

Association of Food Industries, Inc.

CONSTITUTION AND BY-LAWS

ARTICLE I NAME

The name of this Association shall be the ASSOCIATION OF FOOD INDUSTRIES, INC.

ARTICLE II STRUCTURE OF THE ASSOCIATION

This Association shall consist of a PARENT ORGANIZATION and a group of SECTIONS, defined as follows:

The PARENT ASSOCIATION, hereinafter called the "ASSOCIATION" shall consist of all the members of the Association, Active, Associate, and Foreign, irrespective of the functions that they perform or the commodities that they handle.

Each SECTION shall include all members of the Association who have a mutual interest either in a common commodity or group of commodities or in a common business or manufacturing function.

ARTICLE III SCOPE AND OBJECTS OF THE ASSOCIATION

The Association shall do all things necessary or conducive to:

- foster trade and commerce in food products;
- seek uniformity and certainty in the customs and usage of the trade;
- secure freedom from unlawful and unjust restrictions and exactions;
- promote cooperation among members engaged in the various segments of the trade;
- settle by arbitration controversies arising between members, and non-members, as well as between other parties in accordance with the Rules of Arbitration of the Association;
- embark upon any activities considered to be in the best interests of its members and which are reasonably within the scope of its functions; and
- carry out all functions delegated to it or to its Board of Directors in the Constitution and By-Laws.

ARTICLE IV SCOPE OF THE SECTIONS

There are six basic Sections in the Association: Nut and Agricultural Products; Processed Foods; National Honey Packers and Dealers Association; North American Olive Oil Association; Overseas Members; and American Associate Members.

The Sections are to concern themselves with all matters which affect the interests of their respective members in the commodities in which they deal or in relation to their common business or manufacturing functions.

Each Section shall be completely autonomous in all matters affecting the purpose of its organization except as may be expressly restricted or reserved to the Association by other provisions in the Constitution and By-Laws. Each Section may elect its own officers; may maintain its own treasury whose funds can be used for the specific purposes of the Section; may formulate Rules and Regulations for the conduct of its activities; may provide for committees for the conduct of its business; and, within its purposes, may exercise all unreserved powers with the same freedom as if it were an independent association. Each Section Chairman is to present an annual report to the Board of Directors and to his Section on the activities of the past year, and on the program for the coming year.

A new Section may be formed in the Association for a segment of the food industry by petition made to the Board of Directors, and its consent obtained in the form of a resolution.

If any situation or question should arise concerning a matter which bears on the interests of two or more Sections, such Sections may: (a) meet as one body to consider and act upon such question or situation; or (b) act in unison through committees especially appointed by the chairman of the Sections, provided due notice be given to all the members of each of the Sections involved, and provided that consideration and action shall be limited to the specific question or situation to be discussed.

Any dispute, conflict, controversy or disagreement between any two or more Sections, or any of their members, which cannot be otherwise settled, shall be submitted to the Board

of Directors for adjudication; and at any such hearing all interested parties may appear in person or present briefs covering their respective positions. The decision of the Board of Directors shall be in writing and shall be conclusive.

ARTICLE V MEMBERSHIP

Membership in this Association shall be divided into three classes: Active, Associate, and Foreign.

Active membership shall be open to firms or corporations engaged in the manufacture or commerce of foods in the United States and Canada.

Associate membership shall be open to firms providing a service to the food industry, and all firms which had associate membership prior to July 1, 1981. Associate members shall have all the privileges of active members, except that they shall not have the right to vote or to hold office.

Foreign membership shall be open to any food firm exporting to or importing from the United States or Canada, or planning thereto.

Any individual, firm or corporation desiring to become a member of the Association shall make written application to the President for submission to the Board of Directors at its next meeting. Any applicant who receives the favorable vote of a majority of the Directors present at such meeting shall, upon payment of dues prescribed by the By-Laws, become a member of the Association. There shall be no unfair and inequitable restrictions or distinctions as to membership in the Association. Each member shall bear his just share of the cost and responsibility inherent in such membership.

