



Organic Trade Association Bylaws

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Organic Trade Association
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Article I: Organization

SECTION A: The name of this association shall be "Organic Trade Association." (referred to in these bylaws as "OTA")

SECTION B: The association shall be incorporated in the state of Delaware as a not for profit corporation and shall have the powers granted under the General Corporation Law of the State of Delaware, subject to:

- (i) Limitations set forth in the Articles of Incorporation;
- (ii) These Bylaws; and
- (iii) Restrictions set forth in Section 501(c)(6) of the Internal Revenue Code.

SECTION C: OTA does not and shall not discriminate on the basis of race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, or military status, in any of its activities or operations. These activities include, but are not limited to granting or denying membership, hiring or firing of staff, selection of volunteers and vendors, and provision of services.

SECTION D: The Fiscal year shall be the twelve months beginning January 1 and ending December 31 of the calendar year.

Article II: Purpose

The association shall be the trade association of the organic industry of North America, providing leadership consistent with organic principles and values, organized to create and further market opportunities for the organic industry. OTA is organized to promote the economic viability of the organic industry and to support organic agriculture. The association's purpose shall be to:

- Promote public awareness and understanding of organic agriculture and the organic industry;
- Educate and provide support services to the members of OTA;
- Provide a strong, unified voice on legislative, regulatory, and policy issues that affect organic businesses;
- Protect the integrity of the organic guarantee; and
- Protect and enhance the integrity of the organic industry.

Article III: Membership

The corporation is organized upon a non-stock, certificate of membership basis. All such memberships are non-transferable, non-redeemable, and non-dividend bearing.

SECTION A: There shall be three classes of membership:

- (i) Trade members, which shall be voting members;
- (ii) Associate members, which shall be non-voting members; and
- (iii) Honorary members, which shall be non-voting members.



SECTION B: Trade members shall be individuals, businesses, or organizations engaged in the production, distribution, certification, and promotion of certified organic products and services required to produce them and that generate all or part of gross revenues from these activities. The members may include, but are not necessarily limited to, growers, livestock producers, certifiers, processors, manufacturers, distributors, cooperatives, retailers, brokers, consultants, farm and livestock equipment manufacturers, and input manufacturers.

SECTION C: Associate members shall include individuals, organizations, and businesses that do not derive gross revenues from the products and services in the organic industry but who are supportive of principles consistent with those of organic agriculture.

SECTION D: Honorary members shall be individuals elected by the Board of Directors at a regular meeting of the Board in recognition of extraordinary contribution to the organic industry or organic agriculture.

SECTION E: Application for membership as a Trade or Associate member shall be submitted by written application to the principal office of OTA. Admission to membership may be decided by a committee designated by the Board. In case of doubtful eligibility, the application shall be referred to the Executive Committee for action.

SECTION F: Obligations of membership. Admission to OTA's membership shall be contingent upon payment of the appropriate dues set by the Board of Directors as in Article IV. Application for trade membership shall include agreement by the applicant with the association's Code of Ethics, and to act accordingly.

SECTION G: Membership in the association may be terminated in any of the following ways:

- (i) By resignation of the member;
- (ii) Upon failure of the member to pay annual dues when due;
- (iii) Upon failure of the member to pay a duly authorized levy or special assessment;
- (iv) By action of the Board, after appropriate due process, for failure by a Trade member to act in accordance with the Code of Ethics.

SECTION H: In any dispute between OTA and any of its members or former members, which relates to normal membership transactions and which cannot be resolved through informal negotