

AMENDED AND RESTATED
BYLAWS
OF
AMERICAN FARMERS & RANCHERS MUTUAL INSURANCE COMPANY

ARTICLE I
PURPOSE

The nature of the business of this Corporation and the objects and purposes for which it is organized are as follows:

To transact the kinds of insurance stated in the Articles of Incorporation and to exercise all powers as reserved and stated in said Articles of Incorporation.

ARTICLE II
MEMBERSHIP

Eligibility for membership in the Corporation shall be as specified in the Articles of Incorporation. Each policyholder shall become a member of this Corporation effective the first day a policy is issued to said person by this Corporation and shall continue to remain a member until all policies of insurance issued by this Corporation to said member shall have expired or been cancelled.

When any person ceases to be a policyholder of this Corporation, all rights of membership in the assets of the Corporation to vote and to participate otherwise in its affairs shall immediately terminate.

Each member present at a meeting of the membership shall be entitled to one (1) vote on all matters coming before membership meetings which can be exercised in person.

Insureds who are public or private associations, boards, or corporations shall be entitled to one membership and one vote for each such insured association, board, or corporation. Where two or more individuals, not members of the same family, are named as insureds in any policy of insurance, each named person must pay dues and become a member of the Oklahoma State Union of the Farmers Education and Cooperative Union of America (State Union).

ARTICLE III
MEETINGS

Section 1- Annual Meeting. The Annual Meeting of policyholders shall be held at a time and place fixed by the Board of Directors, which shall coincide so far as possible with the time

and place of the Annual Convention of the State Union. The Notice of the Annual Meeting, including the day, hour, and place, shall be provided to policyholders by distributing said Notice in the "Farm News & Views," or by other means determined by the Board of Directors not less than seven (7) days nor more than thirty (30) days preceding the meeting.

Section 2 – Special Meetings. A special meeting of the policyholders may be called upon resolution of the Board of Directors or upon petition of at least five thousand (5,000) policyholders filed with the Secretary. Notice of such meeting, including the day, hour, place, and purpose, shall be provided to policyholders by printing said Notice in the "Farm News & Views," or by other means determined by the Board of Directors not less than seven (7) days nor more than thirty (30) days preceding the meeting.

Section 3 – Quorum. A quorum for any regular or special meeting of the policyholders shall consist of at least a simple majority of all the policyholders present and voting.

Section 4 – Meetings – How Composed.

- a) The policyholder meetings shall be composed of its officers, policyholders, and delegates who must be policyholders, elected by and from County and Local Unions of the State Union, who are in attendance. Each County Union shall be entitled to one delegate, and each Local Union shall be entitled to one delegate for every fifty (50) policyholders or fraction thereof, provided however, that a Local Union must have at least fifteen (15) policyholders to be entitled to a delegate and provided further there shall be no dual representation of policyholders by delegates elected by the County and Local Union. That is to say, policyholders of a Local Union shall be represented by delegates elected by the Local Union and not by the delegate elected by the County Union. Delegates elected by the County Unions shall represent all policyholders within the county, except those in a designated Local Union which has elected delegates to represent policyholders. Delegates so elected shall be constituted and appointed as the attorneys, agents, and proxies of the policyholders of the designated Local or County Union to vote as proxy for said policyholders at general policyholder meetings, which he/she is elected to attend, and on such other day or days as the meeting may thereafter

be held by adjournment or otherwise, for and in behalf of said absentee policyholders on all matters disclosed in the Notice of such meeting and/or properly coming before such meeting, and to consent to or waive notice of meetings according to the number of votes which the delegate may be entitled to cast, as directed by action of the policyholders of the Local or County Union in writing before said meeting and certified in the delegate's credentials. If not so directed, the delegate shall vote as he/she feels to be in the best interest of the policyholders; provided this proxy shall be null and void as to any policyholder who attends such meeting in person. No policyholder may be denied open access to vote, or the right to vote at any annual or special meeting of the policyholders.

