission to the membership of the Corporation. Nonpayment of such fees, charges, dues or assessments by a member shall constitute grounds for expulsion, termination or suspension of the member or the membership or denial of the application for membership. Any suspension, termination or expulsion shall follow the procedure set forth in Section 3 above.

Section 11. Access to Information. Members shall be provided access to the books and record of the Association, minutes of all meetings, and financial reports at any reasonable time, subject to approval by the Board and upon payment of related costs. Members shall have the right to receive a copy of these Bylaws.

Section 12. Settlement of Disputes. In any dispute between NASSA and any of its members or former members, or between members as to matters relating to NASSA's affairs, that cannot be resolved through informal negotiation, it shall be the policy of NASSA to use mediation whereby an impartial mediator may facilitate negotiations between the parties and assist them in developing a mutually acceptable settlement. No party with a grievance against the other shall have recourse to litigation until the matter is submitted to mediation and attempted to be resolved in good faith. Expenses of mediation shall be borne by the party in dispute with the Board.

Section 13. Issues Submitted by Members. Notice of a meeting shall include any issues submitted by not less than thirty (30) percent of all members of record. Petition must be received by NASSA not less than two months before the date of the meeting.

Section 14. Meeting Without Notice. Whenever all members of this Corporation shall be present and consent to or participate in a meeting thereof, such meeting shall be deemed to be a legal meeting and all of the business transacted thereat shall be legal and valid in all respects the same as though such a meeting had been regularly called and notice thereof had been regularly given.

ARTICLE V: BOARD OF DIRECTORS

Section 1. Duties. Except for matters reserved by law or by these Bylaws to members, the business and affairs of NASSA shall be directed and conducted by the Board of Directors (sometimes referred to in these Bylaws as "the Board"). The duties of the Board shall include general management of affairs. The Board shall conduct all affairs of this Corporation, including but not limited to: overseeing the operations and finances of the Association; establishing policies, budgets, and fiscal controls; and assuring that the purpose of the Association is properly carried out.

Section 2. Chair. The Board shall elect a chairperson to conduct meetings and perform other duties imposed on her/him by the Board.

Section 3. Number. The number of Board members may vary between a minimum of five (5) and a maximum of nine (9), the exact number of which shall be fixed from time to time by resolution of the Board. To be qualified as a Director, a person shall be a regular member of NASSA and

shall not be associated with interests adverse to the NASSA, including, but not limited to, actions in an official capacity involving the formation or operation of a competing Registry.

Section 4. Term. The term of office for Board members shall be three (3) years. A Board member may be re-elected without limitation on the number of terms she/he may serve.

Section 5. Section 5. Nomination and Election. Candidates for Director positions may be nominated by the Board, or a nominating committee, or by any member in good standing. Directors shall be elected by regular members of record for such terms as shall best facilitate staggered three-year terms of office. All terms shall expire after the number of years for which the Director was elected or upon election of his or her successor, if later. Board nominations shall be submitted to the nominating committee chair or designated person no later than August 1. In the event that nominations are fewer than, or equal in number to, the number of open positions, the Board may vote to forego the election and appoint the nominees to the open positions. Nominations will be published in the Fall issue of the NASSA News. Voting shall be by such procedures as the Board deems appropriate and necessary, not limited to paper ballots. Results will be announced in the Winter issue of the NASSA News, with notification given to nominees by December 15.

Section 6. Termination. The term of office of a Director may be terminated prior to its expiration in any of the following ways; (i) voluntary by a Director upon notice to the Association; (ii) automatically when membership is terminated; (iii) by action at a meeting of members whenever, in their opinion, the best interest of the Association would thereby be served; and (iv) for cause by the Board after a fair hearing.

Section 7. Vacancies. Vacancies on the Board of Directors and newly created Board positions may be filled by a majority vote of the number of Board members then on the Board of Directors. Due consideration for filling the vacancy should be given to the non-elected Board candidate for the current year with the highest number of votes and to geographic balance as well as other factors that the Board may consider relevant. This person will serve for the remainder of the calendar year.

Section 8. Quorum and Voting. A quorum at a Board meeting shall be a majority of the number of all Directors in office immediately before the meeting begins. If a quorum is present, action is taken by the affirmative vote of a majority of Directors present. Where the law requires the affirmative vote of a majority of the Directors in office to amend the Articles of Incorporation, to sell assets not in the regular course of business, to merge, or to dissolve, such action is to be taken by that majority as required by law. Meetings shall be conducted in accordance with Robert's Rules of Order.

