

BYLAWS FOR USDEC AS
AMENDED BY BOARD OF DIRECTORS
IN CHICAGO ON OCTOBER 16, 2002

AMENDED BYLAWS OF
U.S. DAIRY EXPORT COUNCIL

ARTICLE I - NAME

The name of the Corporation shall be U.S. Dairy Export Council.

ARTICLE II - PURPOSES

The purposes for which the Corporation is formed are those set forth in its Articles of Incorporation, as from time to time amended; namely, to conduct programs to improve the conditions of the U.S. dairy industry with respect to the export of U.S. dairy products, and to promote the industry as a whole by improving the acceptability, consumption, and purchase of U.S. dairy products in foreign countries, and thereby to increase the exportation of products of the U.S. dairy industry, and to carry out such administrative, financial, management and other functions and to exercise such powers permitted corporations under the laws of the District of Columbia as are necessary and appropriate for the accomplishment of the purposes of the Corporation; provided, however, that the Corporation is intended to qualify for exemption from federal income tax as an organization described in Section 501(c)(6) of the Internal Revenue Code of 1986 (the "Code"), as the same may be amended or modified or replaced in the future, and its operations shall in all events conform with the requirements of Section 501(c)(6) of the Code.

ARTICLE III - PRINCIPAL OFFICE

U.S. Dairy Export Council shall have and maintain its principal office at the offices of Dairy Management, Inc., in Rosemont, Illinois, and may have other offices within or without the state of Illinois as the Board of Directors may from time to time determine.

ARTICLE IV - FOUNDER

Dairy Management, Inc. has demonstrated its willingness to make a major commitment of funds and resources to U.S. Dairy Export Council to conduct programs to increase exports of dairy products. In recognition of this commitment, Dairy Management, Inc. shall be known as the Founder of the U.S. Dairy Export Council.

ARTICLE V - MEMBERSHIP

Section 1. Classes of Membership. There shall be ~~three~~seven classes of membership, consisting of a Founder membership, a Processor/Co-op membership, a Trader membership, an Exporter/Infant Formula membership, an Allied membership, a Special Allied membership, and an Individual Allied membership.

Section 2. Dues. Membership in the "Founder" Class shall be limited to the "Founder" as described in Article IV. The annual contribution of the Founder shall be established by the Board of Directors of the Corporation, upon agreement between the Founder and the Corporation. Membership in the ~~Exporter/~~Processor/Co-op Class shall be available to persons who ~~export dairy products or~~ are in the business of producing or processing dairy products for export. Membership in the Trader Class shall be available to persons who export dairy products. Dues for ~~Exporter~~ membership shall be determined by the Board and may be based upon factors such as company size and other factors which the Board deems relevant. An Allied membership shall be available to representatives of organizations and industries allied with, or otherwise interested in, the U.S. Dairy Industry, upon annual payment of membership dues to be determined by the Board. An Infant Formula membership shall be available to companies primarily exporting infant formula upon annual payment of membership dues to be determined by the Board. A Special Allied membership shall be available to state agriculture agencies, universities, and qualified checkoff promotion programs upon annual payment of membership dues to be determined by the Board. An Individual Allied membership shall be available to consultancy firms, legal firms, trade associations, public relations agencies, and financial, brokerage, banking firms and institutions upon annual payment of membership dues to be determined by the Board. Any member of the Board of Directors may object to the proposed membership of any prospective member of the Corporation, with the exception of the Founder. In the event that a member of the Board of Directors objects, the membership application of the prospective member of the Corporation shall be submitted to the Operating Committee for a final determination regarding that prospective member's membership status.

Section 3. Rights. The Founder, the ~~Exporter/~~Processor/Co-op members, ~~and~~ Trader members, Allied members, and Infant Formula Companies shall have the right to vote in elections for or appoint members to the Board of Directors, as set forth in Article VI hereof. Should the Board of Directors approve a membership for individual persons, the Board shall determine the rights of such class.

Section 4. Meetings. A meeting of the membership shall be held ~~annually~~at least once per year at a location and time announced by the Board.

Section 5. Suspension and Removal of Members. Any member, with the exception of the Founder, may be suspended by the Chairperson, pending review of such suspension by the Board of Directors, whenever in the Chairperson's judgment the best interests of the Corporation would be served thereby. During the suspension, the member is barred from exercising its membership rights. The Board of Directors shall review such suspension within thirty (30) days. Such suspension shall only remain in effect following the Board of Directors' review if, in

conjunction with such review, the Board of Directors confirms such suspension at any meeting at which there exists a quorum, upon a majority vote of the Directors. Any member, with the exception of the Founder, may be removed by the Board of Directors whenever in the Board of Directors' judgment the best interest of the Corporation would be served thereby, at any meeting at which there exists a quorum, upon a three-fifths vote of the Directors. No member removed by the Board of Directors shall receive a refund of any of its membership dues.

