

By - Laws
of the
South Dakota Bankers Association

ARTICLE I

- Section 1. The name of this non-profit Corporation shall be the South Dakota Bankers Association.
- Section 2. The office of the Corporation shall be located at Pierre, South Dakota.

ARTICLE II

Membership

- Section 1. Any institution doing a general banking business in the State of South Dakota or under the Home Owner's Loan Act of 1933 as amended and doing general business in the State of South Dakota, such banking institutions and associations being hereafter collectively referred to as "member" or "bank" or "person" may become an active member of the corporation upon payment of the annual dues provided in Article VIII of these By-Laws. Each such member (which shall include all of that member's branch banks if any), may be represented by one voting delegate at the annual meeting of the corporation.
- Section 2. Any person, firm or corporation engaged in a business closely related to the banking industry or to the South Dakota Bankers Association may become an Associate member of the Corporation upon approval of the Board of Directors and upon payment of the annual dues provided in Article VIII of these By-Laws. Associate members of the corporation shall not be entitled to vote, and shall not be allowed a voting delegate at any meeting of the corporation.
- Section 3. Any person may be expelled from the Corporation upon any two-thirds vote of those voting delegates present at any meeting.

ARTICLE III

Conduct of Meetings

- Section 1. The annual meeting, at convention, of the Corporation shall be held at such time and place as shall be determined by the Board of Directors. Other meetings of the Corporation may be held from time to time at the discretion of the Board of Directors, but only that business as may have been outlined in the call for the meeting shall be transacted at such meeting. Notice of the place, day and hour of special and annual meetings shall be delivered to members multiple times in SDBA publications well in advance of such meetings.
- Section 2. A voting delegate must be an officer or other executive of an active corporation member, whether a parent bank or branch bank, and such voting delegate must be an officer or other executive employed on the premises of the active member which he represents. Each voting delegate shall be entitled to one vote only, being the vote of the member, whether parent bank or branch bank that represents. No voting by proxy shall be allowed.

Section 3. All voting shall be via voice, but any voting delegate may demand a division. If any voting delegate shall demand a vote by ballot, and such demand is concurred in by twenty-five or more voting delegates, such ballot shall be taken. Nomination of officers of the Corporation shall be made from the floor.

Section 4. A quorum for the transaction of business at any membership meeting shall consist of a number of voting delegates representing at last ten percent of the total membership of the Corporation as of the day immediately preceding such meeting.

ARTICLE IV *Officers*

Section 1. Officers of the Corporation shall consist of a Chair, Chair-Elect, Vice-Chair, and Immediate Past Chair, who shall remain as an officer for one year after a successor is elected, and the President. The Chair, Chair-Elect and Vice-Chair shall be elected at the Annual Meeting of the Corporation, and no person shall be eligible for the office of the Chair of the Corporation unless that person shall have been prior to this election an executive officer of a voting member of the Corporation. The Chair-Elect, at the conclusion of their year in office, shall automatically, without having to stand election, assume the office of Chair for the following year. The President shall be chosen by the Board of Directors. If any of the foregoing offices, with the exception of the office of President, shall become vacant for any reason, the Board of Directors shall fill by appointment such office and the individual so appointed shall serve until the next annual meeting of the Corporation.

Section 2. It shall be the duty of the Chair to preside at the meetings of the Corporation and shall be chair of the Board of Directors. The Chair shall appoint the standing committees and any other task forces, user or peer groups, which shall be from time to time designated by the Board of Directors and such other committees from the membership as they may deem necessary, subject to the advice and consent of the Board of Directors. Membership of the foregoing committees shall be filled by individuals who are officers or employees of voting members.

Section 3. It shall be the duty of the Chair-Elect to preside at the meetings of the Corporation and Board of Directors in the Absence of the Chair.

Section 4. It shall be the duty of the Vice-Chair to preside at the meetings of the Corporation and Board of Directors in the absence of the Chair and Chair-Elect.

ARTICLE V Duties of the President

Section 1. The President shall make and have charge of the records of the Corporation, and shall attend to such correspondence as may be necessary. They shall: collect all dues as provided in the By-Laws and keep records of the same; maintain an office for the Corporation at its expense at the direction of the Board of Directors; and furnish a bond in a form and amount as fixed by the Board of Directors at the expense of the Corporation.