Resignation of any member must be tendered in writing to the President, who shall submit it to the Board of Directors at its next meeting for action.

No resignation shall be accepted if the member seeking to resign is in debt to the Association for failure to pay dues.

ARTICLE VI OFFICERS

The officers of the Association shall be a Chairman, two Vice Chairmen, a Treasurer, a Secretary, and a President.

The Chairman, the Vice Chairmen, the Treasurer, and the Secretary shall be elected at the annual meeting and shall hold office for one year and thereafter until their successors are duly elected and qualified. No person shall be eligible

for re-election as Chairman if he shall have held that office for the last two consecutive years preceding the election.

The President shall be appointed by the Board of Directors and need not be a member of the Association.

All officers, with the exception of the President, must be active members of the Association.

All elections shall be by ballot and the candidate receiving the largest vote for any office shall be considered elected to fill such office. In cases where but one candidate has been nominated for any office, the ballot may be dispensed with and the candidate elected by acclamation.

ARTICLE VII BOARD OF DIRECTORS

The Board of Directors shall consist of the Chairman; the two Vice Chairmen; the Treasurer; the Secretary; the Past Chairman of the Association; the Chairman of each active Section of the Association; and nine members chosen at large without regard to sectional affiliation. When a Chairman of a Section is unable to attend Board of Directors Meetings on a regular basis, he may ask the Section to elect another individual to represent the Section. The Officers of the Association shall serve as Directors concurrently with their respective terms of office. The Past Chairman of the Association shall remain in office as a Director until his successor becomes eligible.

Directors-at-Large shall be elected to serve for a three year term, except for the initially elected Directors under this By-Law, three of whom shall be elected for a three year term, three for a two year term, and three for a one year term. After having been elected for one three year term, no Director may be re-elected or appointed as Director for one year following the time when he vacates such office, except that without any interruption on the Board he may continue to serve as a Director representing a Section, or he may serve as an elected officer of the Association.

Only one individual from a member firm can serve as Director at any given time.

Honorary Directors: The Board of Directors shall have the authority to designate up to two Honorary Directors to serve at any one time. This recognition shall be given only to those who are recognized as elder statesmen in the industry, who are still active in business, and who have distinguished themselves by service to the Association over many years. Honorary Directors shall enjoy the rights, privileges, and obligations of Directors.

Directors Emeritus: The Board of Directors shall have the authority to designate Directors Emeritus to serve for life.

This recognition shall be given only to those who are recognized as elder statespersons in the industry, who have distinguished themselves by service to the Association for many years, and who are retired from active business for a period of at least three years.

Fifty-one percent of the Directors shall constitute a quorum. The act of a majority of the Directors present at a meeting where a quorum is present shall be the act of the Board, except where otherwise provided by Statute or the Constitution and By-Laws.

The Board of Directors shall have general supervision over all the affairs of the Association and over its Sections as far as necessary or conducive to unity of spirit, purpose and action. It shall keep informed of all actions taken by Sections and any authorized Special Groups in the Association and shall determine the policy necessary to the guidance of the Sections and Special Groups insofar as their actions affect the Association as a whole and/or other Sections and Special Groups in the Association. It shall serve as a final board of review on all disputes, conflicts, controversies or disagreements which may arise between any two or more Sections and/or other Special Groups, or between members.

The Board of Directors, in administering the affairs of the Association, shall provide facilities for the Sections to take autonomous action in the interests of members of their own groups. Unless the Board of Directors finds that any such action taken by a Section is inimical to the unity of spirit, purpose and action of the Association as a whole, such action of the Sections shall have the approval and support of the Board of Directors whenever requested.

The Association shall maintain one treasury. All ordinary expenses of each Section should be covered by the dues paid to the AFI. Extraordinary expenses, such as travel, research, promotion, legal work, etc., are to be financed out of dues and assessments determined by each Section. Each Section must maintain a treasury.

