

BYLAWS
OF
OLIVE OIL COMMISSION OF CALIFORNIA

Article I

NAME AND LOCATION

1. Name.

The name of this organization shall be the Olive Oil Commission of California (hereinafter referred to as "Commission") organized under the provisions of Division 22, Part 2, Chapter 29, beginning with § 79800, of the California Food and Agricultural Code.

2. Location.

The principal office of the Commission for its transaction of business shall be located in the State of California. The Commission has full power and authority to establish and change the specific location of the principal office so long as it remains in the State of California, and may establish other offices as it deems appropriate. Any change or establishment of other locations shall not be considered an amendment of these Bylaws.

3. Definitions.

All definitions in Commission law, as amended from time to time, shall apply to these Bylaws.

Article II

PURPOSES AND OBJECTIVES

1. Scope of Activity.

The Commission shall deal with the broad fields of olive oil research and grades and labeling standards. Commission activities may include, but are not limited to, the following:

- a. Establishing grades and labeling standards for olive oil produced in California.
- b. Conducting research regarding olive and olive oil production.
- c. Collecting information, including but not limited to industry statistics.
- d. Making, in the name of the Commission, contracts to receive and render services in formulating and conducting plans and programs, and any other contracts or agreements the Commission determines necessary.
- e. Doing and performing all acts and exercising all powers incidental to, or in connection with, or deemed reasonably necessary to maintain and enhance the olive oil industry.

Article III

MEMBERS AND ALTERNATES

1. Composition.

The Commission Board of Directors shall be composed of six producers, three handlers, and one public member. Members and alternates shall be appointed or elected in accordance with Commission law and procedures established by the Commission.

2. Producer Members.

A producer member and his or her alternate on the Commission shall be an individual, partner, or employee of a producer who has a financial interest in producing, or causing to be produced, olives that are processed into olive oil. The producer member or his or her alternate shall be so qualified during the entire term of office.

3. Handler Members.

A handler member and his or her alternate on the Commission shall be an individual, partner, or employee of a handler who has a financial interest in marketing olive oil that he or she has produced, or purchased or acquired from an olive producer, or that he or she is marketing on behalf of an olive producer. The handler member or his or her alternate shall be so qualified during the entire term of office.

4. Public Member.

The public member and his or her alternate on the Commission shall have all of the powers, rights, and privileges of any other member or alternate, respectively, on the Commission.

5. Secretary of Food and Agriculture.

The Secretary or his or her representative shall be an ex officio Board member and shall be notified and may attend each meeting of the Commission and any committee meetings of the Commission except closed sessions of the Commission or a committee of the Commission called for the purpose of discussing potential or actual litigation against the Department of Food and Agriculture.

6. Advisory Committee.

The Advisory Committee shall be appointed by the Secretary from applications received from persons that produce or cause to be produced olives that are processed into less than 5,000 gallons of olive oil during the marketing season. The Advisory Committee shall meet periodically to review issues affecting the Commission and shall advise the Commission Board of Directors. The Advisory Committee shall consist of seven members who shall each serve three-year terms. The chair of the Advisory Committee shall be selected by the members and shall be an ex officio member of the Commission Board of Directors.

7. Alternate Members.

Except for the ex officio members of the Commission Board of Directors, an alternate for each member of the Commission Board of Directors shall have an alternate member elected in the same manner as the member. An alternate member, in the absence of the member for whom he or she is an alternate, shall serve in place of the member. An alternate member may also serve in place of any other absent member of the same classification, producer or handler, if the member's alternate is also absent. However, an alternate may not serve in place of more than one absent member at a meeting. An alternate member serving in place of a member shall have and be able to exercise all the rights, privileges, and powers of the member when serving.

In the event of death, removal, resignation, or the disqualification of a member, the alternate for the member, or another alternate of the same classification if the alternate for the member is absent, shall act as a member of the Commission until a qualified successor is elected.

