

AMERICAN PECAN PROMOTION BOARD

BOARD MEETING

March 23, 2022

A Board Meeting of the American Pecan Promotion Board (the "Board," or "APPB") was called to order by David Salopek, Chairperson of the Board at 1:00pm CST on Wednesday, March 23, 2022.

Participants

Mr. Salopek called on Mr. Quiros to lead a roll-call of the participants and the following persons were present:

Alex Caryl, (MDD-MARB)	Kortney Chase
Phillip Arnold	Molly Willis
Mike Adams	Paul Quiros
Deborah Walden-Ralls	David Salopek
John Turner	Romulo Garza
Brittan Bagley	John Hutchens
Dennis Hardman	Sally Arn
Trent Mason	Mark Hamilton
Guillermo Humphrey	Maggie Pepper (AB)
Gayla Thornton (AB)	

Jaye Massey was excused from the meeting. Based on the Board's attendance, a quorum for the meeting was confirmed.

Also in attendance were public guests Lalo Medina, Matthew Bailey, Brent Brinkley, Shannon Ivey, Juliana Gibson, Emma Garner, Dan Zedan, Bill Davis, Alex Ott, Jeff Smutny, Abigail Campos, Delaney Fuhrmeister, Scott Landgraf, Angie Ellis, Les Daviet, Dan York, Frank Salopek, Mike Spradling, Larry Don Womack, Bob Redding, Blair Krebs, Alison McMillon, Louie Salopek, Debra Barnett, Steve Zafferano and Will Easterlin.

Approval of Minutes

Mr. Salopek asked for comments regarding the Minutes from the February 8, 2022, Board Meeting. Upon motion made by Ms. Walden-Ralls to approve the Minutes, the Board approved the Minutes of the February 8, 2022, Board Meeting.

Financial and Collections Update

Mr. Salopek called on Ms. Maggie Pepper, the APPB's representative from Armstrong, Backus & Co., LLP, to update the Board on the Board's Financial Statements through 2/28/22 and the assessment collections through February 28, 2022, which had previously been circulated to the Board. Ms. Pepper reviewed the Financial Statements of the Board through February 28, 2022, and described the assessment collections and the exemption requests received to date, a copy of Ms. Pepper's numerical presentation of collections through February 28, 2022, is attached as Exhibit A. Mr. Hamilton made a motion to accept the Financial and Collections Report, which was approved by a vote of the Board.

Portal Construction Discussion

Mr. Salopek called on Ms. Walden-Ralls to review the APPB Portal development. Ms. Walden-Ralls reviewed her recent discussions with representatives of Fishhook and the state of progress of this project.

Marketing Update

Mr. Salopek introduced the Marketing update. Ms. Salopek called on Mr. Smutny who discussed the state of the contract with Digital Magnet and described some of the benefits of this campaign and the timing of the next funding. Questions were asked about the Digital Magnet contact.

Independent Contractor Agreements

Mr. Salopek described the Independent Contractor Agreements arrangement to supply staff for the Board. Mr. Salopek described that such

an arrangement will be mirrored by the American Pecan Council (“APC”). The deadline to get these Consulting Agreements in place is May 1, 2022.

Office Rental Agreement

Mr. Salopek called on Ms. Walden-Ralls to discuss the office rental agreement. Ms. Walden-Ralls described the arrangement that was going to be put in place to lease one-half of the space currently occupied by the APC.

Board Insurance

Mr. Salopek called on Ms. Walden-Ralls to update the Board on the Board’s Insurance. Ms. Walden-Ralls confirmed that the insurance had been placed for the Board’s insurance in accordance with past discussions.

Bylaws Review and Approval

Mr. Salopek called on Mr. Quiros to review the update Bylaws draft distributed to the Board. Mr. Quiros reviewed the Bylaws change that had been requested by the USDA and answered one Board member’s comment on the Bylaws. After no further comments or questions, Mr. Salopek asked for a motion to approve the Bylaws as presented. Upon motion made by Mr. Hardman to approve the updated Bylaws, the Board approved the Bylaws, a copy of which is attached as Exhibit B.

USDA Update

Mr. Salopek called on Ms. Caryl to present the USDA’s report. Ms. Caryl updated the Board on the contracting terms with US Customs and Border Protection (“CBP”) to collect Importer assessments at the Border. The Board and other participants discussed the issues related to CBP collecting for the APPB. Ms. Caryl also discussed the USDA’s efforts to collect Importers unpaid assessments for Fiscal Year 2022. Finally, Ms. Caryl discussed the work she was doing with Ms. Pepper to review the exemption forms to see if they could be simplified. Ms. Caryl answered questions of the Board and Public Guests.