The Board of Directors shall have sole and exclusive custody and disposition of all monies or funds or other assets of the Association and no disbursements may be made for any purpose except by its authority except in the case of funds maintained by the Association on behalf of its Sections or Special Groups, which shall be expended by the President in accordance with established procedures and in conformity with instructions of the presiding officer of that Section or Group. An annual or semi-annual financial statement shall be prepared for each Section or Group.

The Board of Directors shall elect an Arbitration Board of three members and an alternate for each whose duty it shall

be to supervise, administer and interpret the arbitration procedure and Arbitration Rules of the Association.

The Board of Directors shall appoint a General Counsel to provide advice regarding arbitration law and practice, association law, association contracts, and all legal matters relative to the structure and operations of the Association.

ARTICLE VIII EXECUTIVE COMMITTEE

The Executive Committee shall consist of the Chairman, the two Vice Chairman, the Treasurer, the Secretary, the Past Chairman, and the President.

Should the office of Past Chairman be vacated, the Chairman shall appoint a Director to fill that vacancy.

The Executive Committee should review whenever possible all matters to be presented to the Board of Directors and prepare recommendations for consideration by the Board. It shall also serve as an advisory body to the Chairman; and undertake whatever executive action is entrusted to it by the Board.

ARTICLE IX REMOVAL OF OFFICERS

The Board of Directors may at any regular meeting or at any special meeting called for the purpose, remove any Officer or Director of the Association, or of any of its Sections, for misconduct or neglect of duty, provided that at least two-thirds of the members of the Board vote for such removal and provided that at least 30 days' notice of such proposed action shall have been given to the Officer or Director so removed, and that he shall have been afforded an opportunity for a fair hearing; but no Officer of any Section shall be considered for removal except upon a majority vote of all the members of such Section.

The determination of the Board of Directors in the manner aforesaid that an Officer or Director has been guilty of misconduct or neglect of duty shall be conclusive.

No Officer or Director shall sit as a member of the Board of Directors while the Board is considering the question of the removal of said Officer or Director.

ARTICLE X VACANCIES

Vacancies in the various offices including membership in the Board of Directors, occurring during the year, shall be filled by the Board of Directors. Where such vacancy is caused by death or resignation, the vacancy may be filled at the next meeting of the Board following such death or

receipt by the Chairman or President of such resignation. Where a vacancy is caused by the removal of an Officer or Director, under the provisions of Article IX, the vacancy may be filled at the same meeting at which the Officer or Director is removed. A member so designated to fill a vacancy shall hold office for the unexpired term of the Officer or Director whom he succeeds; and all vacancies amongst representatives of the Sections shall be filled by members drawn from the same Sections to which vacating members belonged.

Vacancies occurring in the various offices in the Sections shall be filled in accordance with the rules and regulations of such Sections.

ARTICLE XI MEETING OF MEMBERS

The Annual Meetings of the members shall be held approximately twelve months apart at a time and place approved by the Board of Directors in the first half of the calendar year.

Special meetings of members may be called at any time by the Chairman, but shall be called upon the request of 15 percent of the total membership of the Association. When, however, any matter arises, other than an election, which in the judgment of the Board of Directors, makes such action desirable, the Chairman may, upon instruction of the Board, call for a vote by mail, stating explicitly the subject matter of the vote and the time in which ballots are to be returned; and such vote shall have all the binding force and effect of a vote taken at any regular or special meeting.

Notice of each annual meeting shall be mailed to each member at least 15 days prior to such meeting, except as otherwise provided herein. Prior notice of each special meeting shall be mailed to each member at such time, before the meeting, as shall be determined by the Chairman. The object or objects for which any special meeting is called must be stated in the notice thereof. Parliamentary procedure at all Association meeting shall be governed by "Robert's Rules of Order" except wherein those rules may conflict with provisions in this Constitution and By-Laws, in which case the latter provisions will prevail.

At any regular or special meeting called, 20 percent of the total active membership shall constitute a quorum; and no business shall be transacted at any special meeting other than stated in the notice thereof. The act of a majority of the members present at a meeting where a quorum is present shall be the act of the Association except where otherwise provided by statute or by the Constitution and By-Laws.