Section 9. Annual Meetings. Meetings of the Board may be called by the President or by the Secretary, upon request of any two Directors. The Board shall meet as often as necessary for the effective conduct of the affairs of the Association, but no less frequently than once each fiscal year, within sixty (60) days after the election of the Board. Written notice of the meeting shall be provided not less than ten (10) days before and oral notice of not less than three (3) days before the date of the meeting.

Section 10. Special Meetings. Special meetings of the Board shall be held at the time and place to be determined by the Board. Notice of special meetings of the Board describing the date, time,

place, and purpose of the meeting, shall be communicated to each Director not less than two (2) days prior to the special meeting.

Section 11. Meetings by Telecommunication. Any regular or special meeting of the Board of Directors may be held by telephone or telecommunications, as long as all Directors can hear each other.

Section 12. No Salary. Directors shall not receive any salaries for their Board services, but may be reimbursed for expenses related to Board services. Directors may serve the Association in another capacity and receive compensation.

Section 13. Action by Consent. Any action required by law to be taken at a meeting of the Board, or any action which may be taken at a Board meeting, may be taken without a meeting if a consent in writing, setting forth the action to be taken or so taken, shall be signed by all of the Directors.

Section 14. Standards of Conduct. Directors shall be responsible for discharging their duties in good faith, in a manner that they believe to be in the best interests of NASSA, and with the care that a prudent person would use under similar circumstances.

Section 15. Conflict of Interest. Directors shall be under obligation to disclose their actual or potential conflicts of interest in any matter under consideration by the Board. Directors having such conflicts shall absent themselves from discussion and decision of the matter unless otherwise determined by the Board.

Section 16. Referendum. At the request of four or more Directors, a matter before, or a decision of, the Board shall be referred to a meeting of members.

Section 17. Minutes and Yearly Financial Statements. Copies of the minutes of all Board meetings shall be provided to the Newsletter Editor for inclusion in the *NASSA News* following the meeting. An annual fiscal statement shall be included.

Section 18. Indemnification. An individual who serves as a Director of the Corporation shall not be liable to the Corporation or its shareholders for monetary damages for conduct as a Director except for any breach of the Director's duty of loyalty to the Corporation or its shareholders; acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; any unlawful distribution voted for or asserted to by the Director under the Oregon Business Corporation Act if the Director failed to comply with the applicable standards of conduct described in said Act; or any transaction from which the Director derived an improper personal benefit. No amendment or repeal of this Article or amendment of the Articles of Incorporation shall operate to terminate or reduce the protection from liability created by this article with respect to conduct by a Director occurring prior to the date of such amendment or repeal. No change in the applicable law shall operate to terminate or reduce the protection from liability created by this Article with respect to conduct by a Director occurring prior to the date of such change unless the change specifically requires such termination or reduction.

ARTICLE VI: COMMITTEES

Section 1. Executive Committee. The Board of Directors may elect an Executive Committee. The Executive Committee may have the power to make ongoing decisions between Board meetings and may have the power to make financial and budgetary decisions.

Section 2. Other Committees. The Board of Directors may establish such other committees as it deems necessary and desirable. Such committees may exercise functions of the Board of Directors or may be advisory committees.

Section 3. Composition of Committees Exercising Board functions. Any committee that exercises any function of the Board of Directors shall be composed of two or more Board members, elected by the Board of Directors by an affirmative vote of the Board members in office at that time.

Section 4. Quorum and Action. A quorum at a Committee meeting exercising board functions shall be a majority of all Committee members in office immediately before the meeting begins. If a quorum is present, action is taken by an affirmative vote of a majority of Directors present.

Section 5. Limitations on the Powers of Committees. No committee may authorize payment of a dividend or any part of the income or profit of the Corporation to its Directors or officers; may approve dissolution, merger, or the sale, pledge, or transfer of all or substantially all of the Corporation's assets; may elect, appoint, or remove Directors or fill vacancies on the board or on any of its committees; nor may adopt, amend, or repeal the Articles, Bylaws, or any resolution by the Board of Directors.

