

BYLAWS OF THE ADMINISTRATIVE COMMITTEE FOR PISTACHIOS

ARTICLE I: PRINCIPAL PLACE OF BUSINESS

Section 1 The principal place of business of the Administrative Committee for Pistachios (ACP) shall be 4938 East Yale Avenue, Suite 102, Fresno, California 93727

ARTICLE II: OFFICERS AND THEIR DUTIES

Section 1 The officers of the ACP shall be a Chairperson, a Vice Chairperson, and a Treasurer, all of whom shall be members of the ACP.

Section 2 The duties of the Chairperson shall be:

- (a) to preside at all meetings of the ACP
- (b) call special meetings of the ACP when necessary
- (c) perform all actions and duties required of a presiding officer
- (d) be an ex-officio member of all subcommittees established by the ACP

Section 3 The duties of the Vice Chairperson shall be to act in place of the Chairperson in his or her absence, disqualification, disability, or at the direction of the Chairperson.

Section 4 The duties of the Treasurer shall be to review financial/bank statements, review executive employee leave reports, and other activities at the direction of the Chairperson.

Section 5 Checks shall be signed on behalf of the ACP by any two of the following persons: The Manager, the Chairperson or such other ACP members or staff as the Chairperson may designate in writing.

ARTICLE III: EXECUTIVE EMPLOYEES AND THEIR DUTIES

Section 1 The executive employee of the ACP shall be the Manager. The Manager shall also be the Secretary of the ACP. As necessary, the ACP may appoint other officers, designate their duties, and assign to them portions of the duties assigned to the Manager.

Section 2 Subject to the general supervision and control of the ACP, the duties of the Manager shall be as follows:

- (a) to have general supervision of all employees of the ACP
- (b) employ all employees of the ACP
- (c) discharge employees as necessary
- (d) be responsible for the publication of all notices the ACP is required to give
- (e) assemble, compile and analyze all information necessary to perform the official ACP duties

- (f) prepare all reports necessary to accompany recommendations of the ACP to the Secretary of Agriculture
- (g) be responsible at all times for the proper administration of all policies and actions that the ACP adopts and undertakes, and for the proper performance of all duties on behalf of the ACP that the Federal Marketing Order (Order) requires

Section 3 The duties of the Secretary shall be as follows:

- (a) keep a complete record of ACP proceedings
- (b) attest to all papers, documents and other instruments on behalf of the ACP
- (c) sign checks authorized by the ACP
- (d) have custody of all monies, property and securities belonging to or under the control of the ACP
- (e) keep regular books of accounts under the direction of the ACP
- (f) deposit all funds and monies of the ACP in a bank approved by the ACP
- (g) submit the following financial reports to the ACP Committee and USDA monthly:
 - (1) balance sheet
 - (2) comparative statement of expenses and budget
- (h) act as purchasing agent for the ACP
- (i) act as custodian of all insurance policies

Section 4 The internal control policies approved by the ACP and the USDA shall take precedence in the event of conflicting interpretations of financial policy.

ARTICLE IV: MEETINGS

Section 1 Meetings of the ACP may be held whenever called by the Chairperson, or by the Vice Chairperson acting as Chairperson, or at the direction of the Chairperson or Vice Chairperson, when acting as Chairperson. The Chairperson, or Vice Chairperson acting as Chairperson, shall also call a meeting of the ACP within three days of receiving written requests by three or more members. Any and all business coming before the ACP may be transacted at these meetings. Notice of all meetings shall be sent to each member and alternate member of the ACP at his or her current mailing address. Except in cases of emergency determined by the Chairperson, every notice shall be sent in time to be received by them at least 72 hours prior to the meeting, if given by telephone or electronically; if by mail, the notice shall be mailed, properly stamped and addressed, not later than the fourth day (not counting Sundays or legal holidays) preceding the date of the meeting. The Secretary of Agriculture, or designated agent, shall be given the same notice as that given to members and alternate members.

Section 2 The regular order of business of the ACP, unless otherwise determined by the ACP, shall be as follows:

- (a) roll call
- (b) approval of the minutes of the previous meeting
- (c) action on matters covered on written agenda

(d) new business.

Section 3 Any proposed resolution pertaining to the regulations on which the Secretary's approval is required shall be introduced in written form with the subject plainly stated in the title. Resolutions may be introduced, considered and adopted upon one reading at the meeting at which introduced. All resolutions adopted by the ACP, unless otherwise fixed by the ACP, shall become effective immediately upon their adoption, unless it is a resolution involving rule making subject to the procedure prescribed in the Administrative Procedure Act (5 U.S.C. 1001 et seq.), in which case the effective date shall be in accordance with provisions of such Act. All resolutions shall, upon adoption by the ACP, be recorded in a book kept for that purpose and shall be authenticated by the signature of the Secretary. Such record shall show the names of the members introducing and seconding the motion for adoption of each resolution. The record shall also show for each meeting the vote by which each resolution was adopted, and in the event there was a division in the vote, there shall be a roll call vote and the vote of each individual member and all alternates acting as members shall be recorded. The minutes of each meeting shall contain all resolutions adopted during such meeting exactly as they appear in the record, except that the minutes need not show the vote by individual members in the event of a roll call vote, but only the number in favor of and the number opposed to each resolution. Decisions as to policy shall be evidenced by resolution. Minutes of all meetings shall be provided to ACP members, alternates and to the USDA representative. These minutes will be made available to interested parties on request.

Section 4 All actions of the ACP are by majority vote and with a quorum requirement of seven members, except as specified in Order regulations, Section 983.34.