No firm or corporation shall have more than one vote in the Association upon any subject; and where two or more member firms are related through the same or common or joint ownership, management or control, such related firms shall have collectively only one vote. In the event that any vote or the right to vote is challenged under this provision, the challenge and the validity of any vote cast after such a challenge, shall be referred to the Board of Directors for decision, and the ruling of the Board shall be final. Proxies shall be allowed at any meeting of the Association.

ARTICLES XII MEETINGS OF THE BOARD OF DIRECTORS

Regular meetings of the Board of Directors shall be held in February; April-May; June; September; and November-December. The Board will establish the meeting schedule for one year at its November-December meeting. Special meetings of the Board may be called by the Chairman or by any three members of the Board, or, in the absence of the Chairman, by either Vice Chairman. Notice of special meeting of the Board, including a statement of the business to be transacted at such meeting, shall be mailed five days before or delivered by hand or advised by telephone at least two days before said meetings are to be held and no business shall be transacted at any special meeting other than that stated in the notice thereof.

Where, in the judgment of the Chairman, matters requiring action by the Board of Directors are of a sufficiently routine and non-controversial character, he may authorize the President to take ballots by telephone or by mail; in the case of telephone ballots, the President shall telephone each Director to secure his ballot, which will be recorded in the Minutes; in the case of a mail ballot, the President shall mail to each Director an explicit statement of the matter requiring action and the time in which ballots are to be returned and the will keep a record of each mail ballot; provided that if three or more Directors believe the matter requiring action should be deferred to a meeting of the board, any such mail or telephone ballot will be void.

ARTICLE XIII MEETINGS OF SECTIONS

The Annual Meetings of the Sections should be held at approximately the same time as the Annual Meeting of all the members, but prior thereto.

Special meetings of the sectional members may be called at any time by the Chairman of the Section but shall be called upon request of 20 percent of its members. Notice of each Annual Meeting shall be mailed to members at least fifteen days prior to such meetings. Prior notice by mail or telephone shall be made for all special meeting of

the Section in accordance with directions by the Section Chairman. The object or objects of such meetings must be stated in the notice thereof and no other business shall be transacted.

The number of members which shall constitute a quorum for the meetings of Sections shall be designated in their respective rules and regulations; provided that if any Section has not adopted Rules and Regulations, as provided in Article IV, Par. 3, a quorum shall be 20 percent of the members in the Section.

All votes on any subject taken within the scope of a Section shall be governed by the provisions of Article XI, Par. 5, of the Constitution.

The Chairman of each Section shall preside at all of its meetings and in his absence the Vice Chairman shall preside. The Recording Secretary of the Section shall take the minutes of all regular and special meetings, and a copy of the Minutes of all such meeting is to be filed in the office of the Association as an official record.

Any action authorized by a Section shall be taken in the name of the Section only. If it is desired to have action taken in the name of the Association, approval must be obtained from the Board of Directors or any committee to which the Board may delegate authority to supervise and approve such action.

ARTICLE XIV MEETINGS OF SPECIAL GROUPS

Meetings of special groups within a Section having a particular interest in some matter affecting the group may be called by the Chairman of the Section at any time. Special group meetings may also be called at the request of three or more members of a Section. The presiding officer and recording secretary for such special group meetings shall be designated on instructions of the Chairman of the Section. Notice of any such meeting called by the Chairman of the Section shall be mailed to all members of that Section.

Upon request of any member or members, meetings of special groups of members having a common interest requiring may be called by the President with approval of the Chairman. Notices of meetings shall be mailed to all members of the Sections having an interest in the matter under discussion.

No action authorized by any special group may involve use of the name of the Association without the approval of the Board of Directors, unless the special group is identified in connection with use of the name of the Association.