8. Term of Office.

The term of office of all members of the Commission Board of Directors and alternates, except ex officio members, shall be three years from the date of their election and until their successors are elected, except, that of the first producer members of the Commission, one from each district shall serve two years and one from each district shall serve three years and of the first handler members, one shall serve one year, one shall serve two years, and one shall serve three years. The determination of the term of each member shall be made by lot at the time of election.

9. Ex Officio Members.

The Commission may appoint appropriate individuals as ex officio members of the Commission. Ex officio members shall be non-voting members of the Commission, and shall serve for the terms and under the conditions prescribed by the Commission.

Article IV
OFFICERS AND DUTIES

1. Officers.

The Commission shall appoint its own officers, including a chairperson, one or more vice chairpersons, and any other officers as it determines necessary. Alternate members shall not be eligible to be elected as officers of the Commission. Elections for officers will be held at the first regular Commission meeting following the election of members and alternates.

2. Term of Office.

Officers elected by the Commission shall serve a one (1) year term or until new officers are elected. Officers may be re-elected annually to the office held or to any other office of the Commission.

3. Chairperson.

The Chairperson shall preside at all meetings of the Commission. The Chairperson may serve as a non-voting ex-officio member of all committees and shall have and perform all of the other powers and duties delegated to him or her by the Commission.

4. Vice-Chairperson.

The Vice-Chairperson shall act as and perform all the duties of the Chairperson in the Chairperson's absence. He or she shall perform additional duties as may be assigned by the Chairperson or the Commission. The Vice-Chairperson may serve as a non-voting ex-officio member of all committees.

5. Secretary/Treasurer.

The Secretary/Treasurer shall keep, or cause to be kept, at the principal office or other place that the Commission may designate, a book of minutes of all meetings of the Commission, stating the time and place, whether regular or special,

and, if special, how authorized, the notice given, the names of those present, and the proceedings of those meetings. The Secretary/Treasurer shall keep, or cause to be kept, the names of the members and alternates, their addresses and telephone numbers. The Secretary/Treasurer shall give, or cause to be given, notice of all meetings, and shall have whatever other powers and duties as may be prescribed from time to time by the Commission. The Secretary/Treasurer may delegate any and all duties of the office to the President of the Commission whenever, in his or her judgment, the action is necessary for the handling of the affairs of the Commission in a timely manner.

The Secretary/Treasurer shall be the Chief Financial Officer of the Commission. The Secretary/Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the transactions of the Commission, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and reserve. The Secretary/Treasurer shall serve as Chairperson of the Budget and Finance Committee and shall be in general charge of the financial affairs of the Commission. The Secretary/Treasurer shall render to the Chairperson and the Commission, on request, an account of all of the transactions and of the financial condition of the Commission, and shall have whatever other powers and duties may be prescribed by the Commission. The Secretary/Treasurer may delegate any and all duties of the office to the Executive Director of the Commission whenever, in his or her judgment, the action is necessary for the handling of the affairs of the Commission in a timely manner.

Article V

MEETINGS OF COMMISSION

1. Regular Meetings.

Meetings of the Commission shall be held at such date, time and location as is designated by the Chairperson. The Commission shall meet at least three times each year for the purposes of conducting its regular business.

2. Special Meetings.

The Chairperson, any two (2) members of the Executive Committee, or a majority of the Commission members, after notifying the Chairperson, may call other meetings of the Commission as may be deemed necessary.

3. Meetings Via Teleconference.

The Commission may hold open or closed meetings by teleconference, subject to all of the requirements contained in California Government Code Section 11123, if the convening of a quorum at one location is difficult or impossible.

4. Notice of Meetings.

a. The Commission shall provide notice of regular and special meetings to members, alternates, the Secretary, the Commission's legal counsel, and to any other person who requests such notice in writing. Unless otherwise authorized by law, notice of all Commission meetings shall be given at least ten (10) days in advance of the meeting, and shall comply in all other respects with the provisions of the Bagley-Keene Open Meeting Act (California Government Code Sections 11120 et seq.).

b. The notice of all regular and special meetings shall include a specific agenda for the meeting, including the items of business to be transacted or discussed.

