

BY-LAWS
OF THE
NATIONAL DAIRY PROMOTION AND RESEARCH BOARD

BY-LAWS OF THE NATIONAL DAIRY BOARD

ARTICLE I

Name and Offices

Section 1. This Board is established pursuant to the authority of the Dairy and Tobacco Adjustment Act of 1983 (P.L. 98-180), and the Dairy Promotion and Research Order (7 CFR Part 1150) and shall be designated as the National Dairy Board, hereinafter referred to as the "Board".

Section 2. The principal office of the Board shall be located at the direction of the Board, but shall be located in or near Washington, D.C. Other offices may be established or designated at such other places as the Board may determine.

ARTICLE II

Purpose

Section 1. The purpose of the Board is to administer the provisions of the Dairy Promotion and Research Order, hereinafter referred to as the "Order", established pursuant to the Dairy and Tobacco Adjustment Act, hereinafter referred to as the "Act", through the establishment of an orderly procedure for the development and financing through an assessment, of an

effective and continuous coordinated program of advertising, promotion, research and nutrition education for milk and other dairy products, and to encourage the coordination of programs of promotion, research and nutrition education designed to strengthen the dairy industry's position in the marketplace and to maintain and expand (i) domestic markets and domestic uses for fluid milk and dairy products produced in the United States or imported into the United States and (ii) foreign markets and foreign uses for fluid milk and dairy products produced in the United States.

ARTICLE III

Definitions

Section 1. Terms which are defined in the Act, the Order, and rules and regulations issued thereunder, shall be defined in the same manner in these By-Laws.

ARTICLE IV

Meetings

Section 1. A meeting of the Board shall be held annually, within 90 days of the end of each fiscal period. Such meetings shall be held at the offices of the Board unless otherwise ordered by the Board or the Chairperson.

Section 2. Additional meetings of the Board may be held whenever called by the Chairperson, or by the Vice Chairperson acting as Chairperson, or by nine or more members of the Board, and any and all business coming before the Board may be transacted at such meetings.

Section 3. Notices of all meetings, together with a written agenda, shall be mailed or provided to each member of the Board, at his last known address, and to the Secretary of Agriculture, and, except in cases of emergency determined within the discretion of the Chairperson, every such notice shall be mailed at least 20 days prior to each meeting. In case of an emergency, as much advance notice as is practicable shall be given by telephone or telegraph.

Section 4. Except as stated in Section 5, a majority of the members shall constitute a quorum for any meeting of the Board. Any action of the Board shall require the concurring votes of at least a majority of those present and voting.

Section 5. Three-quarters of the members shall constitute a quorum for any meeting of the Board in which the approval of a budget of the Board will be voted upon.

Section 6. All votes at assembled meetings of the Board shall be cast in person. On the determination of the Chairperson of the Board that a matter is of an emergency nature such that an assembled meeting of the Board is impractical, votes may be

cast on such matter in accordance with Section 1150.137(b) of the Order. All votes shall be recorded in the minutes of the Board.

Section 7. Each major proposition, including all recommendations to the Secretary of Agriculture, which the Board may adopt shall be in the form of a resolution. Upon the request of any five members, any such proposition under consideration by the Board shall be presented to the Board in written form prior to voting thereon. All resolutions shall, upon adoption by the Board, be authenticated by the signature of the Chairperson or Acting Chairperson and the Recording Secretary.

ARTICLE V

Powers and Duties of the Board

Section 1. The Board shall have the Powers and Duties enumerated in Sections 1150.139 and 1150.140 of the Order and any amendments thereto, and shall exercise such Powers and perform such Duties so as to effectuate the objectives and purposes of the Act and Order.

Section 2. The Board shall utilize the Powers and Duties enumerated in the Order to encourage the coordination of dairy products promotion, research and nutrition education programs, including those on the State, regional and national level, and

to efficiently utilize existing organizations in the implementation of programs.

ARTICLE VI

Officers and Their Duties

Section 1.1. Officers. The elected officers of the Board shall consist of a Chairperson, a Vice Chairperson, a Recording Secretary, and a Treasurer.

Section 1.2. Term of Office. The officers shall be elected by the Board for a period of one year from among the Board members and shall serve until their successors are elected at the first regular annual meeting.

Section 1.3. Vacancy. In the event of death, resignation, or disqualification of an officer, a successor shall be elected by the Board from members as soon as practical to serve for the remainder of the unexpired term of office.

Section 2. Duties of the Chairperson. The duties of the Chairperson shall be: (a) to preside at all meeting of the Board; (b) to call meetings of the Board; (c) to call meetings of the Executive Committee and preside as Chairperson of such meetings; (d) to have general supervision of the affairs of the Board, and to perform all acts and duties usually incident to and required of an executive and presiding officer; and (e) to be an ex-officio member of all Standing and Special Committees.

Section 3. Duties of the Vice Chairperson. Duties of the Vice Chairperson shall be to preside over meetings and otherwise act in the place of the Chairperson in his/her absence, disqualification, desirability, or at his/her direction.

