



## **BYLAWS OF THE COLOMBIA AVOCADO BOARD**

*Approved by Colombia Avocado Board on September 29, 2020.*

*Revised by Colombia Avocado Board on August 18, 2021.*

*Revised by Colombia Avocado Board on October 27, 2022.*

### **ARTICLE I**

#### **Name**

**Section 1.** The organization governed by these Bylaws shall be known as the Colombia Avocado Board hereinafter referred to as (“CAB”).

### **ARTICLE II**

#### **Purpose**

**Section 1.** The principal purpose of CAB and these Bylaws shall be to promote the interests of entities involved in the production, packing, exportation, importation, and commercialization of avocados from Colombia to the United States as an importer association authorized to receive funding under the Hass Avocado Board (“US Board”) established by the provisions of the Hass Avocado Promotion, Research, and Information Act of 2000, 7 U.S.C. §§7801-7813, as amended (the “Act”) and Hass Avocado Promotion, Research, and Information Order, 7 C.F.R. §1219, as amended (the “Order”), and to establish a fair and orderly procedure whereby adequate funds can be assembled to fulfill the provisions of this program. To the extent authorized by the Board of Directors, CAB may also engage in other activities that are related to the objectives of the Act and Order that could affect the export, import and promotion of Hass avocados in the United States, provided that such activities are not a substantial portion of the activities of CAB. The CAB is intended to be qualified for exemption from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), as the same may be amended or modified or replaced in the future, and its operations shall in all events conform with the requirements of Section 501(c)(3) of the Code in accordance with the foregoing purposes or in advancement thereof, but not for the pecuniary profit or financial gain of its Directors or Officers, except as permitted under the Florida Not For Profit Corporation Act, Fl. Stat. §617.01011 et seq., as amended.

**Section 2.** Terms which are defined in the Act, the Order, and rules and regulations issued thereunder, shall be defined in the same manner in these Bylaws.

### **ARTICLE III**

#### **Registered Office and Principal Place of Business**

**Section 1.** The registered office of the Association shall be 1417 Cardinal Road, Orlando, FL 32803 or such other address as designated by the Board of Directors from time to time, and the registered agent shall be a resident of Florida as designated by the Board of Directors.

**Section 2.** The principal place of business of the Board shall be at 1417 Cardinal Road, Orlando, FL 32803 or such other location as the Board of Directors shall establish from time to time.

## ARTICLE IV

### Members

**Section 1.** CAB shall have three (3) classes of members that shall include: (a) importers of Hass avocados from Colombia to the United States, as the term “importer” is defined in §1219.14 of the Order, that are subject to and paying assessments under the Act and Order (each an “Importer” and, collectively, “Importers”); (b) exporters of Hass avocados from Colombia to the United States (each an “Exporter” and, collectively, “Exporters”); and (c) a designated representative of the Colombia Avocado Exporters Corporation (“Corpohass”) who shall represent Colombian avocado exporters (the Importer members, Exporter members, and designated representative of Corpohass, individually each a “Member” and, collectively, the “Members”).

**Section 2.** Pursuant to §7804(h)(9)(B) of the Act, and upon implementation of “Importer Associations and Assessment Computation” procedures by USDA’s Agricultural Marketing Service (“AMS”), all Importers are Members of the Board, provided that such Importers have the opportunity to opt out of such membership by notifying CAB and the US Board in writing.

**Section 3.** Members shall be responsible for providing to CAB the correct name and contact information of their designated representative. CAB shall establish and maintain a registry list of Members of each class as specified in Section 1 of this Article, including any designated representatives of Members, and make such list available to USDA upon request.

## ARTICLE V

### Meetings

**Section 1.** There shall be an initial meeting of individuals and organizations eligible to be Members of CAB under Article IV. Those Members shall elect the initial Board of Directors and adopt Bylaws for the conduct of the affairs of CAB.

**Section 2.** The Board of Directors shall establish the time and place for the Annual Meeting of the CAB Members, during which Members shall elect Directors as required under Article VI, and conduct such other business as shall come before the Members. The date of the Annual Meeting shall be set each year by the Board of Directors, giving due consideration to having it after the end of the avocado season in Colombia. The Chairperson shall chair the Annual Meeting until its conclusion, and the successor Chairperson elected at the Annual Meeting shall take office at the conclusion of the meeting.