- b) In order to be seated in a convention, each delegate must be properly certified by the Local or County Union. Credential forms to be used will be supplied by the State Union, and must be signed by the President and Secretary of the Local or County Union.
- c) Voting: In voting, the number of votes to be voted, by each delegate representing the policyholders of a Local Union, shall be equal to the total number of policyholders in the designated Local Union (less the number of such members actually attending the meeting) divided by the number of delegates to which the Local Union is entitled as provided in paragraph (a) above, so that the total number of votes cast by delegates and members present from said Local Union shall not exceed the total number of policyholders in the designated Local Union. The number of votes to be voted, by each delegate representing the policyholders of a County Union, shall be equal to the total number of policyholders in the County Union (less the number of such policyholders who are members of a designated Local Union which has elected delegates to represent policyholders and members actually attending the meeting), so that the total number of votes cast by delegates and members present from said County Union shall not exceed the total number of policyholders in the

County Union. When special rules are not adopted, Robert's Rules of Order will apply.

- d) The right of the Initiative and Referendum, the Recall, and the Imperative Mandate shall not be denied the policyholders.
- e) Five percent (5 %) of the policyholders may petition the President to submit to a referendum vote any measure, or ask the recall of any office, and upon receipt of such petition, he/she shall submit the same to a referendum vote of the policyholders at such time and in such manner as may be directed by the By-Laws.
- f) Whenever a condition arises which shall require a referendum vote of the membership, the manner of conducting such votes shall be as follows:

The form of the referendum ballot shall be prepared by the State Secretary and shall be submitted by him/her to the several local and county secretaries who in turn shall submit such ballots to the policyholders at a regular or special meeting of the Local or County Union. The Local or County Union shall hold the meeting at which the referendum submitted to the policyholders is to be considered and return the referendum ballot not later than sixty (60) days from the date on which the ballots were sent out from the State Office. In voting on referendum, the local or county secretary shall put down the number of votes for each question upon the referendum ballot, and against each question on the referendum ballot and the Secretary and Chairman of the meeting shall forward it by first-class mail to the State Secretary's office. At the first meeting of the Board of Directors, they shall count the vote of the referendum and shall declare the result by publishing it in the "Farm News & Views" or by other means as determined by the Board of Directors.

ARTICLE IV

BOARD OF DIRECTORS

Section 1 – Term. Control of this Corporation shall be vested in a Board of seven (7) Directors. The seven (7) Directors shall be elected for terms of three (3) years or until their successors are chosen and qualified. The Board of Directors shall be divided into three (3) classes. Each class shall consist, as nearly as possible, of three (3) members of the Board of Directors. Except as otherwise provided herein, the term of office of those Directors whose term is expiring as of the 2011 Annual Meeting of the members of the Corporation shall be considered Directors in the first class, the term of office of those Directors whose term expires as of the 2012 Annual Meeting of the members of the Corporation shall be considered Directors in the second class, and the term of office of those Directors whose term expires as of the 2013 Annual Meeting of the members of the Corporation shall be considered Directors in the third class. Except as otherwise provided herein, at each annual election the successor to the class of Directors whose terms have expired in that year shall be elected to hold office for a term of three (3) years. Notwithstanding anything herein to the contrary, the Board of Directors shall at all times be comprised of a majority of Directors who are independent. To be considered independent for purposes of this Article IV, the Director or his/her “Family Member(s)” (defined as a person’s spouse, parent, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person’s home) may not, other than in the capacity as a member of the Board of Directors of the Company or committee of the Board, accept any consulting, advisory or other compensatory fee from the Company, be an affiliated person of the Company or subsidiary thereof since the first day of the year in which the “Director” files for office. A “Director” shall not be an “insurance producer or agent” (defined as a person required to be licensed under the laws of Oklahoma to sell, solicit, or negotiate insurance) for AFRMIC its subsidiaries or affiliates while serving as a Director and shall not have been an “insurance producer or agent” for AFRMIC its subsidiaries or affiliates at any time during the two (2) years prior to the date of his or her election as a Director of the Corporation.

The Board of Directors shall be elected by statewide vote with (a) one independent Director elected from each of the four (4) districts defined in the map below (“District Directors”), and (b) three (3) Directors, who are not required to be independent, elected as At-Large Directors. Each district shall have a minimum of one (1) Director. No district may have

Any action which might be taken at a meeting of the Board of Directors may be taken without a meeting if a record or memorandum thereof is made in writing and is signed by all of the members of the Board.

Section 5 – Officers.