Section 4. Duties of the Recording Secretary. The duties of the Recording Secretary shall be: (a) to prepare, or cause to be prepared, the minutes of all meetings of the Board and the Executive Committee which shall include: (i) time and place of meeting, (ii) a list of Board members, Committee members, Committee staff, and Department of Agriculture employees present, (iii) a complete summary of all matters discussed, conclusions reached, and resolutions adopted plus the names of the member or members introducing and seconding the motion for adoption of each resolution, the vote by which each resolution is adopted, and in the event that a roll call vote is taken, the vote of each individual member, and (iv) copies of all reports received, issued, or approved; (b) to submit promptly the minutes of all such meetings to the Chairperson or person designated by the Chairperson, who attended the meeting, for certification, and, upon certification, to cause the minutes to be retained in a permanent minute book which shall be kept by the Recording Secretary; (c) to mail or otherwise provide promptly copies of the approved minutes of all meetings of the Board and Executive Committee to the Board members and the

Secretary of Agriculture; (d) to have the minutes for the immediate past meeting of the Board and the Executive Committee available for approval at the next respective meeting; and (e) to attest to all papers, documents, and other instruments on behalf of the Board. The Recording Secretary may delegate such duties to an authorized person as necessary.

Section 5. Duties of the Treasurer. The duties of the Treasurer shall be: (a) to have custody of all funds and property belonging to or under contract of the Board; (b) to keep, or cause to be kept, regular books of account under the direction of the Board; (c) to collect, or cause to be collected, all monies due to the Board; (d) to deposit, or cause to be deposited, all funds of the Board, or under its control in the form of certificates of deposit or regular deposits in banks or trust companies in which the deposits are federally insured or are covered by collateral posted with the Treasury within the limits designated by the Board, or in securities of the U.S. Government or quasi-governmental corporations authorized by the Board; (e) to cause an audit to be conducted at least annually by a qualified Certified Public Accountant of the Board's financial statements; (f) to submit to the Board members and the Secretary of Agriculture within 30 days of the end of each quarter of the fiscal period a financial report which shall include: (i) balance sheet, (ii) statement of receipts and

disbursements, and (iii) comparison of income and expenses with budget and with prior year, however, the financial report for the quarter upon which the fiscal period ends shall be submitted within 90 days of the end of that quarter to ensure that the results of the annual audit may be included in the quarter's report; (g) to serve as custodian of all insurance policies including any fidelity bonds covering all officers and employees and agents of the Board as designated by the Board; (h) the signing of checks on behalf of the Board and (i) to serve as Chairperson of the committee having jurisdiction with regard to finances and expenditures of the Board if such a committee is designated by the Chairperson pursuant to Article VIII, Section 1, 2 and/or 3 of these By-Laws. The Treasurer may delegate such duties to an authorized employee of the Board as necessary.

Section 6. Assistant Secretaries/Assistant Treasurers. The Board may appoint Assistant Secretaries and Assistant Treasurers, and other officers, as the Board may deem necessary or appropriate. The Assistant Secretaries and Assistant Treasurers shall perform such duties prescribed from time to time by the Secretary and Treasurer, respectively, or by the Chairperson or the Board. Such officers need not be members of the Board.

ARTICLE VII

Executive Committee

Section 1. The initial Executive Committee shall consist of not less than the elected officers of the Board and the remaining members of the Board.

Section 2. The Executive Committee shall be responsible for the conduct of duties assigned to it by the Board and shall act within the policies of the Board and any actions taken by the Executive Committee.

Section 3. A majority of the members of the Executive Committee shall constitute a quorum for any meeting of the Executive Committee. Any action of the Executive Committee shall require the concurring votes of at least a majority of those present and voting.

Section 4. All votes at assembled meetings of the Executive Committee shall be cast in person. On the determination of the Chairperson of the Executive Committee that a matter is of emergency nature such that an assembled meeting of the Executive Committee is impractical, votes may be cast on such matter in accordance with Section 1150.137(b) of the Order, provided that all members of the Committee are given notice.

Section 5. All minutes of meetings of the Executive Committee must be approved by the Board.

ARTICLE VIII

Committees

Section 1. Standing Committees.

Section 1.1. The Chairperson shall appoint from its members such Standing Committees as it may deem necessary for the expeditious handling of the affairs of the Board. No committees, nor any member thereof, shall have any authority to commit the Board except as has been duly delegated by the Board.

Section 1.2. Whenever practical as determined by the Chairperson, Standing Committees shall be composed of members of the Board with United States producer representation reflecting to the extent practical the geographic regions as defined in Section 1150.131(b) of the Order. No member may serve more than four consecutive one year terms as Chairperson of a Standing Committee. The Board may assign Standing Committees such administrative duties as it deems necessary. Subcommittees of a Standing Committee may be appointed by the Chairperson, or by the Chairperson of the Standing Committee, if authorized by the Chairperson to perform such special duties as the Committee may desire.