**Section 3.** The Board of Directors shall provide no less than thirty (30) days written notice to all Members and USDA of the time and place of the Annual Meeting. The Board of Directors shall provide no less than seven (7) days written notice of a description of issues, in addition to the election of Directors, to be presented for a vote of the Members at such meeting.

**Section 4.** On matters directly affecting the interests of the Members of CAB, each Member shall be entitled to one (1) vote. If any Member is an organization or entity, it shall be entitled to one (1) vote exercised through a designated representative.

**Section 5.** The Board of Directors shall meet at the call of the Chairperson or by the call of a majority of the Board Members. Each Director shall receive no less than seven (7) days written notice of any planned Board Meeting.

**Section 6.** A simple majority of the Directors then holding office shall constitute a quorum of the Board of Directors at all meetings. All votes shall be decided by a simple majority of those Directors in attendance, provided that such majority shall consist of at least one (1) vote from each of the Importer Directors and Exporter Directors. There shall be no proxy voting.

**Section 7.** To the extent permitted by law of the State of Florida, CAB meetings may take place by means of telephone conference, email, video conference, or similar means of communication in which all participants can hear one another at all times, and such participating Members and Directors shall be deemed to be in attendance for purposes of a quorum or voting.

## **ARTICLE VI**

### **Board of Directors**

**Section 1.** The Board of Directors shall have general charge and management of the affairs, funds and property of CAB. The Board shall have full power, and it shall be the Board's duty, to carry out the purposes of CAB according to its Articles of Incorporation and these Bylaws, and to carry out all the other duties and exercise the powers set forth in these Bylaws. The Board shall have the power to enter into contracts with other entities for the provision of staff, related administrative services, and other projects or activities to be performed by CAB.

**Section 2.** The Board of Directors shall be comprised of nine (9) directors that shall include: four (4) directors who shall be elected by the Importer class of Members ("Importer Directors"); four (4) directors who shall be elected by the Exporter class of Members ("Exporter Directors"); and one (1) director who is the designated representative of Corpohass (for purposes of his/her role on the Board, the "Corpohass Director")(the Importer Directors, Exporter Directors, and Corpohass Director, individually each a "Director" and, collectively, the "Directors").

**Section 3.** At the Annual Meeting, Members shall elect Importer Directors and Exporter Directors to serve a term of two (2) years, or until their successors are elected. For the purpose of maintaining continuity on the Board of Directors through the use of staggered terms, at the 2022 Annual Meeting, there shall be established two (2) slates of directors. Slate A directors shall be comprised of two Importer Directors and two Exporter Directors that shall each serve a term of one year for only the initial term, which shall expire at the 2023 Annual Meeting. Slate B directors shall consist of two Importer Directors and two Exporter Directors that shall serve a two (2) year term, expiring at the 2024 Annual Meeting. Thereafter, at each subsequent Annual Meeting, one slate of Directors will step down and be replaced with new Directors to serve a two (2) year term while the other slate of Directors remains on the Board until their term expires at the next year's Annual Meeting. Former directors, (importer and exporter members) may be eligible to serve anytime after they have set off the board for one term or 12 months. In order to be eligible to serve as a Director, a Director must be current in his/her payments of membership dues to CAB or must be representing a Member that is current in its payments of membership dues to CAB. In order to be eligible to serve as a Director, an Importer Director must be current in his/her payments of assessments to the US Board or must be representing a Member that is current in its payments of assessments to the US Board. A Director serving as a designated representative of a Member must continue to represent such Member at all times during his/her term on the Board of Directors.

**Section 4.** In the event of the death, resignation, or disqualification of a Director that is not the Corpohass Director, the Board of Directors shall elect a temporary successor to serve in the departing Director's seat as either an Importer Director or Exporter Director, as the case may be, until Members elect a new Director at the next Annual Meeting. In the event the departing Director is the Corpohass Director, Corpohass may appoint a temporary replacement to serve in the Corpohass Director seat until it designates a permanent replacement. In the event the departing Director is the Chairperson, the Vice-Chairperson shall be the new Chairperson and a new Vice-Chairperson shall be elected by the Board from among the remaining Directors. At the next Annual Meeting, Members shall elect a new Director to serve the remainder of the term for the departing Director's seat, or for a full two (2) year term if that Director's term would have expired at the next Annual Meeting.

