

BYLAWS
American Pecan Council

USDA Marketing Order No. 986

Article I - Name, State of Incorporation & Headquarters

Section 1. Name. The name of the organization shall be the American Pecan Council, authorized under the Agricultural Marketing Agreement Act of 1937, as amended, herein referred to as the "Council."

Section 2. State of Incorporation. The Council is a Texas, not-for-profit corporation incorporated under the name "Federal Marketing Order American Pecan Council" and operating under the Texas fictitious name certificate: "American Pecan Council."

Section 3. Location. The Council's headquarters shall be located in the Dallas Metropolitan area or at such other place as the Council shall determine.

Article II - Purposes Legal Authority & Authority of Bylaws

Section 1. Purposes. The Council's purposes (the "Purposes") are those set forth in 7 C.F.R. Part 986, the Final Rule published in the Federal Register, Vol. 81, No. 150 on August 4, 2016, as amended from time to time (the "Order"). Only Purposes set out in the Order, or any amendment thereto, may be pursued by the Council or the staff serving the Council.

Section 2. Legal Authority. The Order operates under the authority of the Agricultural Marketing Agreement Act of 1937, as amended (the "Act"). The Council also operates under the Texas Non-Profit Corporations Act, as amended (the "Texas Non-Profit Corporations Act").

Section 3. Authority of Bylaws. These Bylaws of the Council are subject to the provisions of the Act, the Order, and the Texas Non-Profit Corporations Act. To the extent that these Bylaws of the Council conflict with any of the Act, the Order or the Texas Non-Profit Corporations Act, those authorities shall control.

Article III - Council Membership, Council Alternates, Selection, Term, Eligibility and Vacancies related to Members and Alternates

Section 1. Council Membership. The membership of the Council shall be as set forth in 7 C.F.R. § 986.45. Council members shall be referred to as "Members" or "Member."

Section 2. Council Alternates. The alternate members of the Council shall be as set forth in 7 C.F.R. § 986.47. Alternate members of the Council shall be referred to as "Alternates" or "Alternate."

Section 3. Selection of Members and Affiliates. The selection of Members and Alternates shall be done as set forth in 7 C.F.R. §§ 986.45 through 986.49.

Section 4. Term of Office. The term of office of Members and Alternates shall be as set forth in 7 C.F.R. § 986.50.

Section 5. Eligibility to Serve as a Member or Alternate. No Members or Alternates shall be eligible to serve on the Council unless they qualify to serve pursuant to 7 C.F.R. § 986.48.

Section 6. Vacancy on the Council. Any vacancy on the Council of a Member or Alternate is defined by, and may be filled by the vote of the Council pursuant to, 7 C.F.R. § 986.51.

Section 7. Removal of Members and Alternates. Members and Alternates, and any agent or employee appointed or employed by the Council, shall be subject to removal or suspension by the Secretary of Agriculture of the United States ("Secretary of Agriculture") at any time.

Article IV – Committees

Section 1. Authority to Appoint Committees; Charters; Voting, Quorum, and Motions. The Council may create and appoint, or empower the Chair to appoint, from its Members and Alternates, standing committees of the Council (each a "Standing Committee," and collectively the "Standing Committees") in order for the Council to more efficiently and effectively fulfill its Purposes, and may assign to Standing Committees such administrative duties that the Council may deem proper. The Council may create and appoint, or empower the Chair to appoint, from its Members and Alternates, special committees (each a "Special Committee," and collectively the "Special Committees"), and may assign to Special Committees such specific matters as need to be investigated and a report thereon made to the Council. Special Committees can be organized underneath or within Standing Committees, but do not need to be organized underneath or within Standing Committees. Special Committees shall cease to exist upon completion of their assignments. The Council will establish for each Standing Committee and Special Committee a charter that sets forth the responsibilities and authorities of each Standing Committee and Special Committee (each a "Charter"). The Council may appoint or empower the Chair to appoint consultants or other experts to serve on either Standing Committees or Special Committees. Neither a Standing Committee nor a Special Committee nor member thereof shall have the authority to commit the Council unless such authority has been duly delegated by the Council. The Chair will be an ex-officio member of each Standing Committee and Special Committee created by the Council but will not have a vote on such Standing Committees or Special Committees. Each member of a Standing Committee or Special Committee, except for the Chair, will be entitled to one (1) vote on any matter put to the committee, and the motion will carry if supported by one (1) vote more than fifty percent (50%) of the total votes represented by the voting committee members present at a committee meeting at which there is a quorum. It will be considered a quorum at a Standing Committee or Special Committee meeting when at least one (1) more than half of those voting committee members assigned to the committee are present. Chairs of Standing Committees must be voting members of the Council.

