January 29, 2024

Notice of Bylaw Amendment

Via: text

Dear Member,

At the January meeting the Board of Directors, pursuant to their authority under the Articles of Incorporation and the Bylaws of the Cooperative, reclassified a small portion of the authorized stock of the Cooperative for a second class right and obligation shares. The Cooperative has two basic classes of Stock:

> **Class A Stock.** This is the voting stock. Every Member has one share of Class A Stock – it is the share that allows the Member to Vote. The Cooperative is authorized to issue up to 1,000 shares; however, only 46 shares are outstanding (Number of members).
>
> **Class B Stock.** This is this the right and obligation stock. In its simplest terms Members own Class B Stock shares equal to their equity in the Cooperative from a traditional standpoint. The Cooperative is authorized to issue up to 30,000 shares; however, only 10, 275 shares are outstanding (Number of acres).

The Class B Stock gives the Member the right and obligation to grow sugarbeets for the Cooperative and the number of shares is closely aligned with the Cooperative's USDA Sugar Marketing Allotment. It also gives the Member a prorated share of any equity of the Cooperative upon liquidation.

The reclassification of shares approved by the Board, at my request, was for 1,800 shares of the unissued Class B Stock to be available for issuance as Class B2 Stock. The purpose is to assist with the effort to increase factory throughput. The Class B2 Stock shares are subordinate to Class B Stock shares, in that, in the unlikely event that USDA Marketing allocation was insufficient for the Cooperative, Class B2 Stock rights to grow would be curtailed before Class B Stock right. And Class B2 Stock will have no right to share in any proceeds upon liquidation of the Cooperative (after payment of Cooperative debts, and unit retains).

The Class B2 Stock will only be available through March of this year. We have determined that the optimum throughput for the factory is between 12,500 and 13,000 acres at this time. This determination is based on receiving capacity and length of campaign.

▪ 300 SOUTH 1ST ST. ▪ P.O. BOX 468-WORLAND, WY 82401 ▪ (307) 347-3261 ▪
Michael D. Greear President & CEO
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Again, while the Board has the authority to reclassify Class B Stock, create subclasses, and create different series, we felt it important that such action be documented as a Bylaw amendment in order to ensure full transparency in our Cooperative. The updated Bylaws will be posted on the Cooperative' website by February 1st. For easy reference the amendment is the addition of Section 3.2(d).

If you are interested in these new shares give Kadan a call and we can set up a meeting to discuss. The new Class B2 Stock shares are allocated between our receiving Counties: 1,000 for Washakie County; 600 for Big Horn County; and 200 for Fremont County.

Respectfully,

Michael D. Greear
President & CEO

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