

# **BYLAWS OF THE OREGON SEED ASSOCIATION**

## **ARTICLE I**

### **NAME**

This Association shall be known as the Oregon Seed Association (OSA). These Bylaws establish the mission, goals, and rules under which the OSA shall operate.

## **ARTICLE II**

### **PURPOSES**

To serve the interest of agricultural development within the seed trade within the State of Oregon; to cooperate with educational and regulatory authorities and other interested agencies in the development of a sound and effective seed program; to facilitate business and personal relationships among members of this Association; and to promote the legitimate interests of seed trade within the State.

To develop, encourage, and promote among its members a firmer business unity, which will improve and perfect a standard of business integrity and ethics in transactions between the members, between members and their customers, and with the general public.

To promote purity of stocks, honesty of representation, respect for contract obligations between members and between members and others, non-interference with contract obligations between members, or between members and non-members, and promptness in carrying out obligations assumed.

To encourage that in all sales and contracts of sales and advertisements, the members of the Association shall practice entire good faith, shall give full and truthful representations of the quality and description of seeds sold or offered for sale, and in trade relations shall studiously avoid the use of terms or expressions that are false or misleading.

To gather and disseminate information; to make factual surveys and investigations; to prepare and publish to its membership bulletins and digests which will increase the efficiency of the operation of its members and increase the knowledge of its members as to their respective rights and privileges.

To enter into, make, perform, and carry out contracts of every kind for any lawful purpose, without limit, pro-rata, with a municipality, county, state, territory, government, or other municipal or governmental subdivision; to carry on authorized activities as principal, agent, partner, or any other lawful capacities; to have and exercise all of the powers conferred by the Oregon Non-profit Corporations Statute upon non-profit corporations, as such law is now in effect or may at any time hereafter be amended.

Notwithstanding any of the above statements of purposes and powers, this Association shall not engage in any activities which in themselves are not in furtherance of the purposes set out in all paragraphs of this Article II and nothing contained in the foregoing statement of purposes shall be construed to authorize this Association to carry on any activity for the profit of its members, or to distribute any gains, profits, or dividends to any of its members as such, except upon dissolution or winding up. Notwithstanding any of the above statements of purposes and powers, this Association shall not engage in any business or enterprise for profit.

## **ARTICLE III**

### **MEMBERSHIP**

#### **Section 1: Eligibility**

Any person, firm, or corporation actively engaged in any business related to the purpose of this entity, maintaining high standards of business ethics, and agreeing to support and comply with the Bylaws of this Association, may become a member. Membership shall consist of four (4) classes: Active Member, Associate Member, Affiliate Member, and Honorary Member. All applications for membership must be in writing or typed upon the form prescribed by the Board of Directors and must be accompanied by one year's membership dues.

#### **Section 2: Active Members**

Individuals, firms, or corporations regularly engaged in the wholesale, interstate, and/or international distribution of seeds for planting, excepting retailers selling seed exclusively in packets, are eligible for Active membership in the Association. To qualify for and remain an Active Member of the Association each Active Member must have a current valid wholesale seed dealer license issued by the appropriate authority as is required in the jurisdiction or jurisdictions in which they trade; and which allows them to engage in the wholesale, interstate or international distribution of seed. All Active Members must provide proof of such seed dealer license upon the request of any officer of the association, and the sufficiency of such license for Active membership is at the absolute discretion of the Board of Directors. Only Active Members, paying the proper amount of dues, are eligible to serve as Directors or Officers of the Association.

#### **Section 3: Associate Members**

Individuals, firms, or corporations in any way engaged or connected with the seed industry or its allied branches, excepting those qualifying for Active or Affiliate membership, are eligible for Associate membership in the Association.

#### **Section 4: Affiliate Members**

Individuals, firms, or corporations who do not maintain an established place of business in the State of Oregon and are engaged in the distribution of seeds for planting, with the exception of retailers selling seed exclusively in packets.