Section 2. Special Committees. Special Committees may consist of any number of members and employees of the Board as may be desirable and appointed by the Chairperson without regard

to geographic representation, and may be assigned duties necessary to the handling of such specific matters as the Board deems necessary. Special Committees shall have only such authority specifically granted to them and shall cease to exist upon completion of their assignment and the presentation of a report to the Board.

Section 3. Advisory Committees.

Section 3.1. The Chairperson may appoint Advisory Committees, consisting of any number of persons, including Board members, as may be desired. Such Advisory Committees shall have only such authority specifically granted to them.

Section 3.2. The Board shall pay the necessary and reasonable expenses and fees of the Advisory Committee members incurred by them while engaged in Board business.

ARTICLE IX

Employees of the Board

Section 1. The Board shall appoint, employ, or contract for the service of such person or persons it deems necessary to effectuate the terms and provisions of the Order, define the duties, determine the compensation for such employees and to designate such titles as to indicate the duties of such employees.

Section 2. Any officer, consultant, agent, or employee appointed, elected, or employed by the Board shall be subject to removal or suspension by the Board at any time. No officer, member, employee, consultant, or agent of the Board shall have the authority to commit the Board unless such authority has been duly delegated.

ARTICLE X

Fidelity Bonds

Section 1. All officers, employees and designated agents of the Dairy Board will be placed under fidelity bond issued by a company authorized to do business in the State wherein the offices of the Board are located. Such bond(s) shall be in the amount of \$1 million and premium on such bond(s) shall be paid from revenues of the Board.

ARTICLE XI

Expenses

Section 1. Board members, committee and subcommittee consultants, employees, or agents when acting on authorized business, shall be reimbursed for expenses necessarily incurred by them in the performance of their duties. The members of the Board shall serve without compensation, but may be paid a per

diem allowance as recommended by the Board and approved by the Secretary.

Section 2. Each person filing a claim for reimbursement shall be responsible for supplying the necessary receipts and/or a reasonable explanation of various expenses incurred. A standard expense voucher will be supplied by the Board for use in filing claims. All such claims for reimbursement shall be filed in accordance with the rules established by the Board within 30 days following the date on which the last expense item for a specific trip or other matter is incurred. Reimbursable expenses shall include the following: (a) mileage for auto travel at a rate to be determined by the Board; (b) transportation charges of a common carrier (when available, coach service shall be utilized on plane flights or daytime railroad trips); (c) bridge tolls, tips, parking, or other charges incidental to transportation, but excluding fuel, oil, auto repairs or service; (d) all meals while engaged in Board business; (e) hotel or motel room charges when Board business requires the claimant to be away from his place of residence overnight; and (f) incidental expenses which are incurred in the performance of Board business, all such expenses to be adequately explained and/or verified. Claims for per diem and travel allowances must be accompanied by adequate verification

and shall be paid only for the time claimant is engaged on behalf of authorized Board affairs.

ARTICLE XII

Amendments

Section 1. The Board may amend these By-Laws at any meeting, at which there exists a quorum, upon a two-thirds vote of the members present and voting. However, at least 15 days notice shall be given to all members of the Board and the Secretary of Agriculture and the intent of such amendments to be considered shall be made a part of the meeting notice.

ARTICLE XIII

Miscellaneous Provisions

Section 1. Parliamentary Procedure. The Board, Executive Committee, any Standing, Special or Advisory Committee when in session, shall be governed in its deliberations in the transaction of its business by these By-Laws and by the provisions of the Order and applicable rules and regulations adopted pursuant to the Order. Any matter of procedure not so covered shall be governed by the most recently published "Roberts Rules of Order".

Section 2. Contracts. The Board may authorize any officer or officers, agent or agents of the Board, in addition to the

officers so authorized by these By-Laws, to enter into any contract or execute and deliver any legal instrument in the name of and on behalf of the Board. Such authority may be general or confined to specific instances.

Section 3. Confidentiality of Information. All information obtained from the books, records or reports required to be kept pursuant to the Act or Order shall be kept confidential by all persons, including all employees or consultants of the Board and shall not be available to Board members unless the disclosure of such information is required by the Act or Order.

Section 4. Fiscal Year. The fiscal year of the Board shall commence on January 1 and terminate on December 31 of each year.

Section 5. Indemnification. The Board shall indemnify any officer, member, employee, or agent of the Board and protect them from any loss for any action or omission taken in good faith on behalf of any of the Board.

ARTICLE XIV

Time When Effective

Section 1. These By-Laws and any amendments thereto shall become effective immediately upon adoption by the Board.

ARTICLE XV

Dissolution

Section 1. In the event of dissolution of the Board, the affairs of the Board shall be liquidated in the manner delineated in Section 1150.181 of the Order.

MAY 17, 1994 (as subsequently amended)

4812-4089-0639, v. 1