

ACSA BY-LAWS

ARTICLE 1 – THE ASSOCIATION

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 – MEMBERSHIP

Three Classes of Members

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

Class 1 - Shall be known as "Federated Members"

Class 2 - Shall be known as "Delegate Members"

Class 3 - Shall be known as "Honorary Members"

Federated Members

Section 2.

(A) Federated Membership. Any association that consists primarily of cotton shippers actively engaged in the buying or selling of cotton in the United States is eligible for Federated Membership in the Association, and shall become a Federated Member when its application shall have received the approval of not less than two-thirds of the Board of Directors.

(B) Surrender, Cancellation, or Transfer of Membership. A Federated Member may terminate its membership in the Association at any time without cause; provided such termination is communicated in writing to the Board of Directors. A Federated Member that has terminated its membership in the Association shall be liable for all dues, fees and assessments which may be owed the Association in accordance with the Rules and By-Laws of this Association for any fiscal year in which its Federated Membership is still in effect.

(C) Suspension or Expulsion. 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.

Delegate Members

Section 3.

(A) Delegate Membership. An individual, partnership, firm or corporation that is a member in good standing of a Federated Member shall also be deemed a Delegate Member of the Association; no other entity shall be eligible for Delegate Membership in the Association.

(B) Suspension or Expulsion. In the event any Federated Member shall suspend or expel one of its members for just cause, it shall notify the Association of such suspension or expulsion, upon which notification the Delegate Member shall be suspended or terminated regardless of whether such member may otherwise be entitled to membership through one or more of the other Federated Members. Membership in the Association of such Delegate Member shall not be reinstated until his or her membership in the Federated Member that effected their suspension or expulsion has been reinstated. A Delegate Member who has voluntarily filed a petition in bankruptcy, foreign or domestic, or who has been involuntarily petitioned into bankruptcy, foreign or domestic, or declares in writing, insolvency or the inability to fulfill its contractual obligations, or whose suspension or expulsion from the Association has been recommended by the Rules, By-Laws & Fair Practices Committee, but who has not been suspended or expelled by a Federated Member, may be fined, suspended or expelled from the Association at the discretion of the Board of Directors, upon which the President shall immediately inform in writing the Committee for International Cooperation between Cotton Associations (CICCA) of any contract default, insolvency, bankruptcy, and suspension or expulsion. The Secretary shall notify the Federated Members of any suspension, expulsion, or reinstatement.

Honorary Members

Section 4. The Board of Directors may also designate at its discretion as an "Honorary Member" any individual who has (i) received such designation by a Federated Member or (ii) rendered meritorious service to the U.S. cotton industry to warrant recognition. No membership dues will be required. They shall not be entitled to voting privileges nor membership services.

ARTICLE 3 – DUES, FEES, AND ASSESSMENTS

Dues, Fees and Assessments

Section 1. Each Federated Member shall pay all dues, fees and assessments that may be due the Association, in accordance with the By-Laws in advance of the fiscal year for which such amounts are owed.

Non-Payment of Dues and Fees

Section 2. Failure to pay any debt due the Association for more than one (1) year may subject a Federated Member to cancellation of its membership at the discretion of two-thirds of the Board of Directors.

Dues, Fees and Assessments of a Delegate Member, and Non-Payment

Section 3. Each Delegate Member shall pay all annual dues, fees and assessments that may be due the Association, in accordance with the By-Laws, Rules and Regulations within one (1) year of the accrual of such dues, fees, and/or assessments. A failure to pay any debts due to the Association for more than one (1) year shall subject the Delegate Member to suspension from the Association until such debts are satisfied.

ARTICLE 4 – MEETINGS OF THE MEMBERS

Annual Meetings of Federated Members

Section 1. There shall be an Annual Meeting of the Federated Members held each year. The location and date(s) of such Annual Meeting shall be determined by the Chairman subject to the advice of the Board, with fair and reasonable notice provided to each Federated Member.

Special Meetings of Federated Members

Section 2. A Special Meeting of the Federated Members may be called in writing by the Chairman at his or her discretion, though the Chairman shall call such meetings upon written request from of any Federated Member. No business may be conducted at a Special Meeting other than that described by the Chairman in the written notice of such meeting,

Attendance and Voting Eligibility at Meetings of Federated Members

Section 3. At any meeting of the Association, each Federated Member is entitled to no more than five qualified voting representatives as follows: the president of the Federated Member, the vice president of the Federated Member, and three Delegate Members or their alternates designated in writing for that purpose by that Federated Member's president, provided that only qualified voting representatives present at a meeting may cast a vote.

Two-Thirds Majority Necessary for Resolution on Matters of General Policy

Section 4. A resolution on a matter of general policy offered for a vote at a meeting of the Association shall be adopted upon the approval of two-thirds of the qualified voting representatives present; such resolution so adopted shall be binding on each Federated Member of this Association. For purposes of these By-Laws, a resolution on a matter of general policy is any question, proposal, or policy on which, if adopted, the Association may be asked to take, or to refrain from, action that affects, directly or indirectly, the welfare or business of one or more Federated Members.