## **Section 5: Honorary Members**

Individuals recommended by the President, approved by the Board of Directors, and presented to the membership at the annual meeting. Honorary Members shall be exempt from annual dues and registrations at Workshops and Conventions of the Association after such member is retired from the industry. The number of recommendations by the OSA for an Honorary membership shall be limited to one each year.

## **Section 6: Membership Elections**

Active, Associate, or Affiliate applicants may be elected to membership at any meeting of the members of the Association after having been recommended by the Board of Directors. The election to membership shall be only upon the affirmative vote of at least two-thirds of the members entitled to vote who are present at such meeting. Voting shall be by voice vote, unless one member entitled to vote shall request a vote by ballot, in which event such vote shall be by ballot.

## **Section 7: Representatives of Firm or Corporate Members**

A partnership or corporate member shall designate one of its employees, partners, directors, or officers as its representative to attend meetings of the members or Directors, and said partnership or corporate member shall thereby be deemed to be present in person at any such meeting. Such representative shall be entitled to cast the vote of the member represented and including the giving of consents and waiving of notice, to take any other action on behalf of such member, with the same effect as if done by such member.

# **ARTICLE IV**

## **TERMINATION OF MEMBERSHIP**

### **Section 1: Suspension, Expulsion, and Termination of a member's interest**

Any member of the Association may be suspended or expelled from membership for conduct in violation of the Articles and Bylaws of the Association in the following manner:

Any Director, Officer, or member will specifically and fully state wherein a member is alleged to have violated the Articles or the Bylaws of the Association. The Executive Director shall transmit to each member of the Executive Committee of the Association a copy of said charges.

The Executive Committee shall as expeditiously as possible investigate said charges. The Executive Committee, upon the completion of its investigations of said charges, shall enter a recommendation to the Board. The Board shall dispose of such charges either by dismissing them or, if by majority vote of the Board, it finds the charges proved, suspend from membership, the member so charged for a certain time, but not exceeding one year, or expel said member from membership in the Association.

A member shall be expelled, suspended, or their membership terminated by the corporation only in accordance with the following procedure:

a) The member is given not less than fifteen (15) days prior written notice by first class or certified mail to last address of member shown in the corporation's records of the expulsion, suspension, or termination and the reasons for the expulsion, termination, or suspension. Such notice to be provided by the Executive Director after the Board meeting provided for above, and;

b) At the time of delivery of notice to the member, the Board of Directors shall call a special meeting to take place not less than five (5) days before the effective date of the suspension, expulsion, or termination of the member, to consider any oral or written defense presented by the member in rebuttal of the reasons set out for the expulsion, termination, or suspension. The Directors shall, at this specially convened meeting, consider the oral or written defense presented by the member, and shall decide at that meeting by majority vote whether to expel, suspend, or terminate the member's membership. The decisions of the majority of the Directors at this meeting shall be final.

## **Section 2: Non-payment of Dues**

The membership of any member whose dues have not been paid within 90 days from the date the same are due shall terminate. Members who have been terminated for non-payment of dues may be formally reinstated by a majority vote of the Board of Directors.

## **Section 3: Voluntary Termination**

Any member may terminate his membership voluntarily by filing a written resignation as a member of this Association with the Secretary-Treasurer or Executive Director of this Association.

## **Section 4: Termination of Rights**

All rights of a member of this Association shall cease upon the termination of his membership from whatever cause.

# **ARTICLE V**

## **DUES**

### **Section 1: Active, Associate, and Affiliate Members**

Members shall pay annual dues as set by the Board of Directors for each membership class.

### **Section 2: Due Date**

All dues shall be invoiced on July 1 of each year.

### **Section 3: Emergency**

In case of an emergency, the Board of Directors, by unanimous vote of the full Board, shall have the power to adjust annual dues or to levy special assessments, which may be different from the dues above specified.

### **Section 4: Special Assessments**

Any group of members of the Association by a two-thirds (2/3) vote may assess itself for its own purposes and benefit. Such assessment shall be separately accounted for in the general fund of the Association. The assessment shall be subject, in all cases, to the approval of the Board of Directors.

