



## Executive Committee

### Conference Call Minutes

September 11, 2020  
1:30 p.m. (PST)

Via zoom video conference

A conference call meeting of the Hass Avocado Board Executive Committee was held on Friday, September 11, 2020, at 1:30 p.m. with the following people in attendance:

#### COMMITTEE MEMBERS

Jorge Hernandez  
Sal Dominguez  
Ben Van Der Kar  
Dave Fausset

#### STAFF PRESENT

Emiliano Escobedo, HAB  
Silvia Standke, HAB

#### GUESTS PRESENT

Sue Coleman, USDA  
Patrick Casey, JRG  
Charley Wolk  
Susan Pinkerton  
Sergio Chavez  
Jacqueline Solares

#### CALL TO ORDER

Chairman, Jorge Hernandez called the meeting to order at 1:32 p.m. and thanked everyone for attending the meeting. He continued with roll call and established a quorum. The guests were also acknowledged and asked to state their name.

#### APPROVAL OF FEBRUARY 10, 2020, MEETING MINUTES

Hernandez entertained a motion to approve the meeting minutes for February 10, 2020, as follows:

**MOTION:** *The Executive Committee of the Hass Avocado Board approves the February 10, 2020, Executive Committee meeting minutes as presented. (Fausset) Motion adopted*

#### NOMINATION PROCEDURES & EMAIL AND DOCUMENT RETENTION POLICY

Hernandez referred the group to the two documents provided to them in the meeting packet and asked HAB director Escobedo to provide an update.

Escobedo explained that a minor change was made to the Nomination Procedures and additional changes to the Email and Document Retention Policy. He noted that both policies provided to them are a redline version so they can see the changes made. Escobedo proceeded to explain the change to the Nomination Procedures as highlighted in item 5.I. of the policy. There were no questions or comments and Chairman Hernandez then entertained the following motion:

**MOTION:** *The Executive Committee recommends to the Board approval of the HAB Nomination Procedures as presented. (Dominguez) Motion adopted*

Escobedo continued with the Email and Document Retention Policy. He explained in detail all the changes made to the policy and provided scenario examples on how the policy would be applied. Ms. Coleman noted that the section on Nominations was missing the Announcement of Open Seats form and should be added as part of the forms that can be purged for non-appointed nominees. Patrick Casey made a note of this and will update the policy to reflect this change.

There were no questions or comments and Chairman Hernandez then entertained the following motion:

**MOTION:** *The Executive Committee recommends to the Board approval of the Email and Document Retention Policy as presented and amended.. (Dominguez) Motion adopted*

## **DISTRIBUTION LISTS OF INTERESTED PARTIES FOR BOARD AND COMMITTEE MEETING NOTICES**

Chairman, Hernandez continued with the Distribution Lists of Interested Parties for Board and Committee Meeting Notices and asked Escobedo to provide the group with an update. Escobedo provided the group with the background and context and then presented the group with a list of recommendations to present to the Board. Hernandez asked the group for a motion as follows:

**MOTION:** *The Executive Committee recommends to the Board directing staff to:*

1. *Cease maintaining a distribution list of interested parties for board and committee meeting notices,*
2. *Inform all persons on the distribution lists that effective November 1, 2020 HAB will no longer notify them of future meetings*
3. *In the same notice, provide interested parties with the link to the page on [hassavocadoboard.com](http://hassavocadoboard.com) where all future meeting notices and meeting materials will be posted.*

**(Fausset) Motion Approved**

**DISCUSSION:** There was discussion that the California Avocado Commission (CAC) be notified about this change since they were part of the agreement to create the distribution lists. Escobedo stated that HAB will present this to CAC and let the committee know. Coleman indicated that USDA is very supportive with the above. She also agrees that advising CAC is a good idea. She reminded the committee that this is only a recommendation and that it would need to be discussed at the board level. There was no further discussion and it was noted that the above motion needed to be amended to include seeking CAC's support with the change. The following motion was then presented:

**MOTION:** *The Executive Committee recommends to the Board directing staff to:*

1. *Check with CAC if they are in agreement with HAB to:*
  - a) *Cease maintaining a distribution list of interested parties for board and committee meeting notices,*
  - b) *Inform all persons on the distribution lists that effective November 1, 2020 HAB will no longer notify them of future meetings*
  - c) *In the same notice, provide interested parties with the link to the page on [hassavocadoboard.com](http://hassavocadoboard.com) where all future meeting notices and meeting materials will be posted.*

**(Fausset) Motion Approved**

## **NEW BUSINESS**

No new business

## **ADJOURN**

Mr. Hernandez thanked everyone for their focus today and entertained a motion to adjourn the Executive Committee meeting at 2:12 p.m.

