

CONSTITUTION

ARTICLE I

The name of this Association shall be "GERMANIA FARM MUTUAL INSURANCE ASSOCIATION." It shall consist of a Board of Directors, a Cabinet and one or more Local Chapters. Its territory for operation shall be the State of Texas, with its home office in the city of Brenham, Texas.

ARTICLE II

It shall be the purpose of this Association to provide insurance protection to its members as a Farm Mutual Insurance Company organized under the Texas Insurance Code.

ARTICLE III

Par. 1. Officers: The officers of the Association shall be a President, 1st Vice President, 2nd Vice President, Secretary-Treasurer and such other officers as the Board of Directors from time to time may establish.

Par. 2. Directors: The Board of Directors shall, from time to time, establish the number of Districts, not to exceed nineteen Districts, and shall establish the area and membership for each District as is deemed feasible by the Board of Directors. One or more of these Districts may comprise the entire State of Texas. A District with an area of less than the entire State of Texas shall not overlap another District whose area is less than the entire State of Texas. Each district shall be entitled to one Director known as a District Director. The reduction of the number of districts by the Board of Directors shall not have the effect of shortening the term of an existing Director for such a District; but such Director shall continue to serve on the Board of Directors until the expiration of said Director's term. If the Board of Directors establishes a new District, the Board of Directors shall appoint a Director for such District to serve until an election is held in such District.

Par. 3. Qualifications of Officers: The officers provided for in Par. 1 of Article III above shall be well qualified and thoroughly competent members of good repute and shall fully comply with and satisfy the qualification requirements of a Director as set forth in Par. 4 of this Article III.

Par. 4. Qualifications of Directors: Any member of this Association shall be eligible to serve as a Director of a District provided the member shall fully comply with and satisfy the qualification requirements of a Director as applicable to Farm Mutual Insurance Companies under the Texas Insurance Code, and with the qualification requirements as may be established by the Board of Directors.

Par. 5. Duties and Rights: The members of the Board of Directors shall not be subject to the rules and regulations of any Local Chapter as regards the duty to attend Local Chapter meetings and shall not be compelled to serve on any Local Chapter committee, but otherwise their duties

shall be the same as the duties of the other members of the Association and in addition thereto they shall attend the meetings of the Board of Directors and obey its rules, regulations and orders and discharge such duties as shall be imposed upon them by this Constitution, by the Bylaws, and by the Board of Directors.

Par. 6. Salaries: The members of the Board of Directors shall receive compensation as may from time to time be fixed by the Board of Directors.

ARTICLE IV

The Cabinet

Par. 1. Of What Composed: The Cabinet shall be composed of the President, 1st Vice President, 2nd Vice President, Secretary-Treasurer and such additional officers as the Board of Directors may deem appropriate.

Par. 2. Powers and Duties: The Cabinet shall execute all orders and mandates of the Board of Directors, and shall perform such duties and transact such other business as shall be imposed upon it by this Constitution and by the Bylaws. It shall have power to carry out its own rules and regulations if such are not in conflict with this Constitution and the Bylaws. It shall prescribe its own order of business.

The Cabinet may appoint assistants to the officers, an attorney, and may establish such committees as the Cabinet deems appropriate. The appointment of the Association's attorney shall be confirmed by the Board of Directors.

Par. 3. Meetings: The Cabinet shall be subject to the call of the President or any two members of the Cabinet, and meet whenever the business of the Association shall require it.

Par. 4. Duties of Officers:

President: The President shall be the Chief Executive Officer of the Association. The President shall have the responsibility for the general and active management of the Association and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall preside over the meetings of the Board of Directors and shall call special meetings of the Board of Directors, if necessary. The President shall appoint the members of all non-elected Board committees. The President shall call and preside over the Cabinet meetings, vote on all questions arising before it, and shall sign all orders, certificates and other instruments necessary to carry out the purpose of this Association. The President shall discharge such other duties as may be imposed upon the President by this Constitution, the Bylaws, the Board of Directors or the Cabinet.

1st Vice President and 2nd Vice President: The 1st Vice President shall attend the meetings of the Board of Directors and the Cabinet, and shall in the absence of the President perform the duties of said office.

The 2nd Vice President shall attend the meetings of the Board of Directors and the Cabinet, and shall in the absence of the 1st Vice President, perform the duties of said office.