## **ARTICLE VI**

### **OFFICERS AND DIRECTORS**

#### **Section 1: Board of Directors**

The Board of Directors shall consist of ten (10) members. A quorum of the Active Members at their regular Annual Meeting shall elect the Board of Directors. A majority of the votes cast shall constitute a choice. Directors will be elected for three years, with two being replaced or re-elected each year. Directors must be Active Members or a representative thereof.

Any vacancy on the Board of Directors shall be filled promptly by the Board, a majority of the remaining Directors being necessary for election. Any Director appointed to fill a vacancy shall serve for the balance of the term of the Director whose position he is filling. A sole remaining Director shall have the authority to appoint Directors to fill vacancies. In the event no Director holds office, a Director or Directors shall be appointed in accord with the provisions of the Articles of Incorporation. The Board of Directors may elect to continue an individual Director for consecutive three-year terms. Directors shall receive no compensation for their services.

#### **Section 2: Number of Directors**

The number of Directors constituting said Board might be increased or decreased at any time by an amendment to the Bylaws of the corporation. A majority of the Directors then holding office shall constitute a quorum for the transaction of business.

#### **Section 3: Officers**

The Officers of the Association shall consist of a President, Vice-President, Secretary-Treasurer, and Executive Director and these shall constitute the Executive Committee. Provided, however, that an Executive Director shall not be elected for any year with respect to which the Board of Directors by resolution signifies that the office shall not be filled. The Officers except the Executive Director must be Active Members of the Association. The following Officers shall

be chosen from the Board of Directors: the President, Vice-President, and Secretary-Treasurer.

#### **Section 4: Vacancy**

The Board of Directors shall appoint the Officers by majority vote at the Annual Meeting. In the event of resignation, death, or removal from the office of President, the Vice-President shall assume the office and title of President. In the event of a vacancy in the office of the Vice-President, the Secretary-Treasurer will move up to this position. Any vacancy occurring in the office of Secretary-Treasurer or the Board of Directors may be filled by a majority vote of the remaining members of the Board of Directors.

Each Officer shall hold office for one year. The Executive Director, if any, shall hold office at the pleasure of the Board of Directors. Officers and Directors shall be elected by ballot.

## **ARTICLE VII**

### **DUTIES**

#### **Section 1: Meetings**

It shall be the duty of the President or in his absence, the Vice-President, or in the absence of both, the Secretary-Treasurer, to preside at all Association member and Directors' meetings.

#### **Section 2: President**

On the authority of the Board as set out in Article VIII, the President shall appoint all regular and special committees and shall also appoint such committees as shall be provided for by the action of the members at its meetings. The President shall direct the Secretary-Treasurer to have the books of the Association reviewed by a Certified Public Accountant at the close of each fiscal year. The President shall recommend to the Board that a certified audit be considered at least once every three years. When an audit is ordered by the Board, the Secretary-Treasurer shall mail a copy of such certified audit to the Officers and Directors of the Association within thirty (30) days after the receipt of the same.

For the President only, registration and lodging fees for membership meetings, pursuant to Article IX, Section 1, shall be reimbursed by the Association.

#### **Section 3: Vice-President**

The responsibility of the Vice-President (VP) is to assist the President as needed. The VP will assume the duties of the President in his absence and will ascend to the presidency if the President is unable to serve out the term. The VP will ascend to the presidency the year following the elected term of the President, unless opposed by a majority of the Board.

#### **Section 4: Secretary-Treasurer**

It shall be the duty of the Secretary-Treasurer to attend all meetings of the Association and of the Board of Directors; to keep a careful record of their doings; to carry into execution all orders, votes, and resolves not otherwise committed; to keep a list of members; and notify:

- a) Members of their election to membership.
- b) Members of Committees of their appointments.

