

ACSA BY-LAWS

ARTICLE 1

Name and Domicile

SECTION 1: The name of this Association is and shall be known as the AMERICAN COTTON SHIPPERS ASSOCIATION.

SECTION 2: The domicile of the Association shall be in Memphis, Tennessee.

ARTICLE 2

Three Classes of Members

SECTION 1: There shall be three classes of members in the Association as follows:

Class No. 1 - Shall be known as "Federated Members"

Class No. 2 - Shall be known as "Members"

Class No. 3 - Shall be known as "Honorary Members"

Who May Become Federated Members

SECTION 2: Any Association of cotton shippers in the United States is eligible to Federated Membership in this Association, and shall be declared elected a Federated Member when its application shall have received the approval of not less than two-thirds of the Board of Directors.

Who May Become Members

SECTION 3: Upon the election to Federated Membership in this Association of any Association of cotton shippers, all of its members, in good standing, shall automatically become members of this Association; likewise, any individual, partnership, firm or corporation, upon election to membership in any Association of cotton shippers holding a Federated membership in this Association, shall automatically become a member of this Association; but in no case shall any individual, partnership, firm or corporation become a member of this Association, except in the manner provided above. For provisions regarding suspension, or expulsion or reinstatement, See Article 6, Section 2.

Who May Become Honorary Members

SECTION 4: Upon election by any Federated Association as an "Honorary Member," such member shall automatically become a member of this Association. "Honorary Members" shall be listed in the membership records of this Association. No membership dues will be required. They shall not be entitled to voting privileges nor membership services. Upon return to active status in the cotton business, full membership in the Association will be required.

Evidence of Membership

SECTION 5: Each Federated Member shall own one Federated Membership of record on the books of the Association, and shall hold, as

evidence thereof, a Certificate of Federated Membership, bearing the corporate seal and signature of the Chairman and Secretary of the Association, and every Federated Member, upon acceptance of such Certificate, issued in its name, is thereby obligated to abide by and be subject to the Constitution, By-Laws, Rules and Regulations of this Association whether such pledge has been given otherwise or not.

ARTICLE 3

Certificate of Membership

SECTION 1: The Certificate of Federated Membership shall read as follows:

AMERICAN COTTON SHIPPERS ASSOCIATION

Certificate of Membership No. _____

This is to certify that _____ is a Federated Member of the American Cotton Shippers Association, and holds one Federated Membership therein, which Federated Membership is not transferable, and which entitles all members of said _____, in good standing, to membership in this Association.

Dated at _____ this _____ day of _____, A.D., 19_____.

_____ Chairman

_____ Secretary

Surrender, Cancellation or Transfer of Membership

SECTION 2: Any Federated Member may terminate its Federated Membership in this Association, at any time it may see fit, and upon the surrender of a Certificate of Federated Membership to the Secretary, the owner thereof shall cease to be a Federated Member of this Association, and its members shall automatically forfeit the memberships which they have held in this Association by reason of such Federated Membership, provided, that no Federated Member, who may voluntarily terminate its membership in this Association shall be exempt from paying all dues, fees and assessments which may be due the Association for the current fiscal year, in accordance with the Rules and By-Laws of this Association.

ARTICLE 4

Dues, Fees and Assessments

SECTION 1: On every Federated Membership, the owner thereof, of record on the books of the Association, shall be required to pay annual dues in

advance, and also any other fees and assessments levied against the same, in accordance with the By-Laws, Rules and Regulations.

Non-Payment of Dues and Fees

SECTION 2: Failure to pay any debts due the Association by any Federated Member thereof, for dues, fees or assessments shall subject such Federated Membership to forfeiture.

ARTICLE 5

Annual Meetings of Federated Members

SECTION 1: There shall be an Annual Meeting of the Federated Members held each year, which may or may not coincide with the Annual Meeting of some one of the Federated Members. The city in which such Annual Meeting shall be held shall be decided upon by a vote of the members taken in the preceding Annual Meeting each year, the exact date and time to be determined by the Board of Directors and notice thereof mailed to each Federated Member at least 10 days in advance of same.