ARTICLE XV AMENDMENTS

This Constitution may be amended or repealed at any annual or special meeting of the ACTIVE members at which a quorum is present or, by mail vote if so authorized by unanimous vote of the Directors present at a meeting of the Board; provided that at least two-thirds of the members present, or voting by mail, vote in favor of the amendment or repeal, and provided further that the notice of such meeting shall have been mailed to all ACTIVE members in accordance with Par. 3 of Article XI, and that the notice shall contain a designation of the Section proposed to be amended or repealed and, in case of amendment, a description thereof. At least fifteen days notice shall be given for any proposed vote to amend or repeal the Constitution.

BY-LAWS

SECTION ONE CHAIRMAN

The Chairman shall preside at all meetings of the Board of Directors of the Association and shall appoint all standing and special committees except such as are to be appointed by the Chairman of the Sections as provided in other articles of this Constitution and By-Laws. He shall make annual reports showing the condition of the affairs of the Association, and offer such recommendations as he deems proper. He shall, from time to time, bring before the Board of Directors the business and property of the Association. He shall be a member ex-officio of all committees appointed by him, excepting arbitration committees. He shall perform such other duties as may be imposed upon him from time to time by a vote of the membership or by action of the Board of Directors.

SECTION TWO VICE CHAIRMEN

In the event of the absence or inability of the Chairman to perform the duties of his office, the Vice Chairman with seniority shall serve in his stead; and, in his absence or inability to do so, the other Vice Chairman, shall so serve.

SECTION THREE TREASURER

The treasurer shall have charge of the finances of the Association and be responsible for the safe keeping and disbursement of the Association's funds in accordance with the direction of the Board of Directors. He shall review the financial statements prepared by the Association's

accountant, and present a report on them at least three times a year to the Board of Directors. He shall be a signatory on all bank accounts maintained by the Association. At the Annual Meeting of the Association, he shall submit a full report on the financial condition of the Association.

SECTION FOUR SECRETARY

The secretary shall perform such duties as may be assigned to him by the Board of Directors. He shall sign all written contracts and all other legal instruments of the Association.

SECTION FIVE PRESIDENT

The President shall attend all meetings of the Association and of the Board of Directors, and shall record or cause to be recorded, in a book or books to be kept for that purpose, all votes and Minutes of all said meetings. He shall also act as Secretary of all Arbitration Committees and shall keep a full and complete record of the proceedings of said committees. In his absence, the Arbitration Board shall be empowered to appoint an acting Secretary who shall perform the duties and functions of the President at such Arbitration meetings. He shall procure and hold on file official copies of the Minutes of all meetings of Sections and special groups. He shall prepare and send out all notices required by the Constitution or By-Laws of the Association; he shall perform other such duties as may be required of him by the Officers or the Board of Directors, devote himself generally to developing and carrying out the stated objects of the Association, in its day to day operations. The Board of Directors shall fix the amount of Compensation to be paid to the President.

SECTION SIX DUES

Membership Dues shall be fixed by the Board of Directors. All dues are payable in advance of the fifteenth day of February of each year. Each newly elected member who joins during the Association year will pay dues on a pro rata basis.

Each member who is in arrears in the payment of dues for ninety days shall lose his voting right and all services of the Association until such arrears are paid.

SECTION SEVEN NOMINATING COMMITTEE

The committee shall be empowered to prepare a list of candidates for the several offices and for the nine members at large on the Board of Directors of the Association for presentation at the next succeeding annual election; such

list is to be prepared and submitted to the President 60 days prior to the election. The selection of the candidates should be chosen with a view toward a fair representation of all the Sections insofar as their activities warrant.

Each member who is in arrears in the payment of dues for ninety days shall lose his voting rights and all services of the Association until such arrears are paid. Non-payment of dues for one year shall result in forfeiture of membership.

Every active member of the Association shall be notified by mail of the nominations by the President at least 45 days before the Annual Meeting. Nothing in this provision, however, shall prevent any twenty active members of the Association in good standing and drawn from at least two of the active Sections, from putting in nomination the name of any other active members in good standing for any of the offices to be filled at said Annual Election, provided the names of such candidates be filed with the President at least thirty days prior to the date of the Annual Election. It will be the duty of the President to notify the members of such nominations within 10 days of filing in the same manner as provided for nominations of the regular nominating committee.