ARTICLE VI - BOARD OF DIRECTORS

Section 1. Number and Qualifications. Prior to the first annual meeting of members, the initial Board of Directors may elect additional members to the Board of Directors, at any meeting of the Board, all such members to serve until the first annual meeting of members at which time their successors shall be elected. Following the establishment of the initial Board of Directors, the Board of Directors ("Board") shall consist of not more than three hundred (300) members. The number of members of the Board shall be established by the Board annually.

The Founder shall be entitled to appoint eight directors of the Corporation, including the Chief Executive Officer of Dairy Management, Inc. Members of the ~~ExporterProcessor/Co-op~~ Class who are in the two highest dues paying levels of the processor category (as such levels and categories shall be determined by the Board), shall each be entitled to appoint two directors of the Corporation. With the exception of such ~~ExporterProcessor/Co-op~~ Members and the Founder, each member of the Corporation with the exception of the ~~individual~~ Special Allied and Individual Allied members, shall have the right to designate a member of the Board of Directors.

Section 2. Term and Selection of Directors. At the annual meeting held after the adoption of these Bylaws, each member of the corporation eligible to appoint a member to the Board of Directors shall designate his or her representation of the Board of Directors of the corporation. At each annual meeting thereafter, each member of the corporation eligible to designate a representative to the Board of Directors of the corporation shall inform the corporation of such designation.

Section 3. Duties and Powers of the Board of Directors. The Board of Directors shall have general charge and management of the affairs, funds and property of the Corporation. The Board shall have full power, and it shall be the Board's duty, to carry out the purposes of the Corporation according to its Articles of Incorporation and these Bylaws, and to carry out all other duties and exercise the powers set forth in these Bylaws. The Board shall have the power to enter into contracts with other entities, including the power to enter into a contract with Founder for the provision of staff and related administrative services. It is intended that the Corporation utilize, to the extent practicable, the resources, staffs, and facilities of existing producer-funded organizations and other industry organizations. Specific duties of the Board shall include, without limitation:

~~a.~~ a. _____ Development, and upon approval by the Board, implementation of an Annual Plan and an Annual Budget for the Corporation;

~~b.~~ b. _____ Management of all funds and assets of the Corporation;

~~c.~~ c. _____ Overall direction of the activities of the Corporation, which authority may be delegated to appropriate officers and managers of the Corporation.

Section 4. Vacancies. Any vacancy occurring on the Board may be filled by the member entitled to designate a director to the vacant seat. In the case of a vacant seat representing the Founder, the Founder shall appoint a director.

Section 5. Removal of Directors. A director may be removed from office at a duly called meeting of the Board, with or without cause, by a majority vote of the other members of the Board at any meeting at which there exists a quorum, unless the director represents the Founder, in which case the Founder, at its discretion, may remove the director, with or without cause.

Section 6. Expenses. Directors who may receive a per diem shall serve without compensation, but may be reimbursed for expenses necessarily incurred by them in the performance of their duties. The Board may compensate the Chairperson for services provided to the Corporation.

ARTICLE VII - MEETINGS OF BOARD OF DIRECTORS

Section 1. Meetings. There shall be an annual meeting of the Board, in addition to any other meetings that may from time to time be called by the Chairperson, or by forty (40%) percent of the Board. Meetings of the Board may be held within or without the District of Columbia, upon ten (10) days prior notice to each member of the Board, at such time and such place as shall be specified in the notice. The Chairperson may convene an emergency meeting pursuant to Section 3 below. Members of the Corporation are entitled to attend all Board meetings.

Section 2. Quorum. At any meeting of the Board of Directors thirty-three percent (33%) of the Board of Directors then in office shall constitute a quorum. Any action of the Board shall require the concurring votes of at least a majority of those present at a meeting at which a quorum exists. If a quorum is not present at any meeting of the Board, a majority of the Directors present may adjourn the meeting from time to time without further notice until such time as a quorum is present.

Section 3. Voting.