Special Meetings

SECTION 2: Special Meetings of the Federated Members may be called by the Chairman at his discretion, and it shall be his duty to call such meetings upon written request from the Chairmen of any four Federated Members. Such special meetings may be called at any point in the United States, which may be selected by the Chairman, but no business shall be transacted at a special meeting, other than that stated in the call as the object thereof.

Attendance and Voting Eligibility at Meetings of Federated Members

SECTION 3: At any meeting of Federated Members, whether it be annual or special meeting, each Federated Member is entitled to five authorized voting delegates to be allocated as follows: The Chairman and Vice Chairman each shall have one vote with the three remaining votes cast by convention delegates or alternates from that Federated region designated by its Chairman no less than 90 days prior to the convention, each of which, when present, shall be entitled to one vote, provided that no Federated Member shall be entitled to more votes at any meeting of Federated Members than it shall have representatives present. Attendance may be limited to active members.

Two-Thirds Majority Necessary

SECTION 4: Any resolution which may be adopted in any meeting of Federated Members must first receive the approval of two-thirds of the representatives of Federated Members present and entitled to a vote, and any resolution, which shall have received such approval, shall be binding on each and every Federated Member of this Association.

Quorum

SECTION 5: The presence of at least ten qualified voting members of this Association, representing at least three Federated Members, shall constitute a quorum for the transaction of business at any meeting of Federated Members.

ARTICLE 6

**Suspension or
Expulsion of
Federated Members**

SECTION 1: Any Federated Member may be suspended or expelled from the Association when, in the opinion of two-thirds of the Board of Directors, just cause for such action can be shown, and when any Federated Member shall have been suspended or expelled, each and every one of its members shall lose his membership in this Association, either temporarily or permanently as the case may be.

SECTION 2: In the event any Federated Member shall suspend or expel a member, it shall certify such suspension or expulsion to the Association, and membership in this Association of such suspended or expelled member shall be automatically suspended or terminated regardless of whether such member may hold a membership in one or more of the other Federated Members. The membership in the Association of such member shall not be reinstated in the Association until such membership has been reinstated in the Federated Members, which have suspended or expelled such member. The Secretary shall notify the membership of the Association and each Federated Member of any such suspension, expulsion, or reinstatement.

In the event that a Federated Member does not act to suspend or expel a member who has voluntarily filed a petition in bankruptcy, foreign or domestic, or who has been involuntarily petitioned into bankruptcy, foreign or domestic, by another party, or who has been recommended for suspension or expulsion or to pay a fine by the Rules, Bylaws & Fair Practices Committee for a violation of the Special Rules, such inaction shall empower the Board of Directors, after investigation, to fine or suspend or expel such member from the American Cotton Shippers Association.

Any Member shall automatically be suspended and/or expelled from the Association who has voluntarily filed a petition in bankruptcy, foreign or domestic, or who has been involuntarily petitioned into bankruptcy, foreign or domestic, by another party, or declares in writing, insolvency or the inability to fulfill its contractual obligations, or under other circumstances should the Board take such action pursuant to the recommendation of the Rules, Bylaws & Fair Practices Committee for the violation of other provisions of the Bylaws, Rules and Regulations, or Special Rules of the Association. In such situations, the President shall immediately inform the Committee for International Cooperation between Cotton Associations (CICCA) of any contract default, insolvency, bankruptcy, and suspension or expulsion.

SECTION 3: After May 1, 1967 no association shall be eligible to become or shall remain a Federated Member of the American Cotton Shippers Association, unless its membership consists primarily of cotton shippers actively engaged in buying and/or selling cotton within the jurisdiction of such Association. Eligibility shall be conclusively determined by an affirmative vote of two-thirds of the Board of Directors of the American Cotton

Shippers Association present and voting.

ARTICLE 7

Chairman- Election of

SECTION 1: The Chairman shall be elected annually by ballot at the Annual Meeting of the Federated Members, and shall immediately, after adjournment thereof, enter upon his duties, and continue in office for one year or until his successor is elected and qualified. In case of vacancy to this office shall occur before the year is out, the remaining members of the Board shall elect from among their number a Chairman to fill the unexpired term, and then the vacancy existing in the Board, by reason of this election, shall be filled by the Federated Member affected. The Chairman shall receive no remuneration for his services.