Future Meetings

Mr. Salopek gave notice to the Board of the following Executive Committee and Board meetings: Executive Committee meeting on April 18, 2022; and a Board meeting on April 19, 2022. All meetings to be held at 2:30pm CST and to be held electronically.

Old Business, New Business, Public Comment and Adjournment

Mr. Salopek called for old business or new business. A question about old business was raised about Board committee appointments. There was no new business raised but Mr. Salopek took the opportunity to ask for introductions of all participants and public guests, and all persons in attendance introduced themselves and their relationship to the Board or the Pecan industry.

Mr. Salopek asked for public comment or questions from public meeting guests but there were no comments or questions. Mr. Salopek called for a motion to adjourn the meeting, which was made by Mr. Mason and, after a vote of the Board, the meeting was adjourned at 2:07pm CST.

Respectfully submitted,



Paul A. Quiros, Secretary

Approved after review of the Board and USDA:



David Salopek, Chairperson

EXHIBIT A

AMERICAN PECAN PROMOTION BOARD

Assessments Reported

Reported as of 2/28/22

State	Number of Producers	Total Assessments	Shelled Pounds	In Shell Pounds	DeMinis Exemption Requested	Organic Exemptions Requested
AL	8	\$ 5,756		287,793	5	
AR	6	\$ 18,838		941,913	7	
AZ	10	\$ 65,940		3,296,993	3	
CA	34	\$ 57,977		2,898,855	3	
FL	4	\$ 1,160		57,990	3	
GA	284	\$ 1,918,784	105,790	95,727,663	82	
LA	10	\$ 31,005		1,550,233	7	
MO					5	
MS					6	
NM	37	\$ 485,028		24,251,395	17	4
OK	73	\$ 97,361		4,868,035	50	
SC					4	
TN	3	\$ 1,708		85,390		
TX	74	\$ 430,841	4,749,194	12,043,694	60	
Other	31	\$ 36,115	156,000	1,493,639	9	
IMPORTS	5	\$ 208,883	2,217,170	6,009,845		
TOTAL	579	\$ 3,359,395	7,228,154	153,513,438	261	4

BYLAWS OF THE AMERICAN PECAN PROMOTION BOARD**ARTICLE I****NAME**

The organization governed by these Bylaws is the AMERICAN PECAN PROMOTION BOARD, hereinafter referred to as the “Board.” The Board is a nonprofit corporation organized under the Commodity Promotion, Research and Information Act of 1996 and the Texas Business Organizations Code, and formed to administer the Pecan Promotion, Research and Information Order (7 CFR Part 1223), hereinafter referred to as the “Order.”

ARTICLE II**PURPOSE**

The purpose of the Board and these Bylaws shall be to implement the provisions of the Order, including creating programs to strengthen the position of Pecans in the marketplace, maintain and expand markets for Pecans, and develop new uses for Pecans.

ARTICLE III**PRINCIPAL PLACE OF BUSINESS**

The principal place of business of the Board shall be located in Fort Worth, Texas, or other location designated by the Board.

ARTICLE IV

OFFICERS AND THEIR DUTIES

Section 1. The officers of the Board shall consist of a Chairperson, Vice Chairperson, Secretary and Treasurer. The same person may not hold more than one office at any one time.

Section 2. The officers shall be elected at the start of each fiscal year at the Annual Meeting by the Board from among the qualified Board members for a term of one (1) year or until their successors are elected. 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. The election of officers shall be determined by majority vote of the Board and the officers may be elected individually or by slate. In the event of death, resignation or disqualification of an officer, a successor shall be elected by the Board at the next regular meeting to serve for the remainder of the unexpired term of office.

Section 3. The duties of the Chairperson shall be: (a) to preside at all meetings of the Board; (b) to call meetings of the Board when deemed necessary; (c) to appoint committee members to the Board's committees; (d) to call any

meetings necessary of the Executive Committee and preside as chairperson of such meetings; (e) to have general knowledge of the affairs of the Board, and to perform all acts and duties usually incident to and required of a presiding officer; and (f) to be an ex-officio (nonvoting and not counting for quorum purposes) member of all committees.

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

Section 5. The duties of the Secretary shall be to perform, or to supervise a Board contractor or employee to perform, the following: (a) the distribution of Board meeting notices; (b) to keep a complete record of the proceedings of all meetings of the Board and the Executive Committee; (c) to keep a complete record of all Bylaws, committee Charters and policies of the Board; (d) to retain all minutes, papers, documents and other instruments of the Board.