Secretary-Treasurer: The Secretary-Treasurer shall be the Chief Financial Officer of the Association, and shall keep full and accurate records and books of the financial condition of the Association and of the Association's receipts and disbursements and shall render to the President, the Cabinet, and/or the Board of Directors upon request, an accounting of all the financial transactions taken on behalf of the Association and of the financial condition of the Association. The Secretary-Treasurer shall give, or cause to be given notice of all meetings of the Board of Directors, and shall perform such other duties as may be imposed by this Constitution, the Bylaws, the Board of Directors or the Cabinet. The Secretary-Treasurer shall prepare and keep the minutes of all meetings.

Each Vice President, the Secretary-Treasurer, and any additional officer as may be established by the Board of Directors shall generally assist the President in the management of the Corporation and shall perform the duties and exercise the powers and responsibilities delegated by the President and as may be prescribed by the Board of Directors. The Board of Directors shall fix the compensation of all officers.

In the event of a vacancy in a Cabinet officer position, the Board shall meet as soon as reasonably practical to fill such vacancy for the unexpired term. The Board of Directors at an annual or special meeting called for that purpose, shall by majority vote fill such vacancy. In the event of a vacancy in the office of President, the 1st Vice President shall perform the duties of President until such vacancy has been filled by the Board of Directors.

Residence: Active members of the Cabinet shall reside within Washington County, Texas, unless otherwise approved by the Board of Directors. The Cabinet offices shall be located in the Germania Farm Mutual Insurance Association home office building.

Par. 5. Quorum: A majority of the Cabinet members shall constitute a quorum to transact its business.

Any action required or allowed to be taken at any meeting of the Cabinet may be taken without a meeting, and without prior notice, if such action so taken is adopted by not less than the minimum number of Cabinet officers as would be necessary to vote affirmatively to take such action. Evidence of a Cabinet officer's adoption of such action shall be recorded and may be in the form of written consent, electronic consent, telephonic consent or other means reflecting such consent. Further, a meeting of the Cabinet may be conducted by means of conference telephone or similar communication equipment where all Cabinet officers participating in such meeting can hear each other. Participation in a meeting in this manner shall constitute presence in person at such meeting except where a Cabinet officer participates in such meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE V

The Board of Directors

Par. 1. Of What Composed: The Board of Directors shall be composed of the District Directors and the members of the Cabinet.

Par. 2. Powers and Duties: The powers of the Association shall be exercised by and under the authority of the Board of Directors, and the business and affairs of the Association shall be managed by the Cabinet under the direction of the Board of Directors, except such as are by this Constitution expressly placed under the supervision of other departments. The Board shall have power and authority to hold, manage, control, hypothecate, sell and dispose of all the property, real or personal, belonging to this Association, for the purpose of carrying into effect the purpose of this Association.

It shall have power to make Bylaws, rules and regulations for itself, the Cabinet, for the Local Chapters and the members of the Association and for the enrollment of property, but it shall not curtail or take away the right or privilege given or granted by this Constitution to the Cabinet, the Local Chapters or the members.

It shall receive and act upon all reports made to it by the Cabinet, and the decision of the Board of Directors on all questions shall be final.

The Board of Directors shall have power to try and impeach, suspend, expel or remove any Cabinet officer or Director by a two-thirds majority vote of all Directors.

Par. 3. Meetings: The annual meeting of the Board of Directors shall be held on the first Wednesday in July of each year coming after the 15th of said month; and shall remain in session until adjourned. A special meeting may be called by the President or upon the written request of a majority of the Board of Directors.

Par. 4. Quorum: A majority of the members of the Board of Directors shall constitute a quorum to transact any business of the Board of Directors and any number not less than three shall constitute a quorum to adjourn a meeting and fix the time and place of the next meeting.

Except as may otherwise be provided in this Constitution or the Bylaws of this Association, a majority of all members of the Board of Directors must vote favorably to pass any resolution, carry any motion and elect any officer.

ARTICLE VI

Votes

Every member of this Association shall be entitled to one vote. Each member when casting his/her vote on any question(s) or in an election of officer(s) or District Director(s) shall cast such vote in person at the meeting in which the vote is taken or the election is held.

ARTICLE VII

Elections

Par. 1. Officers:

President, 1st Vice President, 2nd Vice President and Secretary-Treasurer: The Board of

Directors shall, beginning with the regular meeting held in 1963 and every three years thereafter, select and nominate well qualified and thoroughly competent members of this Association as candidates, one for the office of President, one for the office of 1st Vice President, one for the office of 2nd Vice President, one for the office of Secretary-Treasurer, and one for any additional office as may have been established by the Board of Directors, who shall be confirmed or rejected by the members of the Association voting in such members succeeding April's Local Chapter meeting. If confirmed, the elected member shall begin to serve as such officer at the next annual meeting of the Board of Directors and shall hold such office for a term of three years and until his/her successor qualifies.