ARTICLE V: SUBCOMMITTEES

Section 1 The ACP, from among its members and alternates or other persons, may empower the Chairperson to appoint subcommittees as necessary for the expeditious handling of the affairs of the ACP, assigning the proper duties to these subcommittees. All subcommittees shall have a designated Chairperson and Vice Chairperson. No subcommittee or member shall have the authority to commit the ACP unless authority has been duly delegated by the ACP. When the subcommittee has disposed of a specific matter assigned to it and a report has been made to the ACP, the Chairperson may discharge the subcommittee or he or she may retain the subcommittee and assign to it other duties as proper and necessary. The subcommittee appointed by the ACP or its Chairperson shall be automatically discharged when the life of the ACP that appointed it expires. Subcommittee members shall be reimbursed for their expenses in the same manner as ACP members and alternates.

(a) A three-member Executive and Diversity Subcommittee shall have the following duties:

- (1) Each member shall receive and review the financial reports required by Article III, Section 3, Part 7, of these Bylaws and shall make any appropriate recommendations to the ACP or the Secretary.
 - (2) The Subcommittee shall recommend to the ACP an appropriate budget and assessment rate for the crop year.
 - (3) The Subcommittee will endeavor to increase the diversity of the ACP to better reflect the United States pistachio producers.
 - (4) The Subcommittee shall also consider any issues not assigned to another subcommittee or which relate to overall program operations.
- (b) A Technical Subcommittee shall consider any issues related to inspection, compliance, aflatoxin certification, United States Grades and Standards, minimum quality certification, and inventory shipments reports. They may also be asked to develop rules and regulations pertaining to the issues above.

All subcommittees shall meet no later than May 31 of each year, but in adequate time to prepare recommendations on projects and a budget of expenses for the succeeding crop year as well as complete subcommittee responsibilities for elections, assessments, changes in inspection procedures, etc. Recommendations of these subcommittees shall be distributed to handlers and ACP members as soon as practicable.

Section 2 All actions of the ACP subcommittees are by majority vote with a quorum requirement. Thus, on a six-person subcommittee, the quorum would be four (4) members, and the minimum affirmative votes to take action would also be four (4).

ARTICLE VI: FIDELITY BONDS

Section 1 All officers and employees of the ACP who handle funds belonging to or under control of the ACP shall be placed under fidelity bond or comparable instrument issued by a company authorized to do business in the State of California, in an amount to be fixed by the ACP, and the premium shall be paid by the ACP.

ARTICLE VII: PROCEDURE AND TRANSACTION OF BUSINESS

Section 1 When in session, the ACP shall be governed in its deliberations by the Rules and Regulations here provided and by the Order (7 CFR Part 983). Any matter of procedure not covered shall be governed by Robert's Rules of Order. Persons not members of the ACP shall be entitled to participate in ACP deliberations and proceedings or speak upon any matter before it, subject to the discretion and control of the presiding officer.

ARTICLE VIII: SPECIAL APPOINTMENT POWERS OF THE ACP

Section 1 The ACP may employ special personnel on other than an annual salary basis, at a rate of compensation determined by the Manager, to perform specific duties assigned to them. Members and alternate members may be authorized by the ACP to perform such duties and to receive expense and mileage reimbursement.

Section 2 Any officer, agent or employee appointed, elected or employed by the ACP shall be subject to removal or suspension by the ACP at any time.

ARTICLE IX: COMPENSATION AND EXPENSES OF ACP MEMBERS

Section 1 The ACP members and alternate members may claim reimbursement for reasonable expenses necessarily incurred by them in the performance of their duties.

Section 2 Any such claim for reimbursement shall be filed with the Manager in such itemized detail as to give a reasonable explanation of expenses incurred. Simplified expense vouchers will be supplied by staff to members and alternates. Each claim shall be filed with the office of the ACP within 30 days following the date on which expenses are incurred. "Reasonable, necessary expenses" shall include the following:

- (a) Automobile mileage shall be paid for travel on official business at a rate determined by the Executive Subcommittee.
- (b) Transportation charges of common carrier when on official business at the published rates at time of purchase.
- (c) Bridge tolls, taxi fares, streetcar and bus fares, gratuities, parking and other reasonable charges incidental to transportation exclusive of gasoline, oil and automotive repairs and services.
- (d) All meals while engaged in official business.
- (e) Hotel bills where official business requires the claimant to be away from his or her place of residence overnight.
- (f) Local telephone calls, faxes and long distance telephone calls.
- (g) Incidental expenses incurred in the performance of official business with adequate explanation.

Any other expenses claimed by members or alternate members shall require ACP approval.

Section 3 The Manager shall have authority to order prompt payment of all claims submitted to him or her by members and alternates provided the official form is used, or a form adequate enough to provide details of expenses claimed under generally accepted accounting principles.

Section 4 The ACP public member and alternate public member may claim reimbursement for reasonable expenses necessarily incurred by them in the performance of their duties. See Article IX, Sections 2 and 3. Compensation of the public member and alternate public member shall be at the rate of \$100.00 per meeting per person.

ARTICLE X: EXPENSES OF ACP EMPLOYEES

Section 1 Employees shall be reimbursed for all ordinary and necessary expenses incurred by them in the execution of their duties.

ARTICLE XI: AMENDMENTS

Section 1 The ACP may amend these Bylaws at any ACP meeting in accordance with the voting procedure in Section 983.36, provided five (5) business days' notice shall be given to all ACP members that Bylaw amendments are to be considered.

ARTICLE XII: RULES AND REGULATIONS EFFECTIVE DATE

Section 1 The Rules and Regulations prescribed herein shall become effective from the date of approval by the ACP.