*MOTION: The Executive Committee of the Hass Avocado Board approves adjournment of the September 11, 2020, conference call meeting. **(Van Der Kar) Motion Approved***

Respectfully Submitted,

Silvia Standke, HAB Executive Assistant

Need Committee Approval



## **Performance Evaluation and Compensation of the Executive Director**

### **Policies and Procedures**

## **POLICY FOR THE EVALUATION OF THE EXECUTIVE DIRECTOR**

### **Philosophy of Executive Performance Review Policy**

An important component of the board's responsibilities is the board's duty to oversee and conduct an annual Executive Director's performance review and appraisal. To assist the board in meeting its duty, the board has delegated to the Chairperson the responsibility to monitor and evaluate the Executive Director on an ongoing basis to ensure that he or she is effectively carrying out the responsibilities of the position, and has the support needed to be effective. The primary purpose of performance appraisal is to help the Executive Director perform most effectively in support of the vision, mission, strategies and goals of the organization, to highlight critical areas of focus, to provide performance guidance where necessary, and to provide a competent and thoughtful basis for subsequent review of the Executive Director's compensation.

### **Executive Director Job Description**

The Executive Director's job description shall be reviewed regularly by the Chairperson and at least annually by the board to ensure it is updated and in alignment with the vision and mission and strategic priorities of the Board.

### **Process for the Annual Performance Evaluation of the Executive Director**

#### Definitions

The evaluation period of the Executive Director, referred to as the "period", will be from October of the current year to September of the following year.

The period referred to as the "board term" is from November 1st of the current year to October 31st of the following year.

The last board meeting of the board term above is the meeting scheduled before the annual meeting, scheduled between August and October.

#### Executive Director's Annual Goals & Objectives

Each year, between the HAB's annual meeting and the end of the year, using the Hass Avocado Board Executive Director performance appraisal form, the Executive Director shall prepare and submit to the Chairperson, in writing, proposed individual and organizational goals and objectives for the current evaluation period. New or existing long term strategic goals that extend beyond the evaluation period will also be included. The Chairperson shall review the proposed goals and objectives and work with the Executive Director on a final version to be presented in closed session to the full board at the first meeting of the calendar year (so long as that meeting takes place before the end of February). If the first board meeting of the year takes place after February, the Chairperson will present the goals in closed session to the executive committee no later than February 28th for the committee to approve the goals on behalf of the full board. The board, Chairperson and Executive Director understand and agree that goals may change within the evaluation period based upon business plan changes, funding and other priorities. Any changes in goals shall be made between the Executive Director and the Chairperson. Updated goals and objectives along with justification for any changes will be presented to the board in closed session at the next board meeting.

#### Chairperson's Evaluation and Executive Director Self-Evaluation

Each year, 30 days prior to the last board meeting of the board's term, using the Hass Avocado Board Executive Director performance appraisal form, the Executive Director shall present a self-evaluation of his or her progress for the current year to the Chairperson. The self-evaluation shall report on progress against the objectives set at the beginning of the year between the Executive Director and the Chairperson. The evaluation will also track and record progress against long term strategic goals that extend beyond the evaluation period.

Concurrent with the Executive Director's self-evaluation, the Chairperson shall solicit views on the performance of the Executive Director from members of the Executive Committee and, at his/her discretion, from other committee chairs whose committees were actively working with the Executive Director during the evaluation period. Any assessment may be conducted through use of an online assessment tool, through telephone conversations, in person or by other means. The Executive Director and Chairperson will meet to conduct a final evaluation which will be presented to the Executive Compensation Committee prior to the full board in closed session.

#### Board Evaluation of Performance and Approval of Compensation

During a Closed Session of the last board meeting of the board's term, with the Chairperson facilitating the discussion, the board shall review and come to agreement on the performance recommendations to the Executive Director. Following the Executive Director's evaluation, in Closed Session the board shall review and set the compensation of the Executive Director based on the recommendation from the Executive Compensation Committee as more fully detailed in the **Policy for Compensation of the Executive Director**.

Following the Executive Director's performance review and no later than October 31st, the Chairperson shall: (1) prepare the final evaluation for the Executive Director, (2) meet in person with the Executive Director to review his or her performance, provide feedback on behalf of the board and (3) discuss compensation approved by the board in accordance with the performance review.

## **POLICY FOR COMPENSATION OF THE EXECUTIVE DIRECTOR**

### **Philosophy of Executive Director Compensation Policy**

The board's objective is to provide a compensation package for the Executive Director consistent with market-based compensation practices for individuals in functionally comparable positions at similarly situated organizations.

The Board's Executive Director Compensation should be aimed at:

- Encouraging the attraction and retention of a high-caliber Executive Director
- Provide a competitive total compensation package, including benefits, consistent with the organization's financial resources
- Ensure that pay is fair and reasonable

The organization will obtain and assess comparable data to benchmark total compensation for the Executive Director. The determination of the appropriate level of his or her compensation should reflect the organization's mission, strategies, and leadership needs, current compensation, staff size, job location, longevity of the organization, geographic reach and other factors. The compensation program is designed to be flexible so that compensation can be above or below the median based on experience, performance, and business needs to attract and retain the Executive Director.

### **Process for Evaluating the Compensation of the Executive Director**

The Executive Compensation Committee of the board shall be responsible for recommending the compensation package for the Executive Director to the full board on an annual basis. No later than 21 days prior to the last meeting of the board's term, the Executive Compensation Committee shall meet in closed session to (1) review relevant information pertaining to the Executive Director's compensation including the chairman's performance evaluation and (2) make a final recommendation of total compensation to the board. Pursuant to the **Policy for the Evaluation of the Executive Director**, the committee will present its recommendation to the board in closed session during the board performance review of the Executive Director.