~~a.~~ a. _____ All votes at assembled meetings of the Board shall be in person. On the determination of the Chairperson that a matter is of an emergency nature such that an assembled meeting of the Board is impractical, the Board may take action upon the concurring votes of a majority of its members by mail, telephone, or other similar

method. Action taken by this emergency procedure is valid only if all members are notified and provided the opportunity to vote and any such vote is promptly confirmed in writing by the Secretary. Any 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.

b. **Weighted Vote.** Any member of the Board of Directors may call for a weighted vote. Upon such a request, the ballots of the members of the Board of Directors representing the Founder shall be weighted so that such votes equal forty percent (40%) of the ballots cast in any particular vote.

ARTICLE VIII - OFFICERS

Section 1. Officers. The elected officers of the Corporation shall be a Chairperson, Vice Chairperson, and a Secretary/Treasurer. The officers of the Corporation shall be members of the Board of Directors representing the Founder during such time as the revenue of the Corporation derived from the Founder is equal to or more than fifty percent (50%) of the revenues of the Corporation.

Section 2. Election and Term of Office. The elected officers shall be elected at the annual meeting of the Board, and each elected officer shall be a member of the Board of Directors for the year then commencing, to serve for a one-year term and until their successors shall have been elected. A Director shall not be limited in the number of terms for which he or she may serve as an officer, provided that he or she remains a member of the Board during his or her term as an officer.

Section 3. Removal and Vacancies. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 4. Duties of the Chairperson. The Chairperson shall preside at all meetings of the members and of the Board of Directors. The Chairperson shall serve as an *ex-officio* member of all committees of the Board. The Chairperson shall have general supervision of the affairs of the Board and perform all acts and duties usually incident to and required of an executive and presiding officer, as well as such other duties as may be conferred by the Board. He/she may sign, with the secretary or any other proper officer of the Corporation authorized by the Board of Directors, any contracts or other documents the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these by-laws or by statute to some other officer or agent of the Corporation; and in general shall perform all duties as may be prescribed by the Board of Directors from time to time.

Section 5. Duties of the Vice Chairperson. In the absence of the Chairperson or in the event of his inability or refusal to act, the vice Chairperson (or in the event there be more

than one vice Chairperson, the vice Chairpersons, in the order designated, or in the absence of any designation, then in the order of their election) shall have all the powers of and be subject to all the restrictions upon the Chairperson. Any vice Chairperson shall perform such other duties as from time to time may be assigned by the Chairperson or by the Board of Directors.

Section 6. Duties of the Secretary/Treasurer. The Secretary/Treasurer shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these by-laws or as required by law; be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these by-laws; keep a register of the post office address of each member which shall be furnished to the secretary by such member. If required by the Board of Directors, the secretary/treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He/she shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these bylaws; and in general perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him/her by the Chairperson or by the Board of Directors.

ARTICLE IX - COMMITTEES

Section 1. Operating Committee.

a. **Members.** There shall be an Operating Committee of the Board which shall be comprised of the Chairperson of the Board, the Vice Chairperson of the Board, the Secretary/Treasurer of the Board, the ~~Chairperson~~Chairpersons and Vice ~~Chairperson~~Chairpersons of the ~~Cheese and Manufactured Products Committee (if such committee has been~~other committees established by the Board), ~~the Chairperson and Vice Chairperson of the Dry Ingredients Committee (if such committee has been established by the Board),~~ (excluding the Nominating Committee), the Chairperson and Vice Chairperson of the Trade Policy Committee, and four at-large members. The terms of service of each at-large member shall be two years and until a successor is elected, except that the term of two of the initial four at-large members shall expire one year following their election as determined by coin toss.

b. **Responsibilities.** The Operating Committee shall be responsible for the day-to-day operation of the Corporation within the policies established by the Board. The Operating Committee is authorized to approve the expenditure of funds within individual program levels approved by the Board. Such funding authority shall exist only until the next scheduled Board meeting at which all actions of the Operating Committee must be ratified. All actions of the Operating Committee must be approved by the Board of Directors at its next scheduled meeting.

c. **Weighted Vote.** Any member of the Operating Committee may call for a weighted vote. Upon such a request, the ballots of the members of the Operating Committee representing the Founder shall be weighted so that such votes equal forty percent (40%) of the ballots cast in any particular vote.

Section 2. Trade Policy Committee. There shall be a Trade Policy Committee of the Board comprised of members of the Operating Committee and other Directors appointed by the ~~Chairperson~~ Chairperson of the Board, provided that those other Directors appointed by the Chairperson of the Board must be representatives of companies headquartered in the United States of America. Additional non-voting guests may be invited to participate at the discretion of the Chairperson of the Board, the Chairperson of the Trade Policy Committee and/or USDEC's CEO. The Trade Policy Committee shall be responsible for recommending trade policy matters to the Operating Committee or the Board of Directors.