Other Officers How Elected

SECTION 2: The Board of Directors at their first meeting after their appointment shall elect by ballot the First Vice Chairman, who shall automatically become a member of the Board, provided he is not already a Director, and shall elect by ballot a Second Vice Chairman and a Treasurer who may or may not be a member of this Association.

Nominating Committee

SECTION 3: The nomination for the Office of Second Vice Chairman shall be made by a Nominating Committee composed of the Chairman and all Past Chairmen active in the cotton business.

The Second Vice Chairman shall succeed to the Office of Vice Chairman and then to the Office of Chairman. In the event of a vacancy in the office of either Vice Chairman, the Nominating Committee shall recommend a nominee to the Board of Directors who, in turn, shall approve a successor to fill the existing vacancy.

Board of Directors

SECTION 4: The Board of Directors shall consist of the Chairman of this Association, the immediate Past Chairman, a First Vice Chairman, a Second Vice Chairman, two members from each Federated Association to be elected or appointed by such Federated Members, and up to seven members-at-large to be appointed by the Chairman, with the initial approval of the immediate Past Chairman and the two Vice Chairmen and subsequent approval by the Members of the Retiring Board of Directors. Each Federated Member shall have the privilege of naming two alternates who may serve as Directors at any meeting not attended by the Directors appointed by such Federated Member.

How Elected

SECTION 5: At each annual meeting of the Federated Members, the newly elected Chairman and the retiring Chairman shall first be declared Directors, and then the ranking officer of each Federated Member present shall be called upon to announce the names of the Directors and alternates chosen by his Association for the ensuing year. The committee composed of the officers of this Association, specified in Section 4 above, shall name, at their discretion,

the Directors-at-Large.

Any Federated Member, who may not be represented at such Annual Meeting, shall be requested by telegraph, if necessary, to name the Directors chosen by it to serve for the ensuing year. The newly elected Board shall enter upon its duties immediately after adjournment of the annual meeting, and shall continue in office for one year, or unless the Federated Member which they represent shall name their successors. The service of Board Members shall terminate in the event the Federated Member he represents resigns its membership in this Association.

**Two-Thirds
Majority Vote
Required in
Directors Meetings**

SECTION 6: The Board may authorize Association Officers and Directors or Association Delegates, Directors or Representatives to Domestic or International organizations to negotiate and agree to policy resolutions, however, no authority is vested in the Board to ratify agreements supportive of policy resolutions contrary to Association policy, unless all members of the Board are provided with adequate notice and have a reasonable opportunity to be present or heard at any meeting called to review or ratify such agreements and, in the absence of such a meeting and ratification, the Association shall not be bound by any such agreements.

Before any resolution may be adopted and before any action defining the position or views of this Association on any subject may be decided upon, in any Directors meeting, the approval of two-thirds of the Directors present and voting must be secured and in a mail vote of the Directors, the approval of two-thirds of the entire Board must be secured, provided, that when such resolution shall have been adopted, and when such action defining the position and views of this Association shall have been decided upon, each and every Federated Member shall be bound thereby.

**Secretaries
Privileged to Attend
All Meetings**

SECTION 7: The Secretary of each Federated Member Association shall be privileged to attend any and all meetings of this Association except Executive Sessions of the Board of Directors.

ARTICLE 8

**Duties of the
Chairman**

SECTION 1: The Chairman shall have immediate supervision and direction of the affairs and employees of the Association, subject to the direction and approval of the Board of Directors; he shall call all meetings, both of Federated Members and of the Board of Directors of this Association, and when present shall preside at same. He shall appoint all other committees of this Association not otherwise provided for, and shall be chairman, exofficio, of all committees and shall do and perform all duties, incident to his office. The term of office of all his appointees, unless otherwise specified, shall be for the life of his administration, and shall terminate with the election and installation of his successor.