The findings and recommendation of the Executive Compensation Committee will be documented to include the data relied upon and the basis for the recommendation. In order to ensure that the compensation afforded to the Executive Director meets the organization's philosophy and objectives the following steps will be followed:

1. The committee will obtain from the Sr. Director of Finance and Administration the Executive Director's current and last year's total compensation, including base, bonus, retirement contribution and benefits.
2. The chairperson of the board will provide his or her performance evaluation of the Executive Director to the committee in a closed session meeting.
3. Starting in 2021, the board, through the executive compensation committee, will work with a compensation specialist every other year to perform a comprehensive evaluation of the Executive Director's compensation package, based on the following guidance:

- The peer group for comparing market compensation shall be comprised of associations and advocacy groups with missions and metrics reasonably comparable to the Hass Avocado Board, including from state agricultural boards, commissions and trade associations, from related 501(c)(3) and 501(c)(6) organizations, which report compensation publicly, federal research and promotion boards, and marketing orders including:

<b>Board</b>	<b>Location</b>	<b>2020 Estimated Assessment Revenue</b>
United Soybean Board	St. Louis, Missouri	\$82.5 M
Fluid Milk Processors Promotion Program	Washington, DC	\$83.6 M
Cattlemen’s Beef Board	Denver, Colorado	\$41.5 M
National Pork Board	Des Moines, Iowa	\$68 M
Cotton Board	Memphis, Tennessee	\$75.6 M
American Egg Board	Chicago, Illinois and Washington DC	\$27 M
Paper & Packaging Board	McLean, Virginia	\$23 M
US Potato Board	Denver, Colorado	\$14.6 M

- Peer group compensation and benefit information obtained from the IRS 990 forms will be adjusted to current year of the review, and adjusted for regional salary differentials if needed.
  - Tables comparing the value of the Executive Director’s total remuneration (compensation and benefits) to market levels and showing the range of pay (25th percentile, median, 75th percentile) that is generally considered reasonable.
  - Peer group data will be supplemented with information from published compensation surveys, including those published annually by the American Society of Association Executives, GuideStar, PRM Consulting, the Economic Research Institute (ERI) and others if necessary.
4. On years when a compensation specialist is not contracted, the committee will determine current remuneration adjusted for cost of living and any merit-based adjustments.

#### **Determination of the Compensation by the Executive Compensation Committee**

The Executive Compensation Committee shall prepare and recommend to the Board a total compensation package. The total compensation package includes the Executive Director’s base salary, and bonus. The Executive Compensation Committee may provide a range for these amounts.

## **Determination of annual compensation**

The board shall consider the recommendation of the Executive Compensation Committee and shall make the final determination for the Executive Director's compensation package and make budget adjustments as necessary. The board will review the compensation recommendation in closed session, including the report from the compensation specialist, when available, but shall report out its determinations so that minutes of the board meeting reflect the decision and the basis for it including the reasonableness of the compensation. The decision must be documented but maintained confidential and must include the following:

1. The basis for its decision
2. The written or electronic records of the authorized body must state the terms of the decision (e.g. the board in closed session, meeting date and time)
3. Date of approval of the decision
4. Identify the members of the authorized body present during the discussion on the transaction (closed session roll call sheet)
5. Record of the vote (e.g. # in favor # opposed)
6. Comparability data used (e.g. Executive Compensation Committee Recommendation, previous year compensation data)
7. Notation of how the body treated any individual with a conflict of interest in the transaction

The Executive Director will be apprised of the board's decision along with the Executive Director's review before October 31 as outlined within the Process for the Annual Performance Evaluation of the Executive Director. The review and compensation package will be documented by a written letter from the Chairperson to the Executive Director and copy the Sr Director of Finance and Administration and Treasurer.



## **Performance Evaluation and Compensation of the Executive Director**

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The findings and recommendation of the Executive Compensation Committee will be documented to include the data relied upon and the basis for the recommendation. In order to ensure that the compensation afforded to the Executive Director meets the organization's philosophy and objectives the following steps will be followed:

1. The committee will obtain from the ~~VP of Finance~~ Sr. Director of Finance and Administration the Executive Director's current and last year's total compensation, including base, ~~auto allowance~~, bonus, retirement contribution and benefits.
2. The chairperson of the board will provide his or her performance evaluation of the Executive Director ~~with to~~ the committee in a closed session meeting.
3. Starting in 2021, the board, through the executive compensation committee, will work with a compensation specialist every other year to perform a comprehensive evaluation of the Executive Director's compensation package, based on the following guidance:

3. ~~The committee will obtain a copy of the most recent version of “Association Compensation & Benefits Study” conducted by the American Society of Association Executives (ASAE)~~
4. ~~The committee will compare the Median, Mean, 25th % and 75th % CEO Base and Total Compensation Data from the ASAE study, for the criteria listed below, against the current base and total compensation of the HAB’s Executive Director~~