- Section 2. The President shall keep informed as to all affairs of the Corporation, and shall devote time and best efforts to promote its objectives and purposes and maintain its membership and extend its influence.
- Section 3. The President shall submit to the Board of Directors yearly a complete audit of the general funds of the Corporation and its for-profit subsidiary. The books and accounts of the aforementioned financial divisions of the Corporation shall be audited annually by a certified public accountant at the close of the fiscal year. The fiscal year of the Corporation shall be from January 1st in any given year through December 31st of the next same year.
- Section 4. The President shall furnish to each member of the Board of Directors a monthly financial report of the expenditures and receipts of the general funds of the Corporation and its for-profit subsidiary.

ARTICLE VI
Board of Directors

- Section 1. The affairs of the corporation shall be administered by a Board of Directors composed as follows:
- (i) One board member shall be elected from each of the four groups, these groups being elsewhere in these By-Laws described;
 - (ii) The Chair, Chair Elect, Vice Chair and Immediate Past Chair of this corporation shall also serve as a Director;
 - (iii) Members elected from four size-driven categories as follows:
 - a) "Large community and regional banks" are defined as those banks with more than \$750,000,000 in deposits as of their Call Report in June of the immediately preceding year;
 - b) "Mid-size community banks" are those banks with deposits greater than \$200,000,000 but not greater than \$750,000,000, as of their Call Report in June of the immediately preceding year;
 - c) "Community banks" are those banks with deposits greater than \$75,000,000 but not greater than \$200,000,000 in deposits as of their Call Report in June of the immediately preceding year.
 - d) "Small community banks" are defined as those banks with deposits of not greater than \$75,000,000 as of their Call Report in June of the immediately preceding year.
 - (iv) The Chair of the Corporation shall appoint one Director to represent maximum dues-paying banks as determined by the Board's dues policy. The maximum dues-paying banks shall select an individual among those banks to serve as Director, submit the name of the individual to the SDBA Chair and the Chair will appoint the individual as Director of the Association.

- (v) Each year, the Chair of the Corporation shall appoint the Past Chair of the Emerging Industry Leaders Work Group to serve a one-year term as Director of the Association.
- (vi) Banks within each of the four size-related categories shall elect one Director from each category. A nominating committee within each category shall be appointed by the Chair of the Association and shall be made up of bankers from within the respective category. The nominating committee for each category shall cause a ballot to be sent to each eligible active member within the respective category. The ballot shall contain one or more names to be considered by the banks within the individual category. Only those banks within the category shall be eligible to vote. The balloting shall be completed no later than May 1st of each year. Directors so elected shall begin their first three-year term of office on May 1, of the year in which they are elected.
- (vii) Each election or appointment as the case may be shall be for a term of three years. Directors may not serve more than two consecutive terms. Directors appointed to unfulfilled terms may not serve more than one additional full term.
- (viii) This By-Law shall become effective February 12, 2020.
- (ix) The President of this corporation shall serve as a member of the Board of Directors, but shall serve without a vote.
- (x) In the event of a tie vote in any election for a seat on the Board of Directors, the Chair shall, in the event that all eligible voting members did not cast a ballot, order that a second election be held. In the event that the second election ends in a tie, the Chair shall facilitate final disposition by means of a single coin-toss. The winner of the toss shall be declared the winner of said election.

In addition to the elected Directors provided for in this Section, the Chair is hereby vested with the authority to appoint no more than two Directors from the membership on an at-large basis. Whether to appoint one, two or no Directors under this authority is vested exclusively with the Chair. The term of office of an appointed Director shall terminate upon the date the Chair who appointed the Director assumes the office of Immediate Past Chair. An appointed Director may not serve more than three consecutive terms.

Section 2. Any eight voting members of the Board of Directors shall constitute a quorum.

Section 3. The Board of Directors shall have control of the business and property of the Corporation, and a quorum may call a special meeting of the membership upon appropriate notice at such times as they deem it necessary.

Section 4. All expenses incurred by the Board of Directors in administering the affairs of the Corporation shall be paid by the annual dues, any other income to include special assessments authorized by the Board of Directors from time to time, and any surplus carried forward from previous years, provided, however, that the Board of Directors shall have no authority to incur or contract on behalf of the Corporation any liabilities

whatever beyond the annual dues in any given fiscal year, and such expenditures shall be only for the purpose designated.