Section 2. Initial Council Standing Committees. The Council hereby creates the following standing Committees:

Governance

Industry Relations

Marketing Promotions

Grades and Standardization

Other Council Standing Committees may be created by the Council from time to time as the Council determines.

Section 3. Authority for Committees to Recommend Action to the Council. A Standing Committee or Special Committee of the Council, acting pursuant to its Charter, shall submit to the Council all matters on which one (1) vote more than fifty percent (50%) of the total votes represented by the voting committee

members present at a committee meeting at which there is a quorum have voted to send to the Council for its consideration. All matters approved by a Standing Committee or Special Committee of the Council shall not be the act of the Council unless and until approved by a vote of the Council.

Article V - Officers and Duties

Section 1. Officers. The officers of the Council shall consist of Chair, Vice Chair, Secretary and Treasurer (each an "Officer", and collectively the "Officers").

Section 2. Chair. The duties of the Chair shall be to (1) preside at all meetings of the Council; (2) call special meetings of the Council when deemed necessary; (3) perform all acts and duties usually incidental to, and required of the presiding Officer, and (4) be an ex-officio member of all Standing Committees and Special Committees.

Section 3. Vice-Chair. The duties of the Vice-Chair shall be to preside in place of the Chair in the absence, disqualification, disability, or at the direction of the Chair.

Section 4. Secretary. The duties of the Secretary shall be to (1) keep or cause to be kept, a complete record of the proceedings of all meetings of the Council, (2) review and approve all meeting minutes prior to mailing to other Members and Alternates, and (3) attest to all documents and instruments on behalf of the Council.

Section 5. Treasurer. The duties of the Treasurer shall be to (1) prepare or cause to be prepared annually a budget for the Council; (2) collect or cause to be collected and accounted for all assessments and receivables established by the Council; (3) disburse or cause to be disbursed and account for all expenses incurred by the Council; (4) produce or cause to be produced periodic financial reports for the Council and the Secretary of Agriculture; (5) review any and all financial records prior to being presented for Council approval, and (6) cause the financial records of the Council to be audited by an independent auditing firm at least annually.

Section 6. Election of Officers. The Officers shall be elected by the Members of the Council by majority vote at a meeting (in person or by telephone or other means of communication) at which there is quorum, and shall serve for two (2) years or until their successors are elected. An Officer's term of office normally begins at the annual meeting (last regular meeting of every fiscal year), and continues until their successors have been elected.

Article VI. – The Executive Director/CEO

Section 1. Employment. The Council shall appoint an Executive Director/CEO of the Council, determine the Executive Director/CEO's compensation, and prescribe the Executive Director/CEO's duties and the terms of the Executive Director/CEO's employment.

Section 2. Duties of the Executive Director/CEO. The Executive Director/CEO shall be a direct representative of the Council in the management of the Council; shall be the spokesperson for the organization; shall effectively communicate the vision and mission of the organization to the community; shall motivate the Council's employees to implement the vision of the organization; shall provide leadership to carry out the organizational strategy; shall be responsible for the day-to-day financial activities of the Council; shall manage the daily affairs of the Council, and direct the work and employees of the Council, subject to, and in accordance with, the directions of the Council; shall prepare budgets of the expense for the approval of the Council; and shall be authorized to incur expenses in accordance within the approved budget, or as directed by the Council. These responsibilities may be modified in the employment contract between the Executive Director/CEO and the Council, if any.

Section 3. Hiring of Staff. The Executive Director/CEO shall have the power to hire and terminate employees of the Council, within the guidelines set by the Council and the budget.

Section 4. Reporting to the Council. The Executive Director/CEO shall from time to time make reports of the work and affairs of the Council to the Chair of the Council and/or to the Council.