SECTION EIGHT SUSPENSION OR TERMINATION OF MEMBERSHIP

Any membership may be suspended or terminated by the Board of Directors for cause. Sufficient cause for such suspension or termination of membership shall be serious violation of the Bylaws or conduct prejudicial to the interests of the Association. Failure to satisfy an Arbitration Award is considered sufficient cause for the suspension or termination of membership, provided the Award is granted by an arbitration panel of the Association or of any other arbitration forum that is duly recognized by AFI. Suspension or expulsion shall be by two-thirds vote of the entire membership of the Board of Directors. In the case of serious violation of the Bylaws or conduct prejudicial to the interests of the Association, a statement of the charges shall be sent by certified or registered mail to the last recorded address of the member at least twenty (20) days before final Board action is taken. This statement shall be accompanied by a notice of the time and place of the meeting of the Board of Directors at which the charges shall be considered and the member shall have the opportunity to appear in person and/or to be represented by counsel to present any defense to such charges before Board action is taken.

SECTION NINE
ARBITRATION

Whenever the parties concerned are subject to a valid agreement to arbitrate before the Association, the Association shall provide a place, a procedure and personnel for determining, by arbitration, all disputes or differences, arising between members, or between members and others, any question or responsibility, employment, compensation or other interest or any other matter legitimately within the field of the Association's activities or that of its members.

To effectuate the Association's arbitration process, lists of individuals who are qualified by their training, experience and disposition to serve as arbitrators, classified as to their ability to determine questions concerning the several commodities and questions of technical character shall be prepared under the direction of the Arbitration Board. These lists shall act as a guide in the preparation of the panels from which the Arbitration Board shall select arbitrators for each case as submitted.

All Arbitrations held before the Association of Food Industries, Inc., shall be conducted in accordance with its Arbitration Rules, then obtaining, as revised and amended from time to time by the Board of Directors, who have exclusive authority to revise and amend the Arbitration Rules.

The arbitration procedure and practice of the Association shall be under the supervision and administration of the Arbitration Board. It shall consist of three members and an alternate for each, elected by the Board of Directors. Whenever any member is unavailable for service, his alternate shall serve in his place. Should the alternate also be unavailable, the Chairman of the Arbitration Board shall designate one of the other alternates to serve. The term of office of the members of the Arbitration Board and their respective alternates shall be for a period of three years and shall expire by rotation, so that the terms of not more than one member and his alternate shall expire each year.

The Arbitration Board shall perform all the duties assigned to it in the Arbitration Rules of the Association and other duties, connected with arbitration matters, as may be otherwise assigned from time to time by the Board of Directors. In general it will assign arbitrators for hearings, interpret the Arbitration Rules, determine questions of jurisdiction, and decide all questions in connection with an arbitration that are raised prior to the actual hearing itself. However, the Arbitration Board may refer to the arbitrators any questions and/or issues that, in their judgment, should properly be referred to them for decision.

The proceedings of each arbitration shall be kept on record in the office of the Association for a period of ten years. Such records shall include the Demand for Arbitration or the Arbitration Agreement when an arbitration has been held in accordance with a signed Submission Agreement; the Arbitrators' Oath; the Oath of Principals and Witnesses; the Minutes of the Proceedings; a copy of the Arbitration Award, and any written statements made by the parties.

SECTION TEN
AMENDMENTS TO BY-LAWS

These By-Laws may be amended or repealed by a vote of two-thirds of the members present, or, if authorized by unanimous vote of the Directors present at a meeting of the Board, by mail vote of two-thirds of the active members voting by mail, provided, however, that the notice of such meeting shall have been mailed to each active member in accordance with the provisions of Article XI, Par. 3, of the Constitution, and shall contain a designation of the sections proposed to be amended or repealed and, in case of amendment, a description thereof. At least fifteen days notice shall be given of any proposed vote to amend or repeal the By-Laws.

Revised: November 14, 1995