CRITERIA

- The peer group for comparing market compensation shall be comprised of associations and advocacy groups with missions and metrics reasonably comparable to the Hass Avocado Board, including from state agricultural boards, commissions and trade associations, from related 501(c)(3) and 501(c)(6) organizations, which report compensation publicly, federal research and promotion boards, and marketing orders including:

<u>Board</u>	<u>Location</u>	<u>2020 Estimated Assessment Revenue</u>
<u>United Soybean Board</u>	<u>St. Louis, Missouri</u>	<u>\$82.5 M</u>
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- Peer group compensation and benefit information obtained from the IRS 990 forms will be adjusted to current year of the review, and adjusted for regional salary differentials if needed.
  - Tables comparing the value of the Executive Director’s total remuneration (compensation and benefits) to market levels and showing the range of pay (25th percentile, median, 75th percentile) that is generally considered reasonable.
  - Peer group data will be supplemented with information from published compensation surveys, including those published annually by the American Society of Association Executives, GuideStar, PRM Consulting, the Economic Research Institute (ERI) and others if necessary.
4. On years when a compensation specialist is not contracted, the committee will determine current remuneration adjusted for cost of living and any merit-based adjustments.

~~Trade association whose majority of funding comes from organizations~~

- ~~The total annual budget equals total revenue generated from assessments~~
- ~~Staff size range is 6 to 10 people~~
- ~~The Geographic Scope is primarily national and some international/global. At the metropolitan level HAB's scope is Washington D.C. due to our connection to the federal government.~~
- ~~HAB geographic region (where we are located) is: US, West/Pacific region, State of California, Orange County/Los Angeles~~
- ~~Industry/Interest Area: Food, management Marketing~~

5. ~~The Committee will obtain and review the most recent Publication on CEO Compensation as published by Agri-Pulse and compare the compensation information of the Hass Avocado Board with other Commodity Boards/Check-Off Programs of similar size budget and size, within the same time frame, examples from 2016 include:~~

<del>Board</del>	<del>Location</del>	<del>Assessment Revenue</del>
<del>United Soybean Board</del>	<del>St. Louis, Missouri</del>	<del>\$89.5M</del>
<del>Fluid Milk Processors Promotion Program</del>	<del>Washington, DC</del>	<del>\$94.8M</del>
<del>Cattlemen's Beef Board</del>	<del>Denver, Colorado</del>	<del>\$39.1M</del>
<del>National Pork Board</del>	<del>Des Moines, Iowa</del>	<del>\$70.3M</del>
<del>Cotton Board</del>	<del>Memphis, Tennessee</del>	<del>\$74.1M</del>
<del>American Egg Board</del>	<del>Chicago, Illinois and Washington DC</del>	<del>\$23.6 M</del>
<del>Paper &amp; Packaging Board</del>	<del>McLean, Virginia</del>	<del>\$24.3M</del>
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### **Determination of the Compensation by the Executive Compensation Committee**

The Executive Compensation Committee shall prepare and recommend to the Board a total compensation package. The total compensation package includes the Executive Director's base salary, ~~automobile allowance~~ and bonus. The Executive Compensation Committee may provide a range for these amounts.

## Determination of annual compensation

The board shall consider the recommendation of the Executive Compensation Committee and shall make the final determination for the Executive Director's compensation package and make budget adjustments as necessary. The board will review the compensation recommendation in closed session, including the report from the compensation specialist, when available, but shall report out its determinations so that minutes of the board meeting reflect the decision and the basis for it including the reasonableness of the compensation. The decision must be documented but maintained confidential and must include the following:

1. The basis for its decision
2. The written or electronic records of the authorized body must state the terms of the decision (e.g. the board in closed session, meeting date and time)
3. Date of approval of the decision
4. Identify the members of the authorized body present during the discussion on the transaction (closed session roll call sheet)
5. Record of the vote (e.g. # in favor # opposed)
6. Comparability data used (e.g. Executive Compensation Committee Recommendation, previous year compensation data)
7. Notation of how the body treated any individual with a conflict of interest in the transaction

The Executive Director will be apprised of the board's decision along with the Executive Director's review before October 31 as outlined within the Process for the Annual Performance Evaluation of the Executive Director. The review and compensation package will be documented by a written letter from the Chairperson to the Executive Director and copy the Sr Director of ~~Vice President~~ of Finance and Administration and Treasurer.

## BYLAWS OF THE HASS AVOCADO BOARD

### ARTICLE 1

#### Name

**Section 1.** The organization governed by these Bylaws shall be known officially as the Hass Avocado Board, hereinafter referred to as the "Board." The Board administers the Hass Avocado Promotion, Research, and Information Order [7 CFR part 1219], hereinafter referred to as the "Order." The Board and the Order are authorized by the Hass Avocado Promotion, Research, and Information Act of 2000. (7 U.S.C. 7801-7813)

### ARTICLE 2

#### Purpose

**Section 1.** The purpose of the Board, the Order, and these Bylaws shall be to implement the provisions of the Hass Avocado Promotion, Research, and Information Act of 2000 (the "Act") and to carry out an effective national program of promotion, research, consumer information, and industry information for Hass avocados, and to establish a fair and orderly procedure whereby adequate funds can be assembled to fulfill the provisions of this program, the Act, and the Order according to USDA policies, and Agricultural Marketing Service ("AMS") guidelines. The Board is an instrumentality of the U.S. Department of Agriculture (the "Department") and is authorized to make recommendations to the Secretary of Agriculture as specified under the Order.