Section 3. Nominating Committee. There shall be a Nominating Committee comprised of members of the Board appointed by the Chairperson ~~of the Board.~~ The Nominating Committee shall be responsible for presenting nominations to the Board for officer positions and Operating Committee positions, which are not appointed by the Chairperson. The Board may establish guidelines and criteria for the selection of nominees for such positions.

Section 4. Other Committees. The Board may establish such other committees as the Board may deem necessary for the expeditious handling of the affairs of the Board. The Chairperson of the Board shall appoint the Chairperson and Vice Chairperson of all committees established by the Board with the exception of the Finance Committee, which shall be chaired by the Secretary/Treasurer. All program committee authorized by the Board shall be unrestricted with regard to the number of members of the Corporation eligible to serve, except that members of the Corporation shall be eligible to have only one voting representative serving on each committee.

Processor/Co-op members participating through the membership of a qualified checkoff promotion program entity shall only be eligible to serve without a voting representative. Different representatives of members may serve on different product committees. Committees shall meet upon the call of the Chairperson of the Committee or the Chairperson of the Board.

ARTICLE X – MANAGEMENT

President. The Founder agrees to provide a qualified individual ~~with export experience~~ to serve as President of the Corporation. The President shall be responsible for the administrative and operational functions of the Corporation. The President, in conjunction with the Chief Executive Officer of the Founder, shall ensure that all necessary staffing resources and facilities are provided within the Founder's facility. The President shall be delegated such authority as the Board may deem appropriate. The President shall be an appointed officer of the Corporation.

ARTICLE XI – AMENDMENTS

The Board may amend these Bylaws at any meeting at which there exists a quorum, upon a two-thirds vote of the Directors. Provided, however, at least ten (10) days notice shall be given to all Directors, and the intent of such amendments to be considered shall be made a part of the meeting notice.

ARTICLE XII – DISSOLUTION

In the event of the dissolution of the Corporation, its net assets remaining after provision for the payment of all debts, obligations, and liabilities of the Corporation shall be dedicated and transferred only in such manner as will be consistent with the provisions of the Internal Revenue Code then governing the Corporation as a tax-exempt corporation.

ARTICLE XIII - MISCELLANEOUS PROVISIONS

Section 1. Corporate Seal. There shall be an official seal of the Corporation in such form and design as the Board may approve. The seal shall be maintained in the custody of the ~~Secretary/Treasurer in their role as~~ Recording Secretary.

Section 2. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December in each year, provided that the Board may establish a different period for the initial fiscal year of the Corporation.

Section 3. Parliamentary Procedure. The Board and any Standing, Special or Advisory Committee when in session, shall be governed in its deliberations in the transaction of its business by these Bylaws. Any matter of procedure not so covered shall be governed by the most recent edition of Robert's Rules of Order.

Section 4. Contracts. The Board may authorize any officer or officers, agent or agents of the Board, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any legal instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances.

Section 5. Confidential Information. Any Member, Director, officer, employee, or agent shall maintain any confidential information of the Corporation disclosed to them in such capacity as a Member, Director, officer, employee, or agent. Confidential information shall be the sole property of the Corporation and in no event shall it be disclosed or used by any Member, Director, officer, employee, or agent without prior written consent of the Board of Directors, except as provided by law.

Section 6. Personal Liability. The officers and directors of the Corporation shall not be personally liable for the debts or actions of the Corporation.

Section 7. Indemnification. The Board shall indemnify any Director, officer, employee or agent of the Board and protect them from any loss for any action or omission taken in good faith on behalf of the Corporation, and shall purchase insurance for the purpose of such indemnification.

BYLAWS OF U.S. DAIRY EXPORT COUNCIL ~~AS AMENDED AT ANNUAL MEETING HELD~~

AS AMENDED AT ANNUAL MEETING HELD

IN CHICAGO ON OCTOBER 29, 1997, AS FURTHER
AMENDED AT A SPECIAL MEETING OF THE MEMBERSHIP
HELD IN CHICAGO ON APRIL 30, 1998, AS FURTHER
AMENDED AT THE BOARD MEETING HELD
IN CHICAGO ON MAY 3-4, 2000, AND AS FURTHER
AMENDED AT THE BOARD MEETING HELD IN
CHICAGO ON OCTOBER 16, 2002.