The Secretary-Treasurer shall also cause the books and records to be audited by a Certified Public Accountant when directed to do so by the President pursuant to Section 2 of this Article.

The Secretary-Treasurer shall collect all dues and assessments, keep an account of all money received and expended for the use of the Association, and shall pay all accounts owing by the Association which fall within the amount budgeted for specific functions or activities. All other sums owing by the Association must be examined and approved by the Board of Directors before payment. The Secretary-Treasurer shall, at the Annual meeting, give a report of the financial status of the Association as of such date. When his term of office expires, the Secretary-Treasurer shall deliver to his successor or, in his absence, to the President, all books, monies, and other property of the Association in his possession. The financial records of the Association shall be kept on a fiscal year beginning with July 1 and ending with June 30 of each year.

The Secretary-Treasurer shall be reimbursed for such costs and expenses as he may incur in connection with the performance of his duties. The Board of Directors shall determine the amount of such reimbursement. If the duties of the Secretary-Treasurer are delegated by the Board of Directors to the Executive Director, the Executive Director shall be entitled to the reimbursement as set out in this subsection.

In the absence of the Secretary-Treasurer, the President shall appoint a Secretary pro tempore.

The Secretary-Treasurer will ascend to the vice-presidency the year following the elected term of the Vice-President, unless opposed by a majority of the Board.

#### **Section 5: Board of Directors**

The Board of Directors shall conduct the affairs of the Association and supervise the day to day running of the Association by the Officers and shall consider and approve or reject such matters as may be referred to it from time to time. The Board of Directors shall govern the policies and work of the Association and its committees through its Officers. The Board shall have complete charge of all finances and property of the Association.

## **Section 6: Executive Director**

The Executive Director, when appointed by the Board of Directors, shall assist the President of the Association in carrying out his duties and the actions of the Board of Directors. He shall attend all meetings of the Association and of the Board of Directors. The duties of the Executive Director shall be summarized in a job description that may be updated from time to time. Some or all of the duties of the Secretary-Treasurer may be delegated to the Executive Director from time to time by majority vote of the Board of Directors, and the Executive Director will carry out such responsibilities subject to the overview of the Secretary-Treasurer, who shall retain primary responsibility for the duties of the office.

The Executive Director shall receive from the Association a salary commensurate with the amount of work involved. In addition, he shall be reimbursed for necessary expenses incurred by the performance of his duties. The Board of Directors shall determine the amount of his salary. The position of Executive Director is a paid position and is not filled by an Association member.

## **ARTICLE VIII**

### **COMMITTEES**

#### **Section 1: Accountability**

All committees are accountable to the Board.

#### **Section 2: Appointments**

The Board of Directors by affirmative vote of the majority shall authorize the President to appoint regular and special committees in accordance with the regulations set out herein. All committees thus appointed are to maintain their entity through the next annual meeting.

The President shall appoint from 2–10 persons to form any regular or special committee to work on any issue required by majority vote of the Board of Directors. At least one member of the committee shall be a Director of the Board and all Directors must be assigned to at least one committee. The Board of Directors shall set the parameters of the responsibility of any committee so appointed. The President shall appoint a committee chair and it shall be the responsibility of the committee chair to report back to the Board of Directors. The Board of Directors shall vote to approve any recommendation of a regular or special committee by majority vote.

#### **Section 3: Committees**

a. The Executive Committee shall be comprised of the President, Vice-President, Secretary-Treasurer, and Executive Director.

b. The Legislative Committee shall be comprised of not less than the Secretary-Treasurer and two Directors.



c. The Public Relations Committee shall be comprised of not less than the Immediate Past-President and the current Vice-President.

d. The Domestic Committee shall be comprised of not less than two Directors.

e. The International Committee shall be comprised of not less than two Directors.

f. The Nomination Committee shall be comprised of the Executive Committee and the Past-President.

g. Other Committees include, but are not limited to, Science and Technology, Scholarship, Resolution, and Associates. Members shall be appointed by the President as described in Section 2 of this article.