### ARTICLE 3

#### Principal Place of Business

**Section 1.** The Board's principal place of business shall be located at the HASS AVOCADO BOARD offices located at 25212 Marguerite Parkway, Suite 250 Mission Viejo, CA 92692 or any other location designated by the Board.

## **ARTICLE 4**

### **Officers and Their Duties**

**Section 1.** The Board's officers shall consist of a Chairperson, Vice-Chairperson, Secretary, and Treasurer.

**Section 2.** The Board's officers shall be elected by the Board from among the voting Board members for a term of one year or until their successors are elected.

**Section 3.** The election shall be held during the regular Annual Meeting, provided that the Secretary has completed appointments for that year. In the event the Secretary of Agriculture fails to appoint members to the Board before the Annual Meeting, the election of officers may be held during the Annual Meeting, and Members eligible to serve another three-year term on the Board who are under consideration for appointment to the Board by the Secretary of Agriculture may run for an officer position. As soon as practical after the Secretary of Agriculture appoints members to the Board, the newly appointed members shall be given the opportunity to run for an officer position. This will result in an election of officers or, the previously elected officers shall be confirmed by the voting Board members, including the newly appointed members.

**Section 4.** Nominations and elections will be conducted using the following procedures: (a) USDA representative, or the Executive Director in his or her absence, will call the meeting to order and conduct roll call; (b) USDA representative will call for nominations in the following order: Chairperson, Vice-Chairperson, Secretary, and Treasurer. (c) Board members may nominate members, a nomination does not require a second. (d) Nominees will be given the opportunity to accept or decline the nominations; (e) Nominees and Board members will be given the opportunity to speak on behalf of nominees before the vote; (f) If there is only one nominee, a motion to dispense with balloting and cast a unanimous ballot is in order. If there are multiple nominees, a secret ballot is conducted with each Board member voting for one nominated person. If one nominee receives a majority of the vote, that person is elected. If no

nominee receives a majority of the votes cast, a run-off ballot will be conducted with the two nominees receiving the greatest number of votes.

**Section 5.** To be eligible to serve as an officer, a Board member is strongly recommended to fulfill at least three of the following requirements: (a) serve on at least two committees for a period of one year; (b) serve as a mentor to a new board member; (c) in the year preceding his or her candidacy for an officer position, attend orientation and any trainings offered; or (d) possess a strong understanding of the governing responsibilities of the Board and the officer duties. The requirement to serve on two committees for a period of one year (a) may be fulfilled concurrently. To be eligible to serve as Chairperson, a Board member is strongly recommended to fulfill at least three of the requirements in (a) through (d) above and serve on either the finance or governance committee for at least one year.

**Section 6.** Officers may be re-elected annually to the office held or to any other office of the Board but shall not serve for more than three (3) consecutive terms in any one (1) office. No member shall hold more than one office at a time. In the event of death, resignation, or disqualification of an officer or an Executive Committee member a successor shall be elected by the Board members as soon as practical, with any such successor to serve until the next Annual Meeting or when their successor is elected. In the event that the departing member was the Chairperson, the Vice-Chairperson shall become the new Chairperson and a new Vice-Chairperson shall be elected by the voting Board members as soon as practical.

**Section 7.** The Chairperson's duties shall be to: (a) preside at all Board meetings; (b) call special Board meetings when deemed necessary; (c) perform all acts and duties usually incidental to and required of a presiding officer and perform duties designated in board approved policies; (d) serve as chair of the Executive Committee, serve as chair of the Hass Avocado Committee, serve as chair of the Executive Compensation Committee; and (f) serve as an ex-officio member of all other committees (non-voting and not counting towards quorum).

**Section 8.** The Vice-Chairperson's primary duty shall be to act in the place of the Chairperson in the Chairperson's absence, disqualification, or at the

Chairperson's direction and perform duties designated in board approved policies.

**Section 9.** The Secretary's duties shall be to: (a) keep a complete record of the proceedings at all Board and Executive Committee meetings; and (b) attest to all papers, documents, and other instruments on behalf of the Board and perform duties designated in board approved policies.

The Secretary may delegate such duties to the administrative services Staff. Another duty of the Secretary shall be to act in the place of the Chairperson and Vice-Chairperson if both are absent.

**Section 10.** The Treasurer's duties shall be to serve as Chairperson of the Finance Committee and perform duties designated in board approved policies. The Treasurer shall serve as custodian of all insurance policies, and any fidelity bonds covering Board officers, employees and agents and delegates to the administrative services staff hired by the Board to ensure: (a) that the Board has custody of all funds and property belonging to or under control of the Board; (b) the keeping of regular books of account under the direction of the Board; (c) the deposit of all funds of the Board, or under its control, in an approved bank or banks designated by the Board; (d) adhere to AMS policies on investment, security, and collateralization of public monies, and (e) the submission to the Board and the Secretary of Agriculture all reports, which include a balance sheet, an income statement, an expense budget.