5. Order of Business.

The regular order of business of the Commission, unless otherwise determined by the Chairperson, shall be as follows: (1) roll call; (2) approval of minutes of previous meeting; (3) discussion and/or action on matters on written agenda; (4) issues and scheduling for next meeting; and (5) adjournment.

6. Attendance.

The absence of a member or alternate of the Commission Board of Directors at three consecutive meetings shall be grounds for the Commission to declare the seat vacant.

7. Quorum and Voting.

A quorum of the Commission Board of Directors is a majority of the members authorized to vote. Unless otherwise specified in these bylaws, the vote of a majority of the members present at a meeting at which there is a quorum constitutes the act of the Commission. The Commission may continue to transact business at a meeting at which a quorum is initially present, notwithstanding the withdrawal of members, provided any action is approved by the requisite majority of the required quorum.

Proxy voting is not allowed.

Any voting member of the Commission may request a roll call vote for any vote of the Commission and the vote shall be recorded in the minutes.

8. Closed Sessions of the Commission.

Closed sessions of the Commission may only be held for the limited purposes provided in the Bagley-Keene Open Meeting Act.

9. Rules of Order.

Unless otherwise provided in these bylaws, Roberts Rules of Order, as may be amended from time to time, shall govern meetings of the Commission.

Article VI

COMMITTEES

1. Committees; Appointments.

a. Subject to approval by the Commission, the Executive Committee may appoint committees composed of individuals elected or appointed to the Commission as members or alternates and nonmembers of the Commission to

advise the Commission in carrying out of its purposes and objectives. Any addition or deletion of committees or changes in names of committees shall not be considered an amendment of the Bylaws. Committees shall include, but not be limited to, the following:

- (1) Executive
- (2) Grades and Labeling Standards
- (3) Research

b. Committee chairpersons shall be selected by the Executive Committee. Chairpersons shall be a member of the Commission board of directors. No individual shall serve as chairperson of more than one committee.

c. Unless otherwise provided in these bylaws, Roberts Rules of Order, as may be amended from time to time, shall govern meetings of committees.

d. Unless otherwise specified, the Commission shall be the final authority on all programs, projects, activities, and policies recommended by any committee of the Commission.

2. Executive Committee.

The Executive Committee shall consist of the Chairperson, Vice-chairperson, Secretary/Treasurer, and others that may be designated by the Chairperson.

The Chairperson of the Commission shall serve as Chairperson of the Executive Committee. The Executive Committee may recommend policy relating to the Commission's purposes and objectives; immediate and long term planning; financial management; and overall administration of the Commission. The committee shall work directly with the President of the Commission in formulating and carrying out programs and activities authorized by the Commission.

The Executive Committee shall act as the search committee relative to the retention of any President, and shall provide a recommendation for approval by the Commission. As an alternative to a President, the Executive Committee may recommend a management firm or the staff from any board, commission, or committee of the state or federal government to perform the administrative functions required by the Commission.

The Executive Committee shall have final decision making authority with respect to personnel, litigation, and government matters, subject to ratification by the Commission, and on other matters expressly delegated by the Commission. The Executive Committee may also act on behalf of the Commission in other situations under circumstances where action is of an urgent nature and necessary prior to the next meeting of the Commission. Such action shall not result in expenditures in excess of \$25,000.00 and shall be reported to the Commission at the next meeting of the Commission.

The Executive Committee shall establish detailed and specific procedures for the disbursement of Commission funds, including procedures for the acquisition of property, the signing of checks, purchase orders, and other similar matters. The Executive Committee shall also formulate an annual budget for approval by the Commission and concurrence of the Secretary, as well as reserve and cash-flow requirements; recommend investment programs for Commission funds; supervise the preparation of financial reports which shall be made available to the Commission on a periodic basis; and do all things necessary and proper to insure accurate financial records.

3. Grades and Labeling Standards Committee

The Grades and Labeling Standards Committee shall evaluate and recommend to the Commission actions and projects to establish and maintain grades and labeling standards for olive oil produced in California. The Grades and Labeling Standards Committee shall also advise on actions and communications with regulators, industry, and consumers to identify matters that affect the grading and labeling standards of olive oil produced in California, including enforcement of such standards.

4. Research Committee

The Research Committee shall evaluate research projects and review and recommend budgets for the projects to the Commission. Research may include, but shall not be limited to, olive tree cultivation, harvest, processing, and storage of

olive oil. The Research Committee shall also monitor the activities of any approved research project, the timely reporting of research information, and proper expenditure of budgeted research funds.

5. Other Committees.

From time to time, other special or standing committees may be established by the Executive Committee, or by the Commission, as deemed necessary to carry out the purposes and objectives of the Commission.

6. Notice.

Notice of all committee meetings shall be in the manner provided in Article V, Section 4 of these Bylaws.

7. Quorum.

A majority of committee members shall constitute a quorum and the acts of a majority of the committee members present at a meeting at which a quorum is present shall constitute the acts of the committee.

8. Closed Sessions.

Closed sessions of committees may only be held for the limited purposes provided in the Bagley-Keene Open Meeting Act. A record of topics discussed and any resulting recommendations shall be presented by the committee to the full Commission at its next regularly or specially called meeting.

Article VII

EMPLOYEES AND THEIR DUTIES

1. President.

Based on the recommendation from the Executive Committee, the Commission, by a 2/3 vote, may approve a person to serve at the pleasure of the Commission as President and Chief Executive Officer of the Commission. The

President shall be an at-will employee of the Commission. Any termination of the President shall be by 2/3 vote of the Commission. Compensation for the President shall be fixed by the Commission and shall be reviewed annually. The President shall:

a. Be responsible at all times for the proper administration of all actions and policies of the Commission and for the proper performance of all duties on behalf of the Commission.

b. Employ, establish appropriate titles, fix salaries as authorized by the Commission, supervise, and when necessary, discharge any of the employees of the Commission after consultation with the Commission's legal counsel.

c. Serve as a non-voting ex-officio member of the Commission and all committees of the Commission.

d. Strictly adhere to and carry out all rules and procedures adopted by the Commission as provided for in these Bylaws and in law.

e. Sign on behalf of the Commission any contract or other instrument, the execution of which has been authorized by the Commission, except where the signing and execution thereof has been otherwise expressly reserved or delegated by the Commission to itself or some other officer, member or employee.

f. Provide any and all assistance, counsel, and advice to the Commission and committees of the Commission that may be necessary for the proper execution of the Commission responsibilities and duties.

g. Be responsible for the compilation and dissemination of industry information that will advance the purposes and objectives of the Commission.

2. Other Personnel.

The Commission may employ other personnel, including legal counsel of its choice, necessary to carry out the purposes of the Commission. As an alternative to employing a President, the Commission, by a 2/3 vote, may retain a management firm or the staff from any board, commission, or committee of the state or federal government to perform the functions prescribed by these Bylaws and the law under the direction of the Commission.

Article VIII

LIABILITY

1. Restraint of Trade.

No action taken by the Commission or by any person in accordance with the rules and regulations adopted by the Commission shall be deemed a violation of the Cartwright Act, the Fair Trade Act, the Unfair Practices Act, or any statutory or common law against monopolies or combinations in restraint of trade.

2. Payment of Claims.

Payment of all claims arising by reason of administration of the Commission or the acts of the Commission shall be limited to the funds collected by the Commission.

3. Liability of Individuals.

a. No member or alternate member of the Commission or any employee or agent thereof, shall be personally liable for the contracts of the Commission or responsible individually in any way to any producer, any handler or any other person for error in judgment, mistake, or other acts, either of commission or omission, except for the person's individual acts of dishonesty or crime. No member or alternate member shall be held responsible individually for any act or omission of any other member or alternate member of the Commission.

b. The liability of the members and alternate members shall be several and not joint, and no member or alternate member shall be liable for the default of any other member or alternate member.

Article IX

AMENDMENTS

1. Power to Amend.

The Bylaws of the Commission may be amended or repealed, or new Bylaws adopted, by a 2/3 vote of the Commission.

Article X

ADOPTION

1. Effective Date.

The Bylaws prescribed herein shall become effective upon adoption by a 2/3 vote of the Commission.