Duties and Powers

SECTION 2: The Board of Directors shall appoint all Standing Committees;

of the Board of Directors

shall have general and entire management of the affairs of the Association; shall elect an President and employ or contract with those necessary to conduct the business of the Association, and require such service and bonds, and allow such compensation therefore, as may be deemed proper; shall adopt such Rules and Regulations, provide and furnish such buildings or rooms, determine, fix and levy such dues and assessments, and do and perform such other acts, not inconsistent with the Constitution and By-Laws, as in their judgment may be required to best accomplish the purposes of the Association.

Duties and Powers of Vice Chairman

SECTION 3: In case of the absence of the Chairman or of his inability, from any cause, to act, either of the Vice Chairmen, in the order of their seniority in office shall, when present, perform the duties of the Chairman; and in case of the absence of the Chairman and both Vice Chairmen, then the Board of Directors shall appoint one of their number to perform such duties for the time being.

Duties of the Treasurer

SECTION 4: The Treasurer shall receive all funds belonging to or payable to the Association and deposit same in bank in the name of American Cotton Shippers Association. He shall pay by check all bills and accounts against the Association when certified by the President or his/her designate. He shall keep an account of all receipts and disbursements in a book kept for that purpose, which, together with all vouchers and other records, shall be at all times subject to examination of the Board of Directors. He shall cause an audit to be made of the books at the end of each fiscal year and shall render an annual report at each annual meeting. He shall also render a report at each meeting of the Board. He shall be responsible for the proper accounting of all receipts and disbursements, and at the expiration of his term of office, he shall deliver to his successor all funds, books, papers and other property of the Association in his possession.

Duties of the President

SECTION 5: The duties of the President, who may not necessarily be a member of the Association, shall be in all respects, subject to the requirements of the Board of Directors or of the Chairman, and his term of office and compensation shall be determined by the Board.

Duties of the Executive Committee

SECTION 6: The Executive Committee shall be composed of the Chairman, Immediate Past Chairman, and the two Vice Chairmen of the Association. The Committee shall assist the Chairman and staff in daily operations of Association by providing consultation on such matters and in such instar where full contact with the Board of Directors may be impractical. The Execu Committee shall have no authority to change any policy position established the Annual Convention or the Board of Directors.

Duties of Any Two Officers Combined

SECTION 7: The Board of Directors may, at their discretion, combine the duties of any two officers of the Association.

ARTICLE 9

Rules and Regulations Binding

SECTION 1: All Rules and Regulations adopted by the Board of Directors shall be in force and binding upon the Federated Members of the Association, and shall govern all cases, to which they may be applicable, after notice of them has been given.

Unauthorized Debts Not to be Contracted

SECTION 2: No officer or member of the Association or Board of Directors shall contract any debts on behalf of the Association, or in any manner, or to any extent render the corporation liable, for the payment of any sum without the sanction of the Board of Directors, except ordinary current expenses.

Liability of Members and Federated Members

SECTION 3: No member and no Federated Member of the Association shall be liable for the debts of the Corporation.

ARTICLE 10

Directors Meetings

SECTION 1: The Board of Directors shall meet on the date of their selection as such or as soon thereafter as may be practicable, and shall hold not less than three meetings during each fiscal year.

Quorum

SECTION 2: Any number, not less than 50 per centum of the elected and/or appointed Directors or their alternates, shall constitute a quorum, and shall be competent to transact any business of the Association at any meeting of the Board.

ARTICLE 11

Alteration or Suspension of By-Laws

SECTION 1: The By-Laws may be altered, amended, or suspended only by a two-thirds vote of the members present and voting at any meeting of the Board of Directors or by a two-thirds electronic mail vote of all Directors.

ARTICLE 12

Arbitration and Appeal Committees

Members are required to submit all disputes that cannot be resolved amicably to arbitration as follows:

Section 1. In trade disputes between Members of this Association, that cannot be resolved amicably, where no arbitration forum is available in the Affiliated Association with jurisdiction over the disputed trade, when the parties agree to arbitrate or the contract specifies ACSA arbitration, when the contract does not specify arbitration or when there is no written contract, but evidence of a contract, the parties are required to arbitrate the disputed matter; and should either party fail to submit a brief on their behalf, the Arbitration Committee shall proceed with the arbitration "ex parte" and the decision of the Arbitration Committee shall be binding on both parties to the controversy, subject to the right of appeal and the decision of the Appeal Committee shall be final.

