

NORTH AMERICAN BLUEBERRY COUNCIL, INC.
BY-LAWS

Revised: September 12, 2019

MISSION STATEMENT

The North American Blueberry Council (NABC) is a key advocate for the success and profitability of the highbush blueberry industry. As such, the NABC assists its membership in addressing issues regarding market access; provides counsel in the development of standards for quality and food safety; and serves as a source for helping to manage and communicate industry issues as a voice for the North American highbush blueberry industry.

Our mission is to encourage cooperation among the international blueberry community and in doing so the NABC provides its members with timely, market relevant information such as seasonal crop reports, monthly cold storage figures and yearly production data, as well as background, education and relevant information related to good industry practices. As an industry advocate, the NABC also represents and serves as a voice for members of the North American highbush blueberry industry in legislative and political concerns.

ARTICLE I
NAME

SECTION I. Name. The name of this non-profit Association shall be North American Blueberry Council, Inc.

ARTICLE II
DEFINITIONS

SECTION I. Associations. Associations as used in these by-laws may mean Co-operatives, Associations, Corporations, Partnerships or individuals as defined by the Board of Directors from time to time.

SECTION II. Voting. Each NABC member will receive one vote.

SECTION III. Majority Vote. Majority vote shall mean one vote more than 50% of the total votes represented by members present at any one meeting.

SECTION IV. Votes. Each NABC member will receive one vote.

ARTICLE III
PURPOSES AND OBJECTIVES

SECTION I. Objectives. The objective of this Council will be to serve as a voice of the highbush blueberry industry, provide members with a forum to air their views and concerns, and allow for greater communication between industry members. The NABC will also advise in the establishment of standards of quality for blueberries as well encourage safety in production, food and plant practices.

SECTION II. Purposes.

a. Serve as an industry information source and coordinate an exchange of information on:

1. Plant disease
2. Insect problems
3. Variety breeding and testing
4. Growing and cultural methods
5. Uniform crop reporting
6. Uniform crop survey

b. Advising in the establishment of uniform standards and measures of quality.

1. Grades on fresh and processed blueberries
2. Export and import standards

ARTICLE IV MEMBERSHIP

SECTION 1. Membership. During the time that the U.S. Highbush Blueberry Council (USHBC) is in place, all U.S., Canadian and Mexican highbush blueberry growers will be eligible for full membership in the NABC regardless of their level of production. Membership of the Council shall consist of Co-operatives, Corporations, Commissions created by State or Provincial law, Councils, current and prospective blueberry growers or handlers acting on behalf of highbush blueberry growers, and other organizations or individuals involved in blueberry production who apply for membership and pay the annual assessment. If a State or Provincial Commission represents production, the member represented by said Commission may retain their original membership.

SECTION II. Associate Members. Associate members may be selected from time to time according to qualifications set from time to time by said Board of Directors, but they shall have no voting rights.

SECTION III. Applications. All applications for membership shall be presented to the membership committee. The membership committee shall review the qualifications for membership of each applicant and will refer each application to the Board of Directors together with their review of said qualifications. A majority vote of the Board as determined herein shall be necessary to elect a new member.

SECTION IV. Expulsion. Members may be expelled by the Board of Directors for cause, including 60 days' delinquency in payment of dues and assessments. For any cause, other than non-payment of dues, expulsion shall take place as follows:

- (1) Said Board shall appoint a grievance committee which shall review said complaints and give said member an opportunity to present a defense;
- (2) The report of the grievance committee shall be forwarded to the Board together with the recommendations of the committee. An opportunity shall be given to the member to present a defense to the Board, if he so requests;
- (3) A three-fourths (3/4) vote of the Board as determined herein shall be necessary for expulsion.

SECTION V. Resignation. Any member herein may resign by giving notice within 30 days prior to the close of the fiscal year.

SECTION VI. Liability for Assessments. All members shall be liable for the current year's assessments levied up to the date of resignation or expulsion as a member. The annual assessment of members whose production is represented by a State or Provincial Commission shall be determined by the Board of Directors. If the State or Provincial Commission pays the annual assessment, the assessment represented by the State or Provincial Commission shall be a separate assessment to be determined annually by the Board of Directors.

SECTION VII. Dues

Dues for NABC administration and functions will be levied by the Board of Directors annually.

SECTION VIII. Method of Determination

Each NABC grower member will pay dues based upon their level of production at a rate to be determined by the Board of Directors. In the case of a grower/handler member, dues will be based on the total combined pounds of production they grow and or handle on behalf of highbush blueberry growers. Production levels will be defined as follows:

Level #1:	100,000 pounds or less per year
Level #2:	100,001 to 250,000 pounds per year
Level #3:	250,001 to 500,000 pounds per year
Level #4:	500,001 to 1,000,000 pounds per year
Level #5:	1,000,001 pounds or more per year

In addition, cooperatives, commissions, prospective growers and associate members will also be required to pay dues at a rate to be determined by the Board of Directors. Associate Membership levels are defined as Blue Level or Gold Level Members.

**ARTICLE V
GOVERNMENT**

SECTION I. Government. During the time that the USHBC program is in effect, the government and management of the funds, properties and affairs of the NABC shall be vested in an elected Board of Directors consisting of the following NABC officers: Chairperson, First Vice Chairperson, Second Vice Chairperson, Immediate Past Chairperson, Secretary, Treasurer and Assistant Treasurer.

SECTION II. Advisory Boards. It is contemplated that Associations in various regions may form advisory Boards to make recommendations and suggestions to the Council, and to handle local problems and to help the Council in the gathering and dissemination of ideas and procedures.

SECTION III. Committees. The Board of Directors may select committees for such duties and with such powers as they may determine from time to time.

ARTICLE VI ANNUAL MEETING

SECTION I. Meetings

An NABC Annual Meeting will be held each year. Whenever possible the NABC Annual Meeting will be held at the same location and at the same time as the USHBC meeting, unless otherwise determined by the Board of Directors.

Written notice of the Annual Meeting will be provided to NABC members not less than ten (10) nor more than sixty (60) days prior to the meeting. Notice may be either personally delivered or sent by U.S. mail.

The place and time for any additional NABC meetings shall be determined by the Board of Directors from time to time on an as needed basis. Whenever possible, these NABC meetings will also be held in conjunction with NABC meetings. Attendance by members or Board of Directors at a meeting may be by telephone or other electronic equipment if it is possible and necessary for participation by these means. The NABC fiscal year will be from January 1st to December 31st.

ARTICLE VII BOARD OF DIRECTORS

SECTION I. Number. The Board of Directors will consist of six elected members: Chairperson, First Vice Chairperson, Second Vice Chairperson, Secretary, Treasurer and Assistant Treasurer as well as the immediate Past Chairperson. North American Blueberry Council members who pay assessments from more than one state or province may certify more than one official delegate. Voting will be restricted as defined in the By-Laws.

SECTION II. Methods of Selection. The NABC will seek nominees for five Board of Director positions (with the exception of the immediate past Chairperson). Members will have the opportunity to vote for each position.

SECTION III. Replacement or Vacancies. Replacements to the Board will be determined by the existing Board and will serve until the next Annual Meeting.

SECTION IV. Quorum. At any meeting of the NABC Board of Directors, a majority of the Board of Directors will constitute a quorum.

SECTION V. Meetings. Meetings of the Board of Directors may be called from time to time by the Chairperson or by a majority vote of the Board of Directors. Meetings of the Board may be called upon 10 days written notice. Notice of meetings shall contain a statement of the purpose of such meeting, and the business shall be confined to such items, except that upon approval of a majority of the Board of Directors, other business may be transacted. Meetings, with the exception of those held as an executive session, will be open to all NABC members.

SECTION VI. Loss of Directorship. In the event a member of the Board of Directors ceases to be an NABC member, he or she will automatically cease serving as a Director without notice or resignation.

SECTION VII. Place of Meetings. The place of meetings shall be determined from time to time by the Board and in the absence of such designation by the Chairperson.

SECTION VIII. Directors - Consultants. Any Director may bring up to three consultants with him at any Board meeting. Such consultants shall not have the power to vote or to discuss except with approval of the Board and may be excluded upon vote of the Board.

SECTION IX. Powers. All powers of operation are vested in the Board of Directors and said Board may designate from time to time committees with such power as are defined by the Board. The Board has the authority to employ an Executive Director, a President or CEO to carry out the duties of the Council.

ARTICLE VIII OFFICERS

SECTION I. Election. Refer to Article VII Section II (Methods of Selection). Elections will take place every two years.

SECTION II. Officers. The officers shall be the Chairperson, First Vice Chairperson, Second Vice Chairperson, Immediate Past Chairperson, Secretary, Treasurer and Assistant Treasurer.

SECTION III. Duties. The duties of the Chairperson, the Vice Chairpersons, Second Vice Chairperson, Past Chairperson, Secretary, Treasurer and Assistant Treasurer shall be such as their title would indicate or as may be specified by the Board or assigned to them from time to time or as may be required by law.

In the case of the inability of the Chairperson to preside at a meeting of the Board of Directors, the First Vice Chairperson, followed by the Second Vice Chairperson, shall serve as the presiding officer.

SECTION IV. Salaries and Fees. The Board shall determine from time to time salaries and reimbursement of expenses.

ARTICLE IX CHARTER MEMBERS

SECTION I. Charter Members.

The Charter members are as follows:

American Foods, Inc.

Atlantic Blueberry Company

Atlantic County Blueberry Growers Association

Atlantic County Market Growers Association

British Columbia Blueberry Cooperative Association

Carolina Blueberry Cooperative Association, Inc.

Hammonton Blueberry Exchange

Hammonton Cooperative Fruit Auction Association, Inc.

Michigan Blueberry Growers Association

Oregon Blueberry Growers Association
Pacific Northwest Blueberry Growers Association, Inc.
Pakco Companies, Inc.
Tru Blue Cooperative Association

ARTICLE X AMENDMENTS

These By-Laws may be amended in the following manner:

- (a) By 2/3 votes of the members present of the Board of Directors at any meeting providing notice has been given 10 days in advance of the proposed By-Law change.

AMENDMENT 1 - INDEMNIFICATION

Section 1. Indemnification of Directors and Officers: Claims by Third Parties.

The Corporation shall, to the fullest extent authorized by the Michigan Non-Profit Corporation Act (the "Act"), indemnify a director or officer, (the "Indemnitee") who was or is a party or is threatened to be made a party to a threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, other than an action by or in the right of the Corporation, by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic Corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, against expenses, including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit, or proceeding, if the Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation or its shareholders, and with respect to a criminal action or proceeding, if the Indemnitee had no reasonable cause to believe his or her conduct was unlawful. The termination of an action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea nolo contendere or its equivalent, does not, of itself, create a presumption that the Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Corporation or its members, and with respect to a criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 2. Indemnification of Directors and Officers: Claims Brought by or in the Right of the Corporation. The Corporation shall, to the fullest extent authorized by the Act, indemnify a director or officer (the "Indemnitee") who was or is a party to or is threatened to be made a party to a threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation, or is or was

serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, against expenses (including actual and reasonable attorneys' fees), and amounts paid in settlement incurred by the person in connection with the action or suit, if the Indemnitee acted in good faith and in a manner the person reasonably believed to be in, or not opposed to, the best interests of the Corporation or its members. However, indemnification shall not be made for a claim, issue, or matter in which the Indemnitee has been found liable to the Corporation unless and only to the extent that the court in which the action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, the Indemnitee is fairly and reasonably entitled to indemnification for the expenses which the court considered proper.

Section 3. Advancement of Expenses. Expenses incurred in defending a civil or criminal action, or suit shall be paid by the Corporation, promptly after request by the Indemnitee in advance of the final disposition of the action, suit, or proceeding upon receipt of an undertaking by or on behalf of, the Indemnitee to repay the expenses if it is ultimately determined that the Indemnitee is not entitled to be indemnified by the Corporation. The undertaking shall be by unlimited general obligation of the Indemnitee on whose behalf advances are made, shall not be required to be secured, and shall be accepted without reference to financial ability to pay. In the event the Corporation fails to advance such expense as required hereunder within thirty (30) days of the request therefor, the Indemnitee shall be entitled also to collect interest thereon at the rate of seven (7%) per annum from the date of the request.

Section 4. Approval of Indemnification. An indemnification under Sections 1 or 2 hereof, unless ordered by a court, shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Indemnitee is proper in the circumstances. This determination shall be made in one of the following ways, as designated by the Indemnitee in his or her sole discretion:

- (a) By a majority vote of a quorum of the Board consisting of directors who were not parties to the action, suit or proceeding;
- (b) If the quorum described in subparagraph (a) above is not obtainable, then by a majority vote of a committee of directors who are not parties to the action; provided, the committee shall consist of not less than two (2) disinterested directors;
- (c) By independent legal counsel in a written opinion; or
- (d) By the members.

Upon written request by the Indemnitee for indemnification (which request shall designate a method of determination described above), the Corporation shall, at its expense, take all actions necessary to make the determination (utilizing the method of determination designated by the Indemnitee) as expeditiously as possible but within not later than one hundred eighty (180) days (or at the next members' meeting if that method is designated) after such request. The Indemnitee shall have the right to petition a court of appropriate jurisdiction: (i) to make the determination if the Corporation fails to do so

within the time allotted; or (ii) to review the determination if the determination denies indemnification in whole, or in part.

AMENDMENT 2 - CONTRACTING OF ADMINISTRATIVE SERVICES

The NABC is given the authority to offer the service of its administrative staff to conduct administrative and market development actions on behalf of the U.S. Highbush Blueberry Council.

AMENDMENT 3 - ETHICS POLICY

Overview

The purpose for this ethics policy is to establish a culture of openness, trust and integrity in all North American Blueberry Council (NABC) business practices. Effective ethics is a team effort involving the participation and support of every NABC member and employee.

The North American Blueberry Council is committed to protecting employees, volunteers, partners, vendors, the Council and blueberry consumers from illegal or damaging actions by individuals, either knowingly or unknowingly. The NABC is committed to conducting all our activities with the highest standards of ethical conduct.

The NABC will not tolerate any wrongdoing or impropriety at any time and will take the appropriate measures to act quickly in correcting the issue if the ethical code is broken. Any infractions of this code of ethics will not be tolerated.

NABC Vision and Mission

The vision of the North American Blueberry Council is to be viewed as a key advocate for the success and profitability of the highbush blueberry industry. Our mission is to encourage international blueberry cooperation; serve as a voice of the North American highbush blueberry industry in legislative issues and market access concerns; and provide counsel in the development of standards of quality and food safety.

Purpose of Ethics Policy

Our purpose for authoring a publication on ethics is to emphasize the employee, Council member and consumer expectation to be treated to fair business practices. This policy will serve to guide business behavior to ensure ethical conduct.

Scope of Ethics Policy

This policy applies to employees, members, contractors, consultants, temporaries, and other workers involved with the NABC, including all personnel affiliated with third parties.

NABC Code of Ethics

[NABC Executive Commitment to Ethics](#)

- The NABC Executive Committee and Executive Director, President or CEO must set a prime example. In any business practice, honesty and integrity must be top priority for NABC executives.
- Executives must have an open-door policy and welcome suggestions and concerns from employees and members. This will allow employees and members to feel comfortable discussing any issues and will alert executives to concerns within the work force or within the NABC.
- Executives must disclose any conflict of interest in regard to their position with the North American Blueberry Council

NABC Employee Commitment to Ethics

- NABC employees will treat everyone fairly, have mutual respect, promote a team environment and avoid the intent and appearance of unethical or compromising practices.
- Every employee needs to apply effort and intelligence in maintaining ethics value.
- Employees must disclose any conflict of interest with regard to their position within the NABC
- Employees will help the NABC to increase member and vendor satisfaction by being attentive to needs, providing quality service and timely response to inquiries.

NABC Awareness

- Promotion of ethical conduct within interpersonal communications of employees as well as council members will be encouraged. The NABC will promote a trustworthy and honest atmosphere to reinforce the vision of ethics within the Council.

Maintaining Ethical Practices

- The NABC will reinforce the importance of the integrity message and the tone will start at the Executive level. Every employee and NABC member needs to consistently maintain an ethical stance and support ethical behavior.
- Employees and Members of the North American Blueberry Council should encourage open dialogue, get honest feedback and treat everyone fairly, with honesty and objectivity.
- Concerns regarding the ethical code are to be addressed to the NABC Executive Director, President or CEO or to the members of the NABC Executive Committee.

Unethical Behavior

- The NABC will avoid the intent and appearance of unethical or compromising practice in relationships, actions and communications.
- The NABC will not tolerate harassment or discrimination. Unauthorized use of NABC market, operational, personnel, and financial or technical information integral to the success of the NABC will not be tolerated.
- The NABC will not permit impropriety at any time and we will act ethically and responsibly in accordance with laws.
- NABC employees or members will not use NABC assets or business relationships for personal use or gain.

NABC Diversity Statement

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The NABC will attempt to achieve a diverse representation on the Council. NABC prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, genetic information, parental status and marital or family status. The NABC will work to comply with any and all applicable Federal, State, and local equal employment opportunity statutes, ordinances and regulations. Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) are encouraged to contact the NABC office to explore possible accommodations.

Enforcement of Ethics Policy

Any infractions of this code of ethics will not be tolerated and the North American Blueberry Council will act quickly in correcting the issue if the ethical code is broken.

Any employee or member found to have violated this policy may be subject to disciplinary action, up to and including termination of employment or membership.

AMENDMENT 4 - WHISTLEBLOWER POLICY

This Whistleblower Policy of the North American Blueberry Council (NABC): (1) encourages staff and volunteers to come forward with credible information on illegal practices or serious violations of adopted policies of the Organization; (2) specifies that the Organization will protect the person from retaliation; and (3) identifies where such information can be reported.

1. **Encouragement of reporting.** The Organization encourages complaints, reports or inquiries about illegal practices or serious violations of the Organization's policies, including illegal or improper conduct by the Organization itself, by its leadership, or by others on its behalf. Appropriate subjects to raise under this policy would include financial improprieties, accounting or audit matters, ethical violations, or other similar illegal or improper practices or policies. Other subjects on which the Organization has existing complaint mechanisms should be addressed under those mechanisms, such as raising matters of alleged discrimination or harassment via the Organization's human resources channels, unless those channels are themselves implicated in the wrongdoing. This policy is not intended to provide a means of appeal from outcomes in those other mechanisms.

2. **Protection from retaliation.** The organization prohibits retaliation by or on behalf of the Organization against staff or volunteers for making good faith complaints, reports or inquiries under this policy or for participating in a review or investigation under this policy. This protection extends to those whose allegations are made in good faith but prove to be mistaken. The organization reserves the right to discipline persons who make bad faith, knowingly false, or vexatious complaints, reports or inquiries or who otherwise abuse this policy.

3. **Where to report.** Complaints, reports or inquiries may be made under this policy on a confidential or anonymous basis. They should describe in detail the specific facts demonstrating the bases for the complaints, reports or inquiries. They should be directed to the NABC Executive Director, President or CEO or NABC Chairperson; if both of those persons are implicated in the complaint, report or inquiry, it should be directed to the NABC

First Vice Chairperson. The NABC will conduct a prompt, discreet and objective review or investigation. Staff or volunteers must recognize that the Organization may be unable to fully evaluate a vague or general compliant, report or inquiry that is made anonymously.

AMENDMENT 5 - DOCUMENT RETENTION AND DESTRUCTION POLICY

This Document Retention and Destruction Policy of the North American Blueberry Council (NABC) identifies the record retention responsibilities of staff, volunteers, members of the Board of Directors, and outsiders for maintaining and documenting the storage and destruction of the Organization's documents and records.

1. **Rules.** The Organization's staff, volunteers, members of the Board of Directors and outsiders (i.e., independent contractors via agreements with them) are required to honor these rules: (a) paper or electronic documents indicated under the terms for retention below will be transferred and maintained by the Human resources, Legal or administrative staffs/departments or their equivalents; (b) all other paper documents will be destroyed after three years; (c) all other electronic documents will be deleted from all individual computers, data bases, networks, and back-up storage after one year; and (d) **no paper or electronic documents will be destroyed or deleted if pertinent to any ongoing or anticipated government investigation or proceeding or private litigation.**

2. Terms for retention.

a. Retain permanently:

Governance records - Charter and amendments, Bylaws, other organizational documents, governing board and board committee minutes.

Tax records - Filed state and federal tax returns/reports and supporting records, tax exemption determination letter and related correspondence, files related to tax audits.

Intellectual property records - Copyright and trademark registrations and samples of protected works.

Financial records - Audited financial statements, attorney contingent liability letters.

b. Retain for ten years:

Pension and benefit records – Pension (ERISA) plan participant/beneficiary records, actuarial reports, related correspondence with government agencies, and supporting records.

Government relations records - State and federal lobbying and political contribution reports and supporting records.

c. Retain for five years:

Employee/employment records - Employee names, addresses, social security numbers, dates of birth, INS Form I-9, resume/application materials, job descriptions, dates of hire and termination/separation, evaluations, compensation information, promotions, transfers, disciplinary matters, time/payroll records, leave/comp time/FMLA, engagement and discharge correspondence, documentation of basis for independent contractor status (retain for all current

employees and independent contractors and for three years after departure of each individual).

Lease, insurance, and contract/license records – Software license agreements, vendor, hotel, and service agreements, independent contractor agreements, employment agreements, consulting agreements, and all other agreements (retain during the term of the agreement and for three years after the termination, expiration, non-renewal of each agreement)

d. Retain for three years:

All other electronic records, documents and files – Correspondence files, past budgets, bank statements, publications, employee manuals/policies and procedures, survey information.

Exceptions. Exceptions to these rules and terms for retention may be granted only by the NABC Executive Director, President or CEO or NABC Chairperson

AMENDMENT 6 - NABC INTERNAL ACCOUNTING AND CONTROL PROCEDURES

Membership Dues Received in the NABC Office

Some NABC Members will send their membership dues to the NABC office directly instead of the bank. When this happens (not very often) the envelope is opened by the Office Manager and immediately stamped with the restricted endorsement stamp. The Office Manager makes copies of the checks and completes a NABC Checks for Deposit form. The check(s) and a copy of the deposit form are put in an interoffice envelope for pickup by accounting staff.

When the envelope is not picked up that day, it is placed in a locked cabinet overnight to be picked up the next day. When the envelope is picked up, accounting records and invoice are matched to the total on the grower report. A deposit slip is prepared and delivered to the bank for deposit. After the deposit is made, a copy of the deposit is faxed to the Office Manager to be matched to the checks sent to accounting.

Cash Disbursements

As needed, the NABC office will set up direct deposit payment arrangements for approved vendors who submit invoices exceeding \$25,000. Direct deposit arrangements will only be made to approved vendors. NABC staff will obtain email approval of the vendor from the NABC Treasurer and NABC Finance Committee Chairman before any direct payment arrangement is initiated for a specific vendor. A list of approved vendors will be maintained by the NABC office with copies of the list shared with the NABC Finance Committee Chairman, NABC Treasurer, NABC Executive Director, President or CEO and NABC Bookkeeper.

(Note: Only vendors with direct deposit to US banks will be on the approved vendor list).

All invoices for any amount are reviewed and signed off by the Assistant Manager and Executive Director, President or CEO before forwarding to the NABC bookkeeper for payment. If payment is over \$25,000 and is not on the approved direct deposit vendor list, if

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time allows, Assistant Manager will seek approval to add new vendor to the direct deposit list, otherwise, payment will be made by wire transfer rather than by direct deposit. The vendor invoice will continue to require approval and signature by the Assistant Manager, Executive Director, President or CEO and the NABC Finance Committee Chairman or Treasurer. Wire transfers are handled by the bank and direct deposits will be completed by the NABC Bookkeeper.

Upon receipt of an invoice that exceeds \$25,000 from a vendor who has been approved for direct payment, the Assistant Manager will review the invoice for accuracy and approve for payment. As with all invoices regardless of amount, the invoice is then stamped by the Assistant Manager with an approval stamp which also indicates the budget general ledger account number to charge for this payment. The approved and assigned invoice is then sent on for signed approval by the Executive Director, President or CEO.