If a nominated Candidate for a Cabinet office is not confirmed by the members as above provided, or if confirmed shall die, resign, or become physically or mentally unable to act prior to the Board of Directors next annual meeting, then the Board of Directors shall elect a well qualified and thoroughly competent member of the Association to such position to serve the term of said office.

Par. 2. Directors:

The Secretary of each Local Chapter shall appoint one of its members to serve as a Delegate to represent such Local Chapter at its District Meeting which shall be held at a time and place as may from time to time be established by the Board of Directors.

The President shall call the District meeting to order and preside as Chairperson, and shall appoint a person to serve as Secretary at such meeting. In a District having to elect a Director, the Delegates of the District shall nominate not more than five candidates for the office of Director from such District.

The Cabinet shall submit to each Local Chapter the name(s) of the Candidate(s) nominated in its District. The members of the Local Chapters in a District wherein a Director is being elected shall vote on the candidate(s) for the Director of such District at the Local Chapter's April meeting.

Directors shall hold their office for a term of three years and until their successors qualify. The year for the election of a Director of a District serving on the Board of Directors shall be established by, and may be extended from time to time by the Board of Directors to provide for the staggering of elections as evenly as possible among the District Directors and so as not to shorten the term of any existing Director.

The Cabinet shall canvass the returns from these various Local Chapters and make a summary statement showing the results of the elections in each respective District. The candidate receiving the highest number of votes shall be declared elected as the Director of such District.

Should there be a tie between Candidates having the highest number of votes, the tie shall be broken by a flip of the coin method where the winner of the flip of the coin shall be declared elected.

In the event irregularities have occurred in the nomination of candidates or in the election of a District Director in any District and proof of such irregularities are submitted to the Cabinet, the latter shall then investigate the facts and decide which candidate is lawfully elected and shall

notify the Secretary of the respective Local Chapters of the fact. The decision of the Cabinet is final.

In case of a vacancy on the Board of Directors, the remaining Directors may appoint a qualified member of such District who shall hold the office of Director of such District for the unexpired term.

ARTICLE VIII

Local Chapters

Members may form Local Chapters in accordance with the provisions and subject to the restrictions set forth in this Association's Bylaws.

ARTICLE IX

Members

Par. 1. Qualifications: Any person having property insured by this Association shall be a member of this Association.

Par. 2. Rights of Members: Each member of this Association shall:

Be eligible for any office of this Association provided such member meets the qualifications for such office.

Be entitled to vote on amendments to this Constitution or the Constitution of the member's respective Local Chapter, on any question that may arise in the member's Local Chapter meeting, in the election of the Officers of the Local Chapter, for the District Director(s) of any District wherein the member resides, and for the Cabinet officers.

Par. 3. The rights and privileges of a member of this Association are personal to such member and are not transferable.

ARTICLE X

Bond of Officers

The Board of Directors shall require of each active Cabinet Officer, before entering upon duty, to make a good and sufficient bond upon such condition and for such amount as shall secure the prompt and faithful discharge of such Officer's duties.

ARTICLE XI

Salaries

The Board of Directors shall fix the compensation to be paid to the Cabinet and the Association's attorney.

ARTICLE XII

Amendments

Par. 1. A Local Chapter may propose not more than two changes or amendments to this Constitution and this Association's Bylaws annually to be considered by the Board of Directors. Such proposal shall be in the form of a written resolution and must be sanctioned by the respective District at its District Meeting. No District shall sanction more than three resolutions. The Cabinet shall make a summary of all resolutions from the various Districts and mail a copy to the Board of Directors not later than ten days prior to the meeting where such resolution will be considered.

Par. 2. Whenever two-thirds of all the members of the Board of Directors deem an amendment to this Constitution necessary, the Board of Directors shall frame such amendment verbatim and shall submit the same to the vote of the members of the Local Chapters who shall vote on the same at the Local Chapter's next April meeting or at a special meeting called for that purpose. Election results must be in the home office no later than May 5th of the same year or by such date required by the Board of Directors.

Par. 3. A two-thirds majority of all members voting shall be required to effect an amendment or change to the Constitution. All constitutional changes ratified by the Local Chapters become effective after May 5th of the same year or at such date specified in said amendment.

ARTICLE XIII

Dissolution

Germania Farm Mutual Insurance Association is a membership owned Association. In the event Germania Farm Mutual Insurance Association is dissolved and liquidated by action of the Board of Directors or by policyholder action, or by operation of law, or by any other legal means permitted by law, then all assets after payment of, or provision for liabilities, shall be distributed pro rata to then existing policyholders based on the amount of insurance in force.