Section 6. The duties of the Treasurer shall be to perform or to supervise a Board contractor or employee to perform, while adhering to the confidential treatment required in the Order, the following: (a) to have custody of all funds and property belonging to or under control of the Board; (b) to keep regular books and accounts under the direction of the Board; (c) to deposit all funds of the Board, or under its control, in a bank or banks designated by the Board; (d) to submit to the

Board and the Secretary of Agriculture all reports required by the Order, including a monthly financial report containing: (1) a balance sheet, (2) an income statement, and (3) a comparison of expenses with the budget; (e) to act as purchasing agent for the Board; (f) to serve as custodian of all insurance policies including any fidelity bonds covering officers, employees and agents of the Board; and (g) to coordinate with auditors to complete the annual independent financial audit of the Board.

ARTICLE V

EXECUTIVE COMMITTEE

Section 1. The elected officers of the Board shall act as the Executive Committee.

Section 2. The Executive Committee shall be responsible for the conduct of duties and policies as outlined by the Board and in accordance with their Charter.

Section 3. The Executive Director of the Board may serve as a non-voting advisor to the Executive Committee.

ARTICLE VI

BOARD

Section 1. All Board members shall be qualified, nominated, appointed and elected as set forth in the Order.

Section 2. The term of office of the Board members shall be as set forth in the Order and subsequent pronouncements by the Secretary of Agriculture.

Section 3. Board members must not be in default of the payment of assessments required to be paid under the Order.

Section 4. Board vacancies shall be determined and filled in accordance with the Order.

Section 5. Failure of any member to attend three consecutive regularly scheduled meetings of the full Board, without an excused absence, shall result in a recommendation of the Board to the Secretary of Agriculture that such member should be removed from the Board. The Board, by majority vote, may expressly waive implementation of this provision.

ARTICLE VII

EMPLOYEES AND THEIR DUTIES

Section 1. The Board may hire a senior executive designated the Executive Director and other employees. Additionally, the Board may contract for administrative services including an individual who shall act as the Executive Director.

Section 2. Subject to the policies and general control of the Board, the Executive Director shall: (a) employ, supervise, and be responsible for the discharge of all other employees of the Board, independent contractors,

consultants, and other suppliers; (b) set wages and benefits within the Board's budget; (c) be responsible for all notices the Board is required to give; (d) assemble, compile, and analyze all information necessary in connection with the performance of the official duties of the Board; (e) execute all contracts on behalf of the Board; and (f) be responsible to the Board at all times for the proper administration of Board activities.

Section 3. Board Employees, under the general supervision of the Secretary and Treasurer, shall perform such duties as the Secretary and Treasurer, by these Bylaws or Board policy, may authorize and direct.

Section 4. The Executive Director shall be performance evaluated annually or bi-annually per employment contract.

ARTICLE VIII

MEETINGS

Section 1. The Board shall hold its Annual Meeting as soon after October 1 of each year as is practical.

Section 2. Meetings of the Board may be held with a minimum of 10 days advance notice whenever called by the Chairperson, or by the Vice Chairperson acting in the Chairperson's stead, or by joint call of a simple majority of the members of the Board. The Chairperson may call an emergency meeting on less than 10 days advance notice. Any and all business coming before the Board may

be transacted at such meetings. The Secretary of Agriculture shall be invited to all meetings of the Board.

Section 3. Meetings may be held telephonically or by video (in either event provided the system permits each person participating in the meeting to communicate concurrently with all other persons participating in the meeting) or at locations for the convenience of the Board members or for enhancement of relations with program participants.

Section 4. Notice of all meetings, together with a written agenda, shall be mailed or emailed to each member of the Board before Board meetings. The Secretary of Agriculture shall be given the same notice and materials as Board members.

Section 5. All proposals, programs or recommendations of the Board, including those to the Secretary of Agriculture, shall be in the form of motions. All motions, upon adoption, shall be recorded and shall become a part of the official minutes. All adopted motions, as a body, shall constitute policy of the Board and shall remain as such until amended by action of the Board.

ARTICLE IX

BOARD VOTING

Section 1. A majority of the Board members will constitute a quorum.

Section 2. Each Board member will be entitled to one vote on any matter put to the Board, and the motion will carry if supported by one vote more than 50 percent of the total votes represented by the Board members present.

Section 3. There shall be no voting by proxy.

Section 4. The Board may vote to take an action in lieu of a Board meeting by mail, telephone, electronic mail, facsimile or any other means of communication if, in the opinion of the Chairperson, such action is considered necessary. All Board members and the Secretary of Agriculture must be notified of such action and all members must be provided the opportunity to vote. Such vote shall be approved if supported by one vote more than 50 percent of the Board members. Telephone votes shall be confirmed in writing promptly. Any such action so taken shall have the same force and effect as though such action had been taken at a properly convened meeting of the Board, and shall be recorded in the Board minutes.

ARTICLE X

COMMITTEES

Section 1. The Chairperson will appoint Standing and Ad Hoc committees, committee chairpersons and committee members; and shall report to the Board, in a timely manner, when such are appointed. Any Board member may request

appointment to a committee but the final determination of committee membership shall be with the Chairperson.

Section 2. Committee chairpersons shall be Board members.

Section 3. A committee member may be someone other than a Board member and such committee member may vote in committee meetings; provided, however, Board members shall comprise the majority of each committee. It will be considered a quorum at a committee meeting when at least one more than half of those assigned to the committee are present. Each member of a committee will be entitled to one (1) vote on any matter put to the committee, and the motion will carry if supported by one vote more than 50 percent of the total votes represented by the committee members present.

Section 4. Each committee of the Board shall meet at the call of the committee chairperson upon ten (10) days advance notice of the meeting. A committee chairperson may call an emergency meeting on less than 10 days advance notice. No committee nor any member thereof shall have the authority to obligate the Board. In the absence of the Secretary or CEO, the chairperson of a committee shall arrange for and authenticate the minutes of that committee's meeting. The Secretary of Agriculture shall be given the same notice and materials as committee members.

Section 5. Committee Roles and Responsibilities shall be as defined and formulated by each committee and submitted to the Board as a Committee Charter for the Board's and Secretary's approval. Committees shall perform their duties and responsibilities in accordance with their Charters.

Section 6. The standing committees of the Board will be: Executive, Finance, Marketing & Communication, and Research.

ARTICLE XI

BONDS

Officers, employees and agents of the Board 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 on such bonds shall be paid by the Board.

ARTICLE XII

PERSONAL LIABILITY

No member or employee 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, either of commission or omission, as such member or employee, except for acts of dishonesty or willful misconduct.

The Board shall purchase and maintain liability insurance covering Board members and employees individually and collectively when acting as a representatives of the Board.

ARTICLE XIII

PROCEDURE AND TRANSACTION OF BUSINESS

The Board shall be governed in its deliberations and in the transaction of business by the Order, these Bylaws, and any policies of the Board (including Board approved motions and Committee Charters). Any matter of procedure not covered by these shall be governed by “Roberts Rules of Order.” No person, not a Board member or employee of the Board or representative of the Secretary, shall be entitled to participate in the deliberations and proceedings or speak at official meetings of the Board unless authorized and recognized by the Chairperson of the Board.

ARTICLE XIV

POWERS OF THE BOARD

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 or in accordance with any applicable written agreement. No officer, member, employee or agent of the Board shall have the authority to obligate the Board unless such authority has been expressly designated. All decisions, acts or performances of any such officer,

member, 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.

ARTICLE XV

EXPENSES

Section 1. Members of the Board, other committees, or employees, when acting on authorized business, shall be reimbursed for reasonable and necessary expenses incurred by them in the performance of their duties. In lieu of reimbursement of actual expenses incurred, the Board may establish a per diem allowance to cover such expenses.

Section 2. Each person filing a claim for reimbursements shall be responsible for supplying the necessary receipts or a reasonable explanation of the 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 within 60 days following the date the expenses were incurred. Reimbursable expenses shall include the following: (a) mileage for auto travel at the annual rate determined by the Internal Revenue Service; (b) transportation charges of a common carrier (when available, coach service must be utilized on all plane flights under 6 hours; business class may be utilized for international flights over 6 hours); (c) bridge tolls, tips, parking or other charges incidental to transportation, but

excluding fuel, oil, auto repairs or service on personal vehicles; (d) all meals, not to include alcoholic beverages of any type, while engaged in Board business; (e) hotel or motel room charges when Board business requires the claimant to be away from his/her 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.

Section 3. The Board may adopt a Travel and Reimbursement Policy that further defines this Article of the Bylaws.

ARTICLE XVI

AMENDMENTS, POLICIES, CHARTERS AND

CONFLICTS WITH THE ORDER

The Board may amend these Bylaws, adopt policies or committee Charters at any meeting of the Board by an affirmative vote of a majority of all Board members present. Such actions will be effective upon the approval of the Secretary. If there is any conflict between these Bylaws, committee Charters or Board policies and the Order, the Order shall displace or preempt the Bylaws, committee Charters and Board policies.