## **ARTICLE 5**

### **Executive Committee**

**Section 1.** The Executive Committee shall consist of the elected officers and all members shall count towards quorum and shall be voting members.

**Section 2.** The Executive Committee shall carry out the Board's responsibilities as follows: exercise oversight relating to all board approved plans, operations and functions of the Board; recommend to the board policies and objectives in accordance with Board directives; carryout duties and responsibilities designated to it across policies approved by the board; maintain an inclusive and collaborative leadership culture through regular meetings and

consultation on decisions and actions to be taken by the Board; and ensure that all Board activities comply with the Act, Order, AMS Guidelines, and these Bylaws.

**Section 3.** The Executive Committee term of office shall be one (1) year or until their successors are elected.

The number of subsequent terms for any Board member on the Executive Committee shall be limited only by the Board member or alternate's term of office pursuant to Article 7 section 1 or the limitation on officer term limits in Article 4, Section 2.

**Section 4.** The Executive Committee shall meet upon the call of the Chairperson or by the call of a majority of its members.

**Section 5.** All Executive Committee meetings shall be in compliance with the provisions of Article 9, Sections, 3, and 4. A majority of the Executive Committee shall constitute a quorum for any Executive Committee meeting.

Article 10, Sections 2 and 3 shall also apply to voting by the Executive Committee. No proxy votes shall be permitted.

## **ARTICLE 6**

### **Hass Avocado Committee**

**Section 1.** There shall be a special committee, composed of (1) current Board members appointed by the Secretary of Agriculture (a board member's alternate will serve as alternate on the committee) and (2) a representative for each state or importer organization that receives assessments pursuant to the Act and the Order.

**Section 2.** In advance of its consideration by the Board, the committee is expected (1) to consider business that will come before the Board with the exception of bylaws, the election of officers, grievances and employee matters, (2) make recommendations as appropriate on the business, and (3) report to the Board any recommendations of the committee and other information as appropriate.

**Section 3.** The chairperson of the Board shall be chairperson of the committee and shall appoint the committee members. Committee members shall include all current Board members. For the representatives for each state or importer organization that receives assessments pursuant to the Act and the Order, the appointments shall be from names submitted by the respective organizations after notification is made to affected stakeholders regarding the nomination process. The representative (member or alternate) for each state or importer organization may also be a board member or alternate but shall only serve on the Hass Avocado Committee in a single capacity and declare their position during roll call of the meeting. The chairperson of the Board shall also appoint alternates for each member on the committee.

**Section 4.** The term of service on the committee shall be for one year, but members may be reappointed, and may continue to serve until a new committee has been named. Board members and alternates on the committee shall serve for terms pursuant with the term of office specified in section 1219.35 of the order.

**Section 5.** A majority of the members of the committee, which may include participation by telephone or other electronic means, shall constitute a quorum for taking any action.

**Section 6.** For any action to be approved by the committee, it must receive concurring votes representing more than 50 percent of those present and voting from each of the following groups: (1) producer members, (2) importer members, and (3) state or importer organization members.

## **ARTICLE 7**

### **Hass Avocado Board**

**Section 1.** The Board shall consist of no more than 12 domestic producers and importers and their alternates as defined in the Order. Each term of office will end on October 31, with new terms of office beginning on November 1 (pursuant to 1219.35 of the order).

**Section 2.** The Board shall be appointed by the Secretary of Agriculture. Upon receipt of the appointed alternates, the Board staff will match an alternate to

a member by proximity to the region where he or she produces or imports avocados and then by the number of votes received in the nomination election.

**Section 3.** All nomination procedures shall be in accordance with the Order and any subsequent rules and regulations issued thereunder. The Board shall issue a call for nominations by March 1 of each year in which nominations for an appointment to the Board are to be made. Nominations for positions whose terms will expire at the end of the year shall be obtained in accordance with procedures recommended by the Board and approved by the Secretary pursuant to §1219.33 of the Order. These nominations shall be submitted to the Secretary of Agriculture by July 31 of each year.

**Section 4.** The Board shall develop policies to plan, develop, and implement such promotion, research, consumer information and industry information programs, plans, and projects as necessary to meet its purpose under the Act. The Board, through the executive director, shall further act in authorizing contracts or agreements for the development and carrying out of such programs, plans, and projects, and the payment of the costs thereof, including entering into agreements authorizing other organizations to collect assessments on behalf of the Board.

**Section 5.** The Board may contract with an outside accounting firm for the purposes of accounting for funds received and recordkeeping and any other projects directed by the Board.

## **ARTICLE 8**

### **Financial Oversight**

**Section 1.** It is the Board's duty to develop and amend, with approval of the Secretary, budgets for the implementation of the Order. The Board will direct staff to prepare a budget for its consideration. The Board shall submit to the Secretary, on a fiscal period basis, annual budgets and statement of revenues and expenses of the Board in administering the Order. The Board's responsibility is to ensure revenues and expenses are managed within the board approved budget for the fiscal period. To ensure fiscal integrity the board shall conduct an annual financial statement audit in accordance with Generally Accepted Government Auditing Standards and submit a report of the audit directly to the

department and publish the audit report on its website. The Board shall adhere to its fiduciary responsibilities and ensure that all monies are spent in accordance with the Act and the Order.