## **ARTICLE IX**

### **MEETINGS**

Active Members can participate in all Association meetings. Associate, Affiliate, and Honorary Members may attend open Association meetings, but are not entitled to vote at such meetings.

#### **Section 1: Regular Meetings**

There shall be a meeting of the members of the Association twice per year. The summer meeting shall be the Annual Meeting and the winter meeting shall be known as the Mid-Winter Meeting. Each meeting shall take place at such time and place as the Board of Directors may determine. Each member shall be notified by the Executive Director through regular mail and/or email of the time and place of such meeting at least thirty (30) days in advance of said meeting.

#### **Section 2: Special Meetings**

A special meeting of the members of the Association may be called by the President, at his absolute discretion, on request of at least three members of the Board, on request to the Executive Committee, or on written petition of twenty percent or more of the Active Members. Each member shall be notified by the Executive Director, by regular mail and/or email to the address last communicated to the Secretary-Treasurer as the correct address for that member, of the time and place of such meeting and the purpose for such meeting, with a copy of any resolution to be voted upon, at least ten days in advance.

If requested by the party requiring the special meeting, any resolution to be voted upon pursuant to the request for a special meeting can be voted upon by email, provided that the following procedure is adhered to: the question to be voted upon is provided to the Secretary-Treasurer by the proposing party. The resolution shall then be set out in an email sent by the Secretary-Treasurer to each member at the email address last communicated to the Secretary-Treasurer by that member

as the correct email address for the member, and providing that the recipient respond to the email with a read receipt, a copy of which is held in the association records. The email should require a vote to be taken on the issue in hand by a certain date which is not less than five working days after the email is sent, and require that the vote is returned to the email address from which the email was sent to the members. Up to a one 5-day extension of this 5-day period is permitted if any member submits a request within this first five days to the Secretary-Treasurer to provide materials pertinent to the issue to be voted upon to the membership; and such documentation shall be provided to the Secretary-Treasurer by the requestor and forwarded to the membership at the same email address as the request to vote was sent; by the Secretary-Treasurer, within the first 5-day period. A resolution of the members will pass if it is signed by not less than fifty percent (50%) of the then current Active Members and is included in the minutes filed with the Association's records of meetings. Email signatures (PDF) and electronic signatures shall be considered the same as originals and documents may be signed in counterparts.

### **Section 3: Emergency Meetings**

When regular meetings of the members of the Association are impracticable, due to issues beyond the control of the Board, the Board of Directors is empowered to carry on all regular business of the Association, including the admission of new members and passing of resolutions.

Furthermore, the Board of Directors may require a vote of the members on any issue described in the notice mailed to the members, by mail ballot, provided that any such notice is sent to the members entitled to vote at least 30 days before the vote is required, and each notice provides a stamped addressed ballot form for return to the Executive Director of the Association. Any such mail ballot shall require an affirmative vote of the majority of all members to pass.

### **Section 4: Quorum**

One member more than one half of the voting members shall constitute a quorum at all meetings of the Association. The quorum will be established at the first business meeting of all membership meetings and will apply for the duration of that meeting.

### **Section 5: Voting**

Only Active Members shall be entitled to vote. On matters other than amending or repealing Bylaws, a majority of the Active Members at any meeting of the members of the Association, at which a quorum is present, shall govern. At all Association meetings Active Members may vote by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. Such proxy shall be filed with the Secretary- Treasurer and Executive Director of the Association before the time of the meeting. A proxy shall be valid only for the meeting subsequent to the date of its execution.

## **Section 6: Board of Directors' Meetings**

The Board of Directors shall meet at least twice a year at a date and place determined by the President, and upon the call of the President or of any four (4) Directors. Written notice shall be sent to each Director by the Executive Director at least ten (10) days prior to each meeting of the Board of Directors, excepting those meetings held contemporaneously with any meeting of the members of the Association.