If the party requesting arbitration is a member in one of the various membership categories (Merchant, Non-Merchant Handler, Primary

Marketing, or Mill Service Agent) of a Federated Association, it must be in good standing and current in the payment of all dues and fees.

Section 2. In trade disputes between a member and a non- member in which the contract fails to include trade rules or specify a means to resolve disputes the non-member is afforded the right to submit disputes arising out of such transactions to ACSA arbitration and the member is deemed to consent to such request. In such cases, the Arbitration Committee shall apply the rules and/or the customs and uses of the trade in use for such transactions. Should the member fail to submit a brief on his or her behalf, the Arbitration Committee shall proceed with the arbitration “ex parte” and the decision of the Arbitration Committee shall be binding on both parties to the controversy, subject to the right of appeal and the decision of the Appeal Committee shall be final.

Section 3. The President shall in domestic contract disputes appoint an Arbitration Committee composed of three persons familiar with the trading rules and the customs and practices of the trade of the region where the dispute is centered, and in export contract disputes appoint an Arbitration Committee familiar with international trade rules and the customs and uses of the export trade. An Appeals Committee composed of two persons shall be appointed in the same manner should an appeal be requested.

ARTICLE 13

Dissolution of Association

Upon the time of dissolution of the corporation, assets shall be distributed by the Board of Directors, after paying or making provisions for the payment of all debts, obligations, liabilities, costs and expenses of the corporation, for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.”

ARTICLE 14

Electronic Meetings

Any meeting or vote held pursuant to or under the auspices of the by-laws, rules, and/or regulations of the American Cotton Shippers Association may be held by electronic means, including but not limited to video conference, telephonic conference, email, or other electronic means. Participation by electronic means shall constitute being present at the meeting. Any notice required by-laws, rules, and/or regulations of the American Cotton Shippers Association may be given electronically, including but not limited to email notice, text notice, telephone notice, and/or other electronic means. This by-

law shall be effective when adopted, shall be effective to validate the meeting or vote (and notice thereof) held to adapt this by-law, and shall be retroactively effective.

RULES AND REGULATIONS

Per Bale Fees

RULE A: Dues and per bale fees to be collected for the account of the Association shall be fixed by the Board of Directors at its first meeting following the Annual Meeting and, unless otherwise specified, any change shall be effective on the first day of August thereafter; provided, however, that the Board may subsequently modify such dues and fees to be effective at any date specified in its resolution.

Membership Dues

RULE B: The members of the Association shall pay the annual dues of \$300 and any bale fees due to the association directly to the offices of the Association located in Memphis, Tennessee. If a Federated Association levies dues and/or bale fees on its members, any amounts due shall be paid directly to that Federated Association. A Federated Association shall have the option of having any dues and/or bale fees owed by its members collected by the Association. The Association shall remit any monies due a Federated Association in a timely manner. It shall be understood that no member firm will pay annual dues for the account of the American Cotton Shippers Association for more than one office.

Fiscal Year

RULE C: The fiscal year of this Association shall be from January 1st to the last day of December and any Federated Member of this Association who shall cancel its Federated Membership after January 1st of any year shall pay all fees in accordance with the provisions of Rule A up to and including the last day of December following.

Penalty for Failure to Pay Indebtedness

RULE D: To every Federated Member becoming indebted to the Association for any amount, due notice thereof shall be mailed by the Secretary, and, if at the expiration of thirty days thereafter, the amount remains unpaid, another notice, together with a copy of this rule, shall be mailed to such Federated Member and, if at the expiration of ten days there from, the said indebtedness, and any other subsequently accrued shall not have been fully paid, then the name of such Federated Member shall be placed on the list of delinquents, and its membership shall be suspended, subject to the action of the Board of Directors.

Coordinated Collection By Federated Members

RULE E: To facilitate the coordinated collection of the dues and fees of the Association and its Federated Members, the Chairman may, subject to the action of the Board, agree with each Federated Member as to the dates upon which the dues and fees of this Association shall be collected and remitted by the Federated Member to the Association.