Quorum

Section 5. The presence of at least ten qualified voting representatives representing at least three Federated Members shall constitute a quorum for the conduct of business at a meeting of the Association.

Secretaries Privileged to Attend All Meetings

Section 6. The Secretary of each Federated Member Association shall be privileged to attend any and all meetings of this Association except as described in Article 7, Section 4.

ARTICLE 5 – OFFICERS AND BOARD OF DIRECTORS

Chairman – Election of

Section 1. The Chairman shall be elected annually at the Annual Meeting of the Federated Members and, upon adjournment thereof, shall serve in office until a successor is elected at the following Annual Meeting. In the event a vacancy to this office shall occur prior to the election of a new Chairman at an Annual Meeting, the remaining Directors on the Board shall elect from

among their number a Chairman to fill the unexpired term; the vacancy created in the Board by reason of this election, shall be filled at its discretion by the Federated Member affected by such vacancy on the Board. The Chairman shall receive no remuneration for his or her services.

Other Officers- Elections of

Section 2. The Board of Directors at their first meeting after their appointment shall elect the First Vice Chairman and the Second Vice Chairman, who if they are not already shall automatically become Directors on the Board. The Board of Directors shall also elect a Treasurer who shall not be a Director. In the event of a vacancy to the First Vice Chairmanship, the Second Vice Chairman shall succeed to the office and fill the unexpired term. In the event of a vacancy to the Second Vice Chairmanship, the Nominating Committee shall as soon as practicable nominate to the Board of Directors a successor who, upon approval by the Board of Directors, shall succeed to the office and fill the unexpired term.

Nominating Committee

Section 3.

(A) Nomination of Second Vice Chairman. The nomination of a Second Vice Chairman shall be made by a Nominating Committee composed of the Chairman and all Past Chairmen who remain Delegate Members or Honorary Members of the Association.

(B) Order of Succession. The Second Vice Chairman shall succeed to the Office of First Vice Chairman and then to the Office of Chairman, unless such promotion is relinquished by the individual of whom such succession is presumed, or unless any such promotion is rejected by a vote of the Board of Directors, in the event of which the resulting vacancy is filled according to the process and order of succession described in this Article.

Board of Directors

Section 4.

(A) Composition. The Board of Directors shall consist of the Chairman of the Association; the immediate Past Chairman; the First Vice Chairman; the Second Vice Chairman; one Delegate Member from each Federated Member appointed by such Federated Members at their respective discretion; and, up to nine Directors-at-Large to be appointed by the Chairman upon the approval of the retiring members of the Executive Committee. The Chairman's selection of Directors-at-Large should be guided by the objective of creating fair representation of the membership and geography of ACSA. Each Federated Member may designate up to one alternate to serve as a Director at any meeting not attended by one of the Directors appointed by such Federated Member.

(B) How Elected. At each Annual Meeting, the newly elected Chairman and the immediate Past Chairman shall first be declared Directors, and then the ranking officer of each Federated Member present shall be called upon to announce the name of the Director and alternate chosen by his or her association for the ensuing year. The Chairman shall then name the list of Directors-at-Large which have been approved by the retiring members of the Executive Committee. Any Federated Member who will not be represented at such Annual Meeting shall submit in advance of the Annual Meeting and in writing to the outgoing Chairman the names of the Director and alternate chosen by it to serve for the ensuing year; provided, in the event an absent Federated Member fails to submit the names of its chosen Director and alternative, then those persons who filled such roles in the previous year shall be presumed to serve in such roles for the ensuing year.

ARTICLE 6 - DUTIES AND POWERS OF THE OFFICERS AND BOARD OF DIRECTORS

Chairman

Section 1. The Chairman shall have immediate supervision and direction of the affairs and employees of the Association, subject to the direction and oversight of the Board of Directors; he shall call all meetings of the Association and of the Board of Directors, and when present shall preside at same. He shall appoint all other committees of this Association not otherwise provided for, and shall be a member ex officio of all committees. The term of office of all his appointees, unless otherwise specified, shall terminate with the election and installation of his successor.

Board of Directors

Section 2. Each Director of the Board shall enter upon his or her duties immediately after adjournment of the Annual Meeting at which they were elected and shall continue in office until the adjournment of the next Annual Meeting or until the Federated Member which they represent shall name their successor, whichever occurs earlier. A Director shall be ineligible to serve upon the withdrawal of the Federated Member he represents from membership in the Association. The Board of Directors shall appoint all Standing Committees; shall oversee the management of the Association; shall elect a President and employ persons or otherwise enter into contracts with persons the Board deems necessary to assist in the conduct of the operations of the Association, and require such service and bonds, and allow such compensation therefore, as the Board deems 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.

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; in case of the absence of the Chairman and both Vice Chairmen, then the Board of Directors shall appoint one of the Directors to perform such duties until such time that the Chairman or, in his continuing absence or inability, either Vice Chairman is present and able.

President

Section 5. The duties of the President, who may not necessarily be a Delegate Member of the Association, shall be in all respects, subject to the requirements of the Board of Directors or of the Chairman, and his or her term of office and compensation shall be determined by the Board. The President shall be responsible for preparing the minutes of all meetings of the Association and of the Board of Directors and authenticating the records of the Association.