## **ARTICLE 9**

### **Meetings**

**Section 1.** The Board shall hold its Annual Meeting before the end of each fiscal year, unless otherwise directed by the Board. Regular meetings of the Board will be determined at the Annual Meeting, and may only be revised by the Board.

**Section 2.** Special meetings of the Board may be held whenever called by the Chairperson, or by the Vice Chairperson acting in the Chairperson's stead, or by the joint call of a majority of the Board members. Any and all business coming before the Board may be transacted at such meetings.

**Section 3.** Meetings may be held at locations that are selected for the convenience of the Board members or for enhancement of relations with program participants. Attendance may be telephonic, if by telephonic means the attendee can hear all deliberations and make comments freely and immediately, but voting must be by personal attendance at assembled meetings. See Order, Section 1219.39 (a). Meetings of any committees may be entirely telephonic.

**Section 4.** Notice of all Board and Executive Committee meetings, together with a written agenda, shall be provided to each member and alternate of the Board at their last known address by mail or electronic mail. Notice of all other committee meetings, together with a written agenda, shall be provided to each such committee member at their last known address by mail or electronic mail. Notice of all meetings will be provided at least ten (10) days prior to the meeting date. In case of an emergency, all possible advance notice will be given by fastest practical means of delivery without regard to the ten (10) day requirement. Such notice may be waived by Board members in writing. The Secretary of Agriculture shall be given notice of all Board and committee meetings.

**Section 5.** The order of Board business for regular meetings, unless otherwise determined by the Chairperson, shall be as follows:

1. Roll call
2. Approval of previous meeting minutes
3. Additions to agenda items
4. Action on written agenda matters
5. New business
6. Adjournment

**Section 6.** All Board proposals, programs, plans, projects or recommendations, including those to the Secretary of Agriculture, shall be in the form of motions. See Order, Section 1219.39 (d). All motions, upon adoption, shall be recorded and shall become a part of the official Board minutes. All adopted motions which constitute Board policy shall remain as such until amended by Board action.

**Section 7.** Board members will focus on long-term goals that meet the policies of the Act, connect with the stakeholders, and spend sufficient time to understand or question each agenda item presented.

## **ARTICLE 10**

### **Voting Procedures**

**Section 1.** At a properly convened Board meeting, seven (7) board members, including alternates acting in place of members of the Board, shall constitute a quorum. Board members attending telephonically at assembled meetings are not to be counted as part of a quorum. See Order, Section 1219.39 (a).

**Section 2.** Any Board action shall require the concurring votes of members representing more than 50 percent of those present and voting.

**Section 3.** In lieu of voting at a properly convened meeting, and when in the opinion of the Chairperson such action is necessary, the Board, after consideration of the matter by the Hass Avocado Committee as provided for in Article 6, Section 2, may take action upon the concurring votes of members

representing more than 50 percent of those present and voting of its members by mail, telephone, electronic mail, facsimile or any other means of communication. In such event, all members must be notified and provided the opportunity to vote. Any action so taken shall have the force and effect as though such action had been taken at a properly convened meeting.

**Section 4.** Except for telephonic meetings of any committees, any Board vote taken by mail, telephone, electronic mail, facsimile or any other means of communication shall cover only: (1) non-controversial matters which do not require deliberation and the exchange of views; and (2) matters of an emergency nature when it would be impossible or impractical to call an assembled Board meeting. However, voting by such means shall not be permitted if a majority of Board members object. Voting by such means shall occur only upon the Chairperson's order. A record of the vote shall be confirmed at the next Board meeting and will become part of the official Board minutes. Votes taken by telephone shall be confirmed promptly in writing.

## **ARTICLE 11**

### **Committees**

**Section 1.** The Board may establish standing, special or ad hoc committees as deemed necessary to carry out the purposes and objectives of the Order. The results of the committee's motioned efforts will be given to the Board as a recommendation.

**Section 2.** The Board establishes the following standing committees:  
(a) Executive Compensation Committee, (b) Corporate Governance Committee, (c) Finance Committee.

The Chairperson of the Board shall appoint all committee chairpersons and shall appoint all members of each committee after consultation with the committee chairperson affected. Appointments are subject to approval by the Board and may be changed from time to time as determined by the Chairperson of the Board with the concurrence of the Board.

**Section 3.** The Chairperson of the Board may appoint committee members from among the Board members and alternates and from non-Board members.

**Section 4.** Each Board committee shall meet at the call of the committee chairperson with the consent of the Board Chairperson. No committee or any member thereof, shall have the authority to obligate the Board. In the Board Secretary's or Executive Director's absence, the committee's chairperson shall arrange for and authenticate the committee meeting minutes.

**Section 5.** To constitute a quorum for a committee meeting, at least one more than half of those assigned to the committee must be present. No proxy voting shall be allowed at a committee meeting.

**Section 6.** The terms for committees shall be for one year or until new committees are approved by the board.

## **ARTICLE 12**

### **Bonds**

**Section 1.** Board officers, employees and agents who handle funds for the Board shall be placed under fidelity bonds issued by a reputable bonding company in an amount to be fixed by the Board. The premiums of such bonds shall be paid by the Board.