**Section 5.** The Board of Directors shall establish three standing committees: Executive Committee; Finance Committee; and Promotion Committee. In addition, the Board of Directors shall have the right to establish other ad hoc or working committees as needed. In consultation with the Executive Committee, the Chairperson shall appoint the committee chairperson and members of standing, ad hoc, or working committees. Committees may include persons other than Board of Directors, with the exception of the Executive Committee. All committees shall meet upon the call of the Chairperson or by call of a majority of its members. A simple majority of committee members shall constitute a quorum for a meeting. All votes shall be decided by a majority of those committee members in attendance on the basis of one person, one vote. There shall be no proxy voting.

**Section 6.** Directors shall not be compensated for their services. Directors shall pay their own expenses to attend administrative related activities of the Board of Directors meetings, or such other administrative activities on behalf of CAB, unless otherwise authorized by the Board of Directors. Any reimbursement of out-of-pocket expenses shall conform to the controls to prevent reimbursements or expenditures for unreasonable or otherwise controversial travel and meeting expenses as established under Section 1219.41 of the Order.

**Section 7.** Each Director shall provide an official communication channel to the Chairperson and Managing Director, providing timely updates as necessary upon any change in information. This channel will go on record as the official channel to use in communications with the Director.

**Section 8.** Prohibited activities of Directors shall be the same as established under Section 1219.42 of the Order.

## **ARTICLE VII**

### **Officers and Their Duties**

**Section 1.** CAB's officers shall consist of a Chairperson, a Vice-Chairperson, a Secretary, and a Treasurer (each individually an "Officer" and, collectively, the "Officers"), which may be the same or separate persons. These Officers shall be Directors, and the Board of Directors shall elect the Chairperson, Vice-Chairperson, Secretary, and Treasurer, each of whom shall serve the same term as an Officer as they serve as a Director, or until the Board elects their successor.

**Section 2.** The Board of Directors may also hire a Managing Director and other employees for managing the affairs of the Board. Such Managing Director or other employees may not be Directors or Members of CAB.

**Section 3.** The Chairperson's duties shall be to preside at the Annual Meeting and all meetings of the Board of Directors; call special Board meetings when deemed necessary; have general oversight of Board affairs; and to perform all acts and duties usually incident to and required of a presiding officer.

**Section 4.** The duties of the Vice-Chairperson shall be to act in the place of the Chairperson in the Chairperson's absence, disqualification, disability, or at the Chairperson's direction.

**Section 5.** The Secretary's duties shall be to keep a complete record of the proceedings at all meetings of the Members and the Board of Directors; and attest to all papers, documents and other instruments on behalf of CAB, the Board of Directors and the Officers as required. The Secretary may delegate such duties with the approval of the Board of Directors. Copies of the minutes from all meetings related to activities funded by the Order shall be provided to USDA.

**Section 6.** The Treasurer's duties shall include responsibility for the safekeeping of all funds and property belonging to or under control of CAB or the Board of Directors; cause to be kept regular books of account under the direction of CAB; cause to be deposited all funds of CAB, or under the control of CAB, in a bank or banks designated by CAB; cause to be submitted to CAB and the Secretary of Agriculture a financial report as required under the Order; and be responsible for all insurance policies, including any fidelity bonds covering Officers, employees or agents of CAB. The Treasurer may delegate such duties with the approval of CAB.

**Section 7.** The Executive Committee shall consist of the Chairperson, Vice-Chairperson, Secretary, and Treasurer. The Executive Committee shall act for the Board of Directors in implementing such advertising and or promotion activities as directed by the Board of Directors, and shall, subject to such direction, be charged with developing specific programs or projects in the name of the Board of Directors. As directed, by the Board of Directors, the Executive Committee shall further act for the Board in authorizing contracts or agreements for the development and carrying out of such program or projects and the payment of the costs thereof. The Executive Committee shall act on behalf of, and in the name of, the Board of Directors in all administrative matters, including but not limited to amending the budget, contracting with agencies, and authorizing the Chairperson to appoint committee members.

**Section 8.** The Managing Director shall be the chief administrative officer of CAB and shall be responsible for the daily business of CAB under the direction and authority of the Board of Directors. The Board of Directors shall set the compensation for the Managing Director. The Board of Directors may also designate additional advisors, officers, and employees of CAB as required and in consultation with the Managing Director

**Section 9.** Contracts involving implementation of the Order, or other representation, shall be signed on the Board of Directors' behalf by any one (1) person authorized by CAB resolution. Checks shall be signed, or wire transfers authorized, on behalf of CAB by use of a manual or facsimile signature of the Chairperson (or a manual or facsimile signature of the Vice-Chairperson if the Chairperson is not accessible) and one additional manual signature of the Treasurer or Secretary, or such other person authorized by CAB Resolution; provided, that the Treasurer may manually sign checks or authorize wire transfers alone for amounts of not more than \$50,000.00. The same process applies to payments made by wire transfer.