Article VII - Council Meetings

Section 1. Regular Meetings. Regular meetings of the Council shall be held during February/March and July/August of each fiscal year. The February/March meeting is scheduled for the purpose of determining the current fiscal year's crop in order to begin to formulate a marketing policy for the next fiscal year, and such other purposes as the Chair determines. The July/August meeting is scheduled for the purpose of: finalizing the next fiscal year's marketing policy; preparing the next fiscal year's budget of income and expenses; calculating the next fiscal year's proposed assessment rates; determining the amount of any carry over funds from one fiscal year to the next to be retained by the Council (if any); and such other purposes as the Chair determines.

Section 2. Special Meetings. Special meetings may be called by the Chair or shall be called upon the written request of three (3) or more members of the Council. The purpose of the meeting, date, time, and location shall be stated in such request for a special meeting, and such request shall be made at least two (2) days before the requested meeting.

Section 3. Telephone and other Means of Communication. Members and Alternates may attend meetings by telephone or other means of communication. Council meetings may also be held by telephone, or other means of communication. Any votes cast by Members at meetings when they are not physically present at the meeting shall be confirmed promptly in writing.

Section 4. Notice to Secretary of Agriculture. The Council shall give the Secretary of Agriculture, or the Secretary of Agriculture's appointees, notice of all meetings at the same time such meeting notice is given to Members and Alternates.

Section 5. Quorum. A quorum shall consist of twelve (12) voting Members.

Section 6. Order of Business. The regular order of business of the Council, unless otherwise determined by the Chair, shall be as follows:

- | | |
|----------------------------------|--------------------------|
| (1) Call to Order | (6) Report of Committees |
| (2) Roll Call | (7) Unfinished Business |
| (3) Approval of Minutes | (8) New Business |
| (4) Report of Executive Director | (9) Adjournment |
| (5) Report of Officers | |

Section 7. Voting. The vote of a majority of Members present at a meeting (in person or by telephone or other means of communication) at which there is quorum shall constitute the act of the Council. Certain matters requiring a super majority, two-thirds (12 Members), or unanimous vote of the Council are listed in 7 C.F.R. § 986.55(c)(1) and (c)(2).

Section 8. Member Absence. In the absence of any Member, the Alternate for the Member's vacant seat shall act in the place and stead of such Member. If both a Member and the Alternate for the Member's seat are both unable to attend a Council meeting, another Alternate representing the same group as the absent Member (grower or sheller) may be appointed by the Chair to serve for such meeting, consistent with 7 C.F.R. § 986.47.

Article VIII - Administration

Section 1. Executive Director/CEO. The Executive Director/CEO, by direction of the Council, shall be responsible to the Council for the proper administration of all Purposes, policies and actions that the Council adopts and undertakes; for the proper performance of all duties on behalf of the Council; subject to the oversight by the Treasurer, shall be empowered to sign checks for the Council's funds to cover operations of the Council and to invest such excess funds into insured interest bearing accounts; and perform such other financial and operational duties as may be designated by the Council.

Article IX – Expenses

Section 1. Members and Alternates. The Members and Alternates of the Council shall be reimbursed for their reasonable and necessary expenses incurred by them only in the performance of their Council duties. A receipt for commercial forms of travel, lodging, meals and all other out of pocket expenses shall be required as part of any claim for reimbursement.

Section 2. Travel Expenses. Travel expenses that will be reimbursed are confined to those reasonable expenses essential to the transaction of business of the Council. Mileage shall be reimbursed at the Federal allowable rate or the actual transportation charges paid to a common carrier at the time of travel.

Article X - Amendments

Section 1. Bylaws Changes and Notice. These Bylaws, and policies of the Council ("Policies"), can be amended and adopted at any regular meeting of the Council. Prior written notification of any proposed changes to these Bylaws shall be given to all Members and Alternates prior to any Council meeting in which proposed Bylaw changes are on the agenda to be considered by the Council.

Section 2. Effective Date of Bylaw Changes. Amendments to these Bylaws shall take effect at the adjournment of the meeting at which they are adopted unless otherwise provided.

Article XI – Policies

The Council may adopt Policies from time to time, upon a two-thirds (12 Members) Member vote, that shall have the same authority as these Bylaws.

Adopted: February 23, 2017

Amended: August 30, 2018

Amended: February 27, 2025