This ten-day notice may be waived for any specific meeting provided each Director agrees to waiver of notice. Written proxies will be honored. The transactions of any meeting of the Board of Directors, however called or whenever held, shall be as valid as though had at a meeting duly held, if each of the Directors not present approves in writing the Minutes of such meeting. All such approvals shall be filed with the records of the Association or made a part of the Minutes of the meeting. Any action required or permitted to be taken by the Board of Directors under any provision of the Oregon Revised Statutes or under these Bylaws may be taken without a meeting, if all members of the Board of Directors shall individually or collectively consent in writing (including all forms of electronic communication) to such action. Such written consent or consents shall be filed with the Minutes of the proceedings of the Board.

A majority of the Directors shall form a quorum for the transaction of business and a majority vote of the Directors present at a meeting where a quorum is formed shall be sufficient to pass any resolution, except as otherwise provided in these Bylaws.

## **ARTICLE X**

### **AMENDMENTS TO BYLAWS**

These Bylaws may be amended or repealed by a vote of two-thirds (2/3) of the members present and voting thereon at any meeting of the Association at which a quorum is present, or by mail ballot as provided in Article IX, Section 3, provided notice of such amendment or repeal shall have been sent by regular mail or email to each member to the address last communicated to the Secretary-Treasurer as the correct address for that member, at least thirty (30) days in advance of said meeting or mail ballot.

The Bylaws may also provide for the number and qualifications of its members, for different classes of membership, the property, voting, and other rights and privileges of each class of membership, and the liability of each or all classes to dues and assessments and the method of collection thereof.

## ARTICLE XI

### ARBITRATION

**Section 1:** The arbitration of all disputes specified in this Article XI shall be conducted in accordance with Commercial Arbitration Rules and Mediation Procedure of the American Arbitration Association, as in effect on June 1, 2009, or as thereafter amended, which said Rules hereby are adopted as the Arbitration Rules for the Oregon Seed Association.

**Section 2:** Any controversial claim arising out of or relating to a contract or breach thereof involving business transactions between members of the Oregon Seed Association shall, unless otherwise specified, be settled by arbitration in accordance with the rules of the American Arbitration Association as provided in Section 1 of this Article. Members of the Oregon Seed Association shall not be required to arbitrate disputes with non-members of the Association by virtue of any provision herein contained except to the extent and in accordance with the provision of Section 3 of this Article.

**Section 3:** Unless otherwise specified, any controversy or claim arising out of or relating to a contract or breach thereof involving business transactions between a member of the Oregon Seed Association and a member of the American Seed Trade Association, a state or regional seed Association of the United States or a seed trade Association of another country, shall be settled by arbitration in accordance with the Rules of the American Arbitration Association as hereinafter prescribed; provided that such seed Association has adopted identical arbitration procedure and has amended its Bylaws to require its members to arbitrate such disputes and to impose disciplinary action against any member failing to arbitrate or abide by the award.

This section shall not be binding on members of the Oregon Seed Association until the American Seed Trade Association and such state or regional seed Association of the United States or seed Association of another country, has given official notice to the Executive Director of the Oregon Seed Association that it has adopted identical arbitration procedures and has duly amended its Bylaws as provided for in this Section.

**Section 4:** Members of the Oregon Seed Association who fail to abide by the procedures prescribed in this Article or who fail to perform an award within ten (10) days from the date of the rendition thereof shall be subject to disciplinary action as provided in Article IV of these bylaws.

For the avoidance of doubt, this provision relates only to the resolution of disputes between members and between members and third parties as set out herein. It is not intended that any dispute between any member and the Association is dealt with in any manner other than is set out in Article IV. Specifically, members have no other rights on suspension or termination than the right of due process set out in Article IV.

## **ARTICLE XII**

### **CORPORATION**

The Board of Directors may adopt the Bylaws of the corporation. The Bylaws shall be recorded in a book which shall be kept in the principal office of the corporation and may contain, among other things, any or all of the provisions enumerated in the Oregon Revised Statutes as being permissible in the Bylaws of a non-profit corporation. The corporation shall be a mutual benefit corporation.