ARTICLE VII: OFFICERS

Section 1. Titles. The elected officers of NASSA shall consist of President, Vice President, Secretary, and Treasurer. Alternately, the Board may combine the positions of Secretary and Treasurer into a single appointed position, which may be held by a non-Board member, to facilitate and improve the operation and administration of the affairs of the Board and NASSA. When combined, the Secretary/Treasurer position will be referred to as the Executive Secretary. The Executive Secretary will be a member of the Executive Committee and serve at the pleasure of the Board and may receive compensation fixed by the Board. The Secretary/Treasurer will have the powers and duties assigned to those offices as described under Section 3. The Board of Directors may designate other offices or assistant officers. Except for a combined Secretary/Treasurer only one office may be held by the same person.

Section 2. Election, Term and Removal. Officers shall be elected annually by the Board of Directors from among its number. Terms of office shall be one year or until their successors are elected. Officers may be removed and replaced at any time by the Board whenever in its opinion the best interests of the Association would be served. The officers of this Corporation shall be appointed and hold their respective offices until the next succeeding annual meeting of the Directors of the Corporation and thereafter until their successors shall have been elected and shall have qualified, unless sooner replaced. Any officer may be removed at any time by the Board of Directors with or without reason that the Board may deem sufficient, the Board may delegate for the time being the powers, duties, or any of them, of any such officer to any other officer or to any Director.

Section 3. Powers and Duties. Officers shall have the following powers and duties, as may be determined by the Board:

(a) President: The President, when present, shall preside at all meetings of the members and shall preside at all meetings of the Board of Directors. The President shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall execute all contracts or instruments requiring the signature of the Corporation and shall have the general

powers and duties usually vested in the office of the President of a Corporation and shall have such other powers and duties as the Board of Directors may from time to time prescribe.

(b) Incapacity of President: In case of the death, disqualification, absence or incapacity of the President, the Vice President shall have all of the powers and perform all of the duties of the President, and at such other times shall have such powers and perform such duties of the President as the Board of Directors may from time to time determine.

(c) Vice President: The Vice President shall perform the duties of the President in his or her absence, and shall, as requested, assist other officers in the performance of their duties. The incoming Vice President shall review the minutes of the previous year's Board meetings and record any items that could be considered amendments to the Bylaws or resolutions. These items are to be summarized, in writing, for a report to the membership in the *NASSA News*.

(d) Secretary: The Secretary shall attend the meetings of the Board of Directors and of the members and record all votes and minutes of all proceedings of the Board of Directors and of the members in a book to be kept for that purpose. In addition, the Secretary shall perform the duties of corresponding secretary as designated by the Board. The Secretary shall give or cause to be given notice of all meetings of the Board of Directors and of the members and shall perform such other duties as may from time to time be prescribed by the board of Directors, under whose supervision the Secretary shall serve. The Secretary shall have the general responsibility of preparing and filing reports or official statements required of the company or official statements required to be filed by the Corporation.

(e) Treasurer: The Treasurer shall have the care and custody of the corporate funds and securities and shall disburse the funds of the Corporation as may be ordered from time to time by the Board of Directors. The Treasurer shall supervise the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all monies and other valuable effects and all securities of the Corporation in the name and to the credit of the Corporation in such depositories as may be designated from time to time by the Board of Directors. Except to the extent that some other person or persons may be specially authorized by the Board of Directors to do so, the Treasurer shall make, execute and endorse all checks and other commercial paper on behalf of the Corporation. The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors or the President. The Treasurer shall report, or cause to be reported, the financial condition of the Corporation at the annual meeting of the members in each year and at all other times when requested by the Board of Directors and shall perform such other duties as may be prescribed by the Board of Directors. A financial report shall be mailed to each member of the Board prior to each Board meeting or one each quarter if no Board meeting is scheduled for that quarter. The report shall include the previous balance, list of expenditures, the current balance. This quarterly report will be submitted for publication in the *NASSA News*.

ARTICLE VIII: CORPORATE INDEMNITY OF OFFICERS AND DIRECTORS

This Corporation will indemnify its officers, Directors, and contracted employees to the fullest extent allowed by Oregon law.

ARTICLE IX: AMENDMENTS TO BYLAWS

These Bylaws may be amended or repealed, and new Bylaws adopted, by the Board of Directors by an affirmative vote of all Directors present, if a quorum is present. Prior to the adoption of the

amendment, each Board member shall be given at least two days' notice of the date, time, and place of the meeting at which the proposed amendment is to be considered, and the notice shall state that one of the purposes of the meeting is to consider a proposed amendment to the Bylaws and shall contain a copy of the proposed amendment.