Executive Committee

Section 6. The Executive Committee shall be composed of the Chairman, the Immediate Past Chairman, and the two Vice Chairmen of the Association. It shall assist the Chairman and President in general management and oversight of the operations of the Association in such instances where full contact with the Board of Directors may be impractical. The Executive Committee shall have no authority to change any policy established by the Federated Members or by the Board of Directors. A three-fourths majority vote of the members of the Executive Committee shall be required to resolve matters assigned to this committee.

Combining the 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 7 - MEETINGS OF TH BOARD OF DIRECTORS

Meetings

Section 1. The Board of Directors shall meet on the date of their selection or as soon thereafter as may be practicable; provided, no fewer than three meetings may be held during each fiscal year.

Two-Thirds Majority on Matters of General Policy

Section 2. The approval of two-thirds of the Directors present and voting, if the matter is considered in a meeting, or two-thirds of all Directors if the matter is considered by electronic mail referendum, is necessary to take action on any matter of general policy as that term is defined in Article 4, Section 4, of these By-Laws.

Quorum

Section 3. A simple majority of the Directors or their duly designated alternates shall constitute a quorum and shall be competent to transact any business of the Association at any meeting of the Board.

**Secretaries
Privileged to Attend
Meetings**

Section 4. The Secretary of each Federated Member Association shall be privileged to attend any and all meetings of the Board of Directors except when Directors are meeting in Executive Session.

ARTICLE 8 - EFFECTS OF RULES, DEBTS, AND LIABILITIES

**Rules and
Regulations Binding**

Section 1. All Rules and Regulations adopted by the Board of Directors shall be in force and binding on the Federated Members after notice of such adoption has been provided to them in writing.

**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 approval of a majority of the Board of Directors, except for ordinary expenses necessary for the normal operations of the Association.

**Liability of
Members**

Section 3. No Delegate Member nor any Federated Member of the Association shall be liable for the debts of the Association.

ARTICLE 9 – AMENDMENTS TO BY-LAWS

The By-Laws may be amended by a two-thirds vote of the Directors present and voting at any meeting of the Board of Directors or by a two-thirds electronic mail vote of all Directors.

ARTICLE 10 – ARBITRATION AND APPEALS

Delegate Members agree submit all disputes between them that cannot be resolved amicably to arbitration as follows:

Section 1. In trade disputes between Delegate Members of this Association that cannot be resolved amicably, where no arbitration forum is available in the respective Federated Member(s) whose Delegate Members are party to the dispute, when the parties agree to arbitrate or the contract specifies ACSA arbitration, or when the contract does not specify arbitration, or when there is no written contract but there is evidence of a contract, the parties shall 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. Only a party who is a Delegate Member in good standing of this Association may bring a dispute under this Section.

Section 2. In a trade dispute between a Delegate Member and a non-member

arising from a contract between them that fails to include trade rules or specify a means to resolve disputes, the non-member may seek relief through ACSA arbitration, in which case the Delegate Member is deemed to consent to such request, and to which the Arbitration Committee shall apply the rules and/or the customs and uses of the trade in use for such transactions. Should the Delegate 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. In the case of a domestic contract dispute, the President shall appoint an Arbitration Committee composed of three persons familiar with the trade rules and the customs and practices of the trade of the region where the dispute is centered. In the case of an export contract dispute, the President shall appoint an Arbitration Committee composed of three persons familiar with international trade rules and the customs and uses of the export trade. In each case, an Appeals Committee composed of two persons shall be appointed in the same manner should an appeal be requested.

ARTICLE 11 – DISSOLUTION OF ASSOCIATION

Upon the 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)(6) 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 12 – ELECTRONIC MEETINGS AND NOTICES

Any meeting described in these By-Laws and any vote conducted at such meeting may be held by electronic means, including but not limited to video conference, telephonic conference, email, or other electronic means. In the event a meeting is held by electronic means, participation by the specific electronic means utilized for such meeting shall constitute presence for the purpose of achieving a quorum, and any votes cast at such meeting may be cast according to the method or methods determined at the discretion of the Chairman of such meeting. Any notice required by the By-Laws or by the

Rules and Regulations of the Association may be given electronically, including but not limited to email notice, text notice, telephone notice, and/or other electronic means. This Article applies retroactively to any meeting that may have been held by electronic means prior to its adoption.

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 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: Each Delegate Member shall pay annual dues and any bale fees due to the Association directly to the offices of the Association. If a Federated Member levies dues and/or bale fees on its Delegate Members, any amounts due shall be paid directly to that Federated Member. A Federated Member may delegate to the Association the collection of any dues and/or bale fees owed to that Federated Member. The Association shall remit any monies due a Federated Member in a timely manner. No Delegate Member shall pay annual dues for the account of the Association for more than one of that Delegate Member's offices.

Fiscal Year

RULE C: The fiscal year of the Association shall be from January 1 through December 31. A Federated Member that cancels its membership after January 1 shall pay all dues and fees for that year.

Penalty for Failure to Pay Indebtedness

RULE D: To any 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 another ten days 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.