- (a) Officers. The Officers of the Corporation may include a Chief Executive Officer (CEO), a President, a Vice President, a Secretary and a Treasurer. The Treasurer, one or more Assistant Secretaries and one or more Assistant Treasurers may be appointed by the Chief Executive Officer upon the approval of the Board of Directors.
- (b) How Elected. The President, Vice President, and Secretary shall be elected by the policyholders at their Annual Meeting to serve the same term and office of this Corporation as they serve for the State Union. No person shall be eligible to serve and hold such offices who has a conflicting interest in a similar organization as an officer, director, or agent, who would, by reason of other affiliations be in a position to engage in or profit from transactions prohibited by statute, or who is not then lawfully elected to serve in the same office of the State Union.
- (c) Chief Executive Officer (CEO). The CEO shall be appointed by the Board of Directors of the Corporation to serve a term of one (1) year or until his successor is duly appointed. The CEO is not required to be an officer of the State Union. No person shall be eligible to serve and hold the office of CEO who has a conflicting interest in a similar organization as an officer, director, or agent, who would, by reason of other affiliates be in a position to engage in or profit from transactions prohibited by statute. The CEO shall have general and active management, direction, and control of the business and affairs of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. The CEO will also be responsible for other duties as assigned by the Board of Directors.
- (d) President. The President will be responsible for such duties as assigned by the Board of Directors and will have the power and authority to perform the duties and to exercise the powers of the CEO in the absence or the disability of the CEO. The President shall preside at all meetings of the policyholders

and of the Directors. The President shall be an advisor to all standing committees of the Board of Directors.

- (e) Vice President. The Vice President shall have the power and authority to perform the duties and to exercise the powers of the President in the absence or the disability of the President. The Vice President shall have such other duties as are assigned to him from time to time by the Board of Directors.
- (f) Secretary. The Secretary shall attend all sessions of the Board of Directors and all meetings of policyholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose, together with the seal and charter, and he/she alone shall have authority to affix the seal. He/she shall give, or cause to be given, notice of all meetings of the members and/or the Board of Directors; he/she shall attest all deeds and contracts executed by the Corporation and shall have such other duties as may be determined by the Directors.
- (g) Treasurer. The Treasurer shall have general custody of the corporate funds and securities and shall keep, or cause to be kept, full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall cause to be deposited all monies and other valuable effects in the name and credit of the Corporation. He/she shall render to the Directors at regular meetings of the Board, or whenever they may require it, a proper account and statement showing the financial condition of the Corporation, and shall be bonded in an amount and manner determined by the Board of Directors.
- (h) Assistant Secretaries and Assistant Treasurers. Any Assistant Secretaries and Assistant Treasurers that may be appointed shall perform such duties and under such supervision as may be prescribed by the CEO.
- (i) Vacancy. If vacancies occur in both the offices of President and the Vice President, the Board of Directors shall elect a person or persons from among their number to fill such vacancies, and the persons so elected shall serve for the unexpired term. In the event a vacancy occurs in the office of Secretary or the Secretary is unable to serve for any reason, the Board of Directors may elect a person from the membership who may not be a Director, to fill such vacancy and serve the balance of the unexpired term. Any Board Member so

elected to fill an officer vacancy for the unexpired term will not be required to resign from the Board of Directors until the next Annual Meeting.

Section 6 - Removal from Office. The Board of Directors may, by super majority (5) vote of all Directors, remove any Officer, elected or appointed, for incompetency, dishonesty, neglect of duties, or immoral conduct after the Officer accused has had an opportunity to be heard in person or through counsel.

Section 7 - Officers or Board Members filing for any other position within the Corporation must resign their present position, to be effective the day of the election at the State Convention and notify in writing (limited to letter, fax or email) the Secretary no later than one hundred and twenty (120) calendar days before the opening day of the State Convention. The filing period for the position being vacated will begin no earlier than one hundred and twenty (120) calendar days and end no later than ninety (90) calendar days prior to the opening day of the next State Convention. The election shall be for the unexpired term of the position unless the position was scheduled for election at the next State Convention. Notification of the vacant position will be by letter to each County and Local Union and other means as determined by the Board of Directors. Such notification must be mailed, sent, or posted within ten (10) days of the Officer or Board notifying the Secretary.