## **ARTICLE 13**

### **Personal Liability**

**Section 1.** No member, alternate member, employee, or agent of the Board shall be held personally responsible, either individually or jointly with others, in any way whatsoever, to any person for errors in judgment, mistakes, or other acts of either commission or omission of such member, alternate, employee, or agent, except for acts of dishonesty or willful misconduct.

**Section 2.** The Board shall maintain appropriate Directors and Officers liability insurance coverage. The premiums for all such insurance shall be paid for by the Board.

## ARTICLE 14

### Procedure and Transaction of Business

**Section 1.** The Board shall be governed in its deliberations and in the transaction of business by these Bylaws, and the provisions of the Order and the Act. Any matter of procedure not covered by these Bylaws shall be governed by "Robert's Rules of Order Newly Revised."

**Section 2.** No person who is not a Board member, alternate, ex-officio member, or employee or representative of the Secretary of Agriculture shall be entitled to participate in the deliberations and proceedings or speak at official meetings of the Board, its Executive Committee, or its other committees, unless authorized by the Chairperson or the committee chairperson. No Board member, other than the chair or his/her designate will ever speak on behalf of the Board, unless directed to by the chairperson of the Board.

## ARTICLE 15

### Powers of the Board

**Section 1.** The Board is empowered to perform all necessary and proper activities required to fairly implement the provisions of the Act and to carry out an effective national program of promotion, research, consumer information, and industry information for Hass avocados, and to establish a fair and orderly procedure whereby adequate funds can be assembled to fulfill the provisions under the Act.

**Section 2.** Any officer, agent, or employee appointed, elected or employed by the Board shall be subject to removal or suspension by the Board at any time. No Board officer, member, alternate, employee, or agent shall have the authority to obligate the Board unless such authority has been expressly delegated in writing. All decisions, acts or performances of any such officer, member, alternate, employee, or agent shall be subject to the continuing right of the Board to disapprove of the same, and upon disapproval by the Board, shall be deemed null and void to such extent as the Board may determine.

**Section 3.** While Board members and alternates are not restricted in exercising any of their rights as individual citizens, they do so independently and

not as representatives of this Board. Except with respect to the provisions of the Order, this Board may not, as a body, participate in any advocacy to influence government action. Whenever any individual members or alternates participate in such advocacy, they may do so as individuals and not as representatives of this Board.

**Section 3a.** The Board speaks with one voice or not at all. This does not imply that there has to be unanimity or lack of diversity but when a vote is taken or a policy developed, the Board acts and supports the decision made, until it is changed by the Board.

**Section 4.** When the Board determines that there has been an interference with the Board's ability to perform pursuant to Article 15, Section 1, or an event which is in violation of the Act or the Order, the Board may establish Board Operating Policies (including legal action) to resolve the interference or to enforce the Act or the Order. The Board may establish Board Operating Policies which govern the procedures used to receive, investigate, and report to the Secretary any complaints of violations of the Act or the Order.

**Section 5.** If a member or alternate of the Board consistently refuses to perform his or her duties including but not limited to adhering to HAB's Code of Conduct, Ethics, Conflict of Interest, Fraud and Attendance Policies, or if a member or alternate of the Board engages in acts of dishonesty or willful misconduct, the Board may recommend to the Secretary that the member or alternate be removed from office. Any vacancy created by this Section shall be filled in accordance with Section 1219.36 of the Order and the Board's election procedures.

## **ARTICLE 16**

### **Expenses**

**Section 1.** Board members and alternates, committees, or employees, when acting on authorized business shall be reimbursed for necessary and reasonable expenses incurred by them in the performance of their duties in accordance with the policies of the Board.

## **ARTICLE 17**

### **Employees and their Duties**

**Section 1.** The Board may employ a person, who shall not be a member of the Board, to serve as Executive Director. The performance and compensation of the Executive Director, who shall serve at the pleasure of the Board, shall be evaluated annually and in accordance with the Performance Evaluation & Compensation of Executive Director Policy.

**Section 2.** Subject to the general supervision and control of the Board, the Executive Director shall: (a) employ, contract, supervise, and be responsible for the discharge of all Board employees, agencies, consultants, and other suppliers; (b) be responsible for all notices the Board is required to give; (c) assemble, compile, analyze, and provide all information necessary in connection with the performance of official Board duties; (d) prepare all resolutions setting forth Board actions; and (e) be responsible to the Board at all times for the proper administration of Board activities.

## **ARTICLE 18**

### **Amendments**

**Section 1.** The Board may amend these Bylaws at any Board meeting by an affirmative vote of no less than seven (7) Board members. Members must be provided with ten (10) days notice of proposed changes to the Bylaws. Such notice may be waived in writing.

## **ARTICLE 19**

### **Effective Date**

**Section 1.** These Bylaws and any amendments thereto shall become effective immediately upon adoption by the Board.

Bylaws Approved by the Board on April 16, 2003, as amended January 19, 2005, March 15, 2006, March 19, 2008, November 17, 2010, January 22, 2013, January 22, 2014, September 1, 2016, November 16, 2016, March 22, 2017, August 31, 2017 and September 12, 2019.