Section 5. Vacancies on the Board of Directors caused by the death or disqualification of any individual shall be filled through appointment by the Chair with the advice and consent of the Board of Directors.

Events Causing Disqualification – Defined

If a member of the Board discontinues employment within the banking industry or relocates outside the boundaries of the state of South Dakota, the member shall be immediately disqualified from service on the board.

A member of the board shall be allowed to serve until the end of the term to which the member was elected or appointed, the occurrence of one of the following events notwithstanding:

- Relocation within the banking industry to a locale outside the boundaries of the current geographic group;
- Relocation within the banking industry to a bank which is not included in the current category;
- Board member's bank grows to a size outside its current category.

Section 6. The Board of Directors shall annually fix the salary of the President and shall provide that person, at the expense of the Corporation, with adequate office facilities, a corporate automobile and necessary office expenses, including secretarial and clerical help.

Section 7. The Board of Directors shall have the power to discharge the President at any regular or special meeting if such dismissal is in the interest of the Corporation.

Section 8. The Board of Directors shall meet three times annually or at the call of the Chair, Chair-Elect, Vice-Chair, Immediate Past Chair, or any eight members of the Board of Directors who file a written request for such a meeting at the office of the Corporation.

ARTICLE VII
Group Associations

Section 1. For better realization of the aims of the Corporation, the members shall be divided into four geographic Groups.

Section 2. The Nominating Committee of each group shall cause a ballot to be sent to each eligible active member within the group. The ballot shall contain one or more names for each group Board vacancy and in addition, the ballot shall provide an opportunity for members to write in a name or names of eligible individuals not placed in nomination by the group Nominating Committee. The balloting shall be completed no later than May 1st of each year. Directors so elected shall begin their first three-year term of office on May 1, of the year in which they are elected.

Section 3. Each of the Association Groups shall encompass the following geographical areas:

- GROUP I. Bon Homme, Clay, Davison, Hanson, Hutchinson, Jerauld, Lake, Lincoln, McCook, Miner, Minnehaha, Moody, Sanborn, Turner, Union and Yankton counties.
- GROUP II. Beadle, Brookings, Brown, Clark, Codington, Day, Deuel, Grant, Hamlin, Kingsbury, Marshall, Roberts and Spink counties.
- GROUP III. Aurora, Bennett, Brule, Buffalo, Charles Mix, Custer, Douglas, Fall River, Gregory, Haakon, Jackson, Jones, Lawrence, Lyman, Meade, Mellette, Oglala Lakota, Pennington, Stanley, Todd and Tripp counties.
- GROUP IV. Butte, Campbell, Corson, Dewey, Edmunds, Faulk, Hand, Harding, Hughes, Hyde, McPherson, Perkins, Potter, Sully, Walworth and Ziebach counties.

ARTICLE VIII

Dues

- Section 1. The annual dues for active members of this corporation shall be based upon a schedule to be from time to time determined by the Board of Directors. The dues schedule shall be based on each bank's in-state deposits as of June 30 of the previous year. The dues schedule shall be kept at the registered office of the Corporation, and the schedule shall be available to all members of the Corporation at any time upon request.
- Section 2. The President shall initiate an ACH transaction upon each of its member banks, or the parent bank only, whichever might be applicable, for the amount of its semi-annual dues on the first day of January and the first day of July, depositing the same in the depository of the Corporation. Methods of payment preferred other than ACH debit may be arranged with the President.
- Section 3. The parent bank may assume payment for all or part of its total dues liability. In the event a branch is billed individually, each arrangement shall in no way affect the provisions of Article II, Section 1.
- Section 4. Associate membership in the Corporation shall be determined and controlled by the Board of Directors. All applicants for membership must be approved and may be rescinded by the Board of Directors. The annual dues for associate membership shall be determined by the Board of Directors. In the event that an associate membership is rescinded, dues shall be refunded on a prorated basis.

ARTICLE IX

Amendment

- Section 1. These By-Laws or the Articles of Incorporation of the Corporation may be altered or amended at any time by a majority vote of the members of the Board of Directors present at any regular or special meeting of the Board.

ARTICLE X

Corporation Policy

Section 1. The Board of Directors of the Corporation may promulgate and adopt from time to time declarations of policy as to contemporary areas of concern of the Corporation, which declarations of policy shall guide and govern the membership of the Corporation and shall be kept at the registered office of the Corporation available to all members of the Corporation.