ARTICLE V

PROMOTIONAL FEE

The Mutual Insurance Company shall pay up to one percent (1%) of its annual premium to the State Union to support programs that furthers the purpose and promotes the Mutual Insurance Company, with the exact amount being set at the discretion of the Board of Directors.

ARTICLE VI

CORPORATE SEAL

The Corporate Seal of this Corporation shall consist of the name of the Corporation in a circle with the word "SEAL" within the circle.

ARTICLE VII

EXECUTION OF CONTRACTS

Except as otherwise required by statute, the Certificate of Incorporation, or these By-Laws, any contracts or other instruments may be executed and delivered in the name and on behalf of the Corporation by such Officer(s) (including any assistant officer) of the Corporation as the Board may from time to time direct. Such authority may be general or confined to specific instances as the Board may determine. Unless authorized by the Board or expressly permitted by these By-Laws, an Officer or agent or employee shall not have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it pecuniarily liable for any purpose or to any amount.

ARTICLE VIII

INDEMNIFICATION

(a) The Corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he/she is or was a Director and Officer of the Corporation, or is or was serving at the request of the Corporation as a director and officer of another corporation or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action, suit or proceeding if he/she acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interest of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he/she reasonably believed to be in or not opposed to the best interest of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was unlawful.

(b) The Corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by, or in the right of, the Corporation to procure a judgment in its favor by reason of the fact that he/she is or was a Director or Officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, or other enterprise against expenses

(including attorneys' fees) actually and reasonably incurred by him/her in connection with the defense or settlement of such action or suit if he/she acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interest of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his/her duty to the Corporation unless and only to the extent that the District Court or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the District Court or such other court shall deem proper.

(c) Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the Director or Officer to repay such amount unless it shall ultimately be determined that he/she is entitled to be indemnified by the Corporation as authorized in this section.

(d) The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a Director or Officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation or other enterprise against any liability asserted against him/her and incurred by him/her in any such capacity, or arising out of his/her status as such, whether or not the Corporation would have the power to indemnify him/her against such liability under the provisions of this section.

(e) Determination of the right to such indemnification and the amount thereof may be made pursuant to procedure set forth from time to time in these By-Laws or by any of the following procedures: (a) order of the court or administrative body or agency having jurisdiction of the action, suit or proceeding; (b) resolution adopted by a majority of a quorum of the Board of Directors of the Corporation without counting in such majority or quorum any Directors who have incurred expenses in connection with such action, suit or proceeding; (c) if there is no quorum of Directors who have not incurred expenses in connection with such action, suit or proceeding, then by resolution adopted by a majority of a committee of members or Directors who have not incurred such expenses, appointed by the Board of Directors; (d) resolution adopted by a majority of a quorum of the members entitled to vote at any meeting. Any such

determination that a payment by way of indemnity should be made shall be binding upon the Corporation.

ARTICLE IX

AMENDMENT TO THE BYLAWS

Amendments to these By-Laws may be proposed by resolution of the Board of Directors or upon petition signed by at least five thousand (5,000) policyholders and filed with the Secretary not less than ninety (90) days precede any special or annual meeting. Which proposals are to be published or included in a mailed notice at least (30) days prior to the meeting Proposed amendments may be adopted, and these By-Laws amended by a two-thirds (2/3) favorable vote of the policyholders voting At a regular or special meeting of the members subject to said notice requirements.

ARTICLE X

FISCAL YEAR

The fiscal year of the Corporation shall begin on January 1st and end on December 31st of each calendar year.

ARTICLE XI

APPROVAL

The foregoing By-Laws, after having been read article by article, were adopted and certified by the policyholders at their first meeting held on the 8th day of February, 1982 of the Oklahoma Farmers Union Mutual Insurance Company renamed as American Farmers & Ranchers Mutual Insurance Company on the 23rd day of March, 2007.

These By-Laws, as amended and restated herein, are the true and complete By-Laws of the Corporation, as amended by the policyholders of the Corporation through February 21, 2014.

Dated this 21st day of February, 2014.

AMERICAN FARMERS & RANCHERS
MUTUAL INSURANCE COMPANY, an
Oklahoma mutual-insurance corporation

By: 

Terry Detrick, President

ATTEST:

AMERICAN FARMERS &
RANCHERS MUTUAL INSURANCE
COMPANY, an Oklahoma mutual
insurance corporation

By: 

Paul Jackson, Secretary