## **ARTICLE XIII**

### **LIABILITIES**

Neither the Members nor Officers nor Directors of this corporation shall be personally liable for the debts, liabilities, or obligations of the corporation. Unless otherwise provided in the Bylaws, the powers of this corporation shall be exercised, its property controlled, and its affairs conducted by its Board of Directors.

## **ARTICLE XIV**

### **CONFLICT OF INTEREST**

#### **Section 1: Definitions**

1. Interested Person. Any Director, principal Officer, or member of a committee with governing Board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

a. An ownership or investment interest in any entity with which the corporation has a transaction or arrangement,

b. A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement, or

c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration, as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 2, paragraph 2 below, a person who has a financial interest may have a conflict of interest only if the appropriate governing Board or committee decides that a conflict of interest exists.

## **Section 2: Procedures**

1. **Duty to Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Directors and members of committees with governing Board delegated powers considering the proposed transaction or arrangement.

2. **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he shall leave the governing Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

3. **Procedures for addressing the Conflict of Interest.**

a. An interested person may make a presentation at the governing Board or committee meeting, but after the presentation, he shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

b. The chairperson of the governing Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the governing Board or committee shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing Board or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. **Violations of the Conflicts of Interest Policy.**

a. If the governing Board or committee has reasonable cause to believe a Member has failed to disclose actual or possible conflicts of interest, it shall inform the Member of the basis for such belief and afford the Member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the Member's response after making further investigation as warranted by the circumstances, the governing Board or committee determines the Member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

### **Section 3: Records of Proceedings**

The minutes of the governing Board and all committees with Board delegated powers shall contain:

a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing Board's or committee's decision as to whether a conflict of interest in fact existed.

b. The names of the persons who are present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

### **Section 4: Compensation**

a. A voting Member of the governing Board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that Member's compensation.

b. A voting Member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that Member's compensation.

c. No voting Member of the governing Board or committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

## **ARTICLE XV**

### **ETHICS STANDARDS**

The OSA requires all members to abide by certain ethical standards in their general business practices. Such standards include full and truthful representation of the quality and description of the seed sold or offered for sale. Any of the actions set out below are considered a breach of full and truthful representation of the quality and description of seed sold or offered for sale resulting in a violation of the ethical standards of the Association. Such breaches of the OSA Ethics Standards, when directed to the attention of the OSA Board of Directors, shall result in suspension or termination of membership in the Association. No member or individual shall be disciplined without due process, which is afforded in the OSA Bylaws.

**Section 1:** Intentionally misrepresenting seed offered for sale in any of the following ways, but not limited to:

- a. Packaging seed of unknown variety in variety branded bags.
- b. Packaging seed of one variety in the branded bags of another variety.
- c. Labeling (tagging) of seed as a variety other than its known variety.
- d. Representing a public variety as a private variety, or vice versa.
- e. Selling seed of one lot on the test of another.
- f. Changing the lot number on seed bags for the purpose of disguising or misrepresenting crop year or cleaning warehouse.
- g. Altering or substituting seed samples prior to testing.
- h. Misrepresenting the origin of seed on analysis tag or bag.
- i. Misrepresenting blend or mixture components as to variety or origin.

**Section 2:** Falsifying documents including, but not limited to:

- a. Altering in any way, state, federal, or commercial tests, tags, or reports.
- b. Altering or counterfeiting any state, federal, or commercial document, test, certificate, tag, or report.
- c. Use of government or certifying agency issued tags on any lot other than for which the tags were originally issued.

**Section 3:** Misuse of others property, including but not limited to:

- a. The use of another's germplasm for variety development, prior to its release as a variety without the knowledge or consent of its owner.
- b. The planting of another's protected variety without the owner's knowledge and permission. This includes the practice of "drill box blending".
- c. The purchase or sale of a company's protected or contracted variety without the owner first having sold that variety into the trade or granting a release for production or sale.