Once these two signatures (Assistant Manager and Executive Director, President or CEO) are obtained the signed invoice for a payment over \$25,000 is then scanned and sent to the NABC Finance Committee Chairman or Treasurer for review and signature. Upon receipt of scanned approval from the NABC Finance Committee Chairman or Treasurer their approval is attached to the invoice and placed in an interoffice envelope to be picked up by the NABC Bookkeeper and entered in Accounts Payable with the proper month and account to be charged along with the invoice number and amount.

If the payment will be paid via wire transfer, the NABC Bookkeeper creates a wire transfer request with the bank to pay these approved invoices via wire transfer. The wire transfer requests are forwarded to the Executive Director, President or CEO for approval. Once approval signature is obtained on the wire transfer request, the request is then sent to the bank and a copy of the signed wire transfer request is attached to the paid invoice.

If payment will be paid via direct deposit, the NABC Bookkeeper creates an ACH transfer, from the approved invoice, through the accounting software, and it is then transmitted to the vendor's bank. A direct deposit confirmation will be printed by the NABC Bookkeeper and sent to the NABC office for attachment to the paid invoice.

When the bank statement arrives, it is then reconciled and also reviewed by the Executive Director, President or CEO and NABC Finance Committee Chairman or Treasurer).

Financial Reports

Each month NABC Finance and Executive Committee Members receive a copy of the NABC Balance Sheet; Budget Expenditures Report; and the NABC Check Register for review. A credit card charge report is also sent each month to the NABC Chairman for review of any credit card expenditures for that time period.

NABC Investment Policy

The goal of the NABC Investment policy is to take a conservative approach on cash investments. In order to accomplish this, the Board will not purchase securities that would put the cash assets in jeopardy of losing value.

Therefore, the policy of NABC is to place the cash reserves in interest bearing accounts either in Certificates of Deposits or interest-bearing checking accounts. The Board will inquire at

the semiannual meetings what the current interest rates are to determine if cash should be invested in CD's which mature every 90 days.

Expenses

The Treasurer shall approve all expense vouchers of the Executive Director, President or CEO. The Executive Director, President or CEO will approve all other member, alternate, committee member, and vendor expenses as well as those of Council employees under the supervision of the Executive Director, President or CEO. If the Executive Director, President or CEO is unavailable for an extended period of time, the Treasurer will approve member and alternate, committee member, and vendor expenses as well as those of Council employees, and the NABC Chairperson will approve expenses of the Treasurer.

Interim Policy for Cash Disbursements

In the event that the Executive Director, President or CEO is unavailable for an extended period of time, the Treasurer (also an approved signer with the Bank) will be responsible for approving cash disbursements, including travel vouchers and invoices and signing checks, in the Executive Director, President or CEOs stead. Should the Assistant Manager be unavailable for an extended time the Marketing Manager will assume approval duties on items needing Assistant Manager approval as stated in this document.

AMENDMENT 7 - OFFICER SELECTION/ROTATION POLICY

Amendment to Article VII Board of Directors, Section II. Method of Selection. The NABC Nomination & Awards Committee meets via conference call in September, prior to the Fall Board Meeting, to consider new NABC officers with the next 2-year term which begins at the close of the Spring Board meeting. The positions are listed below.

Chairman
First Vice Chairman
Second Vice Chairman
Treasurer
Assistant Treasurer
Secretary
Past Chairman

If the current officers are re-nominated and wish to remain, they rotate through the positions as follows:

The Chairman becomes the Past Chairman, First Vice Chairman assumes the role of Chairman, Second Vice Chairman assumes the role of First Vice Chairman, Secretary moves to Second Vice Chairman, with the Treasurer and Assistant Treasurer remaining the same until a new election takes place or the current incumbents step down. The call then goes out to nominate a new NABC Secretary.

First Vice Chairman becomes the Chairman of the Legislative Committee and the Second Vice Chairman becomes the Chairman of the Finance Committee.

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Current NABC Officers present the next slate of officers for approval and seating to the Board at the appropriate Spring meeting.

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