**Section 10.** CAB and its Directors, Officers and employees shall not discriminate against any contractor or applicant for employment because of race, color, national origin, religion, sex, age, disability, protected genetic information, or reprisal. CAB and its Directors, Officers, and employees will fully comply with any and all applicable Federal, State and local equal employment opportunity statutes,

ordinances, and regulations, including, but not limited to, Title VII of the Civil Rights Act of 1964; the American with Disabilities Act of 1990; the Age Discrimination in Employment Act of 1967, Genetic Information Act of 2008, and the Equal Pay Act of 1963.

## **ARTICLE VIII**

### **Transfer and Use of Assessments from Importers**

**Section 1.** As established under the Order, CAB shall receive from the US Board an amount of assessment funds equal to eighty-five (85) percent of the assessments paid on Colombia Hass avocados imported by all Importers who are CAB Members. CAB shall use such funds and earnings from such funds to finance promotion, research, consumer information and industry information programs, plans, and projects for Colombian Avocados in the United States. Such funds shall be placed in an account specifically designated for that purpose by the Board of Directors and such funds shall be used as defined by the Order for the promotion of Colombia Hass avocados, and to promote the overall market for Hass avocados, in the United States.

**Section 2.** The Board of Directors shall establish separate budgets for the promotional activities and the administrative costs of CAB. CAB shall establish by Resolution such assessments, fees, or dues to be paid by Members sufficient to cover the administrative costs of CAB's activities. CAB may provide a draft Resolution to the Members for review and comment or seek the comments of the Members by any other reasonable means, provided that, the final Resolution must be provided in writing to all Members of record not less than 30 days prior to its effective date.

**Section 3.** CAB shall be the exclusive organization for the promotion of Colombian Hass avocados under the Order for those Importers that are CAB Members. CAB shall also be the only organization that shall administer the program for those Members.

**Section 4.** No funds collected from assessments made by Members under the Act or Order shall be used for activities prohibited by such Act or Order.

## **ARTICLE IX**

### **Bonds and Insurance, Liability and Indemnification of Directors, Officers and Other People**

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

**Section 2.** The Board of Directors shall have the power to indemnify any present and past Director, Officer, committee member, employee or agent of the Board who is a party to any threatened, pending or completed lawsuit and other legal action or investigation by reason of the fact that he or she is or was a Director, Officer, committee member, employee or agent of CAB, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement that are reasonably incurred in connection with such action; provided, that such person acted in good faith within their authority and not in dishonesty or negligence or misconduct, and in a manner he or she reasonably believed to be in or not opposed to the best interests of CAB. If such action is a criminal proceeding, he or she must have had no reason to believe his or her conduct was unlawful. The foregoing shall not apply to matters as to which any such person shall be adjudged in such proceeding to be liable for negligence or misconduct in the performance of their duty.

**Section 3.** To the extent any such person specified in Section 2 of this Article has been successful on the merits or otherwise in the defense of such proceeding or claim, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

**Section 4.** Any indemnification under this Article shall be made only as authorized in the specific proceeding upon determination that indemnification is proper in the circumstances and the person has met the standard of conduct set out in Section 2 of the Article. Such determination shall be made by a majority of the Board of Directors elected who were not parties to the proceeding, or absent a majority, by a written opinion by independent legal counsel.

**Section 5.** The Board of Directors may obtain insurance for such indemnification but shall not be required to do so. If not insured, any indemnification shall be an administrative cost of CAB as established in Article VII.

## **ARTICLE X**

### **Amendment of Bylaws**

**Section 1.** These Bylaws shall be amended by a simple majority of each the Importer and Exporter class of Members with no less than seven (7) days' notice at the Annual Meeting or at a special meeting of the Members called for that purpose. Any changes in CAB's Bylaws must be reviewed and approved by AMS.

## **ARTICLE XI**

### **Dissolution**

**Section 1.** In the event of dissolution of the Hass Avocado Board, the affairs of CAB shall be liquidated in accordance with the procedures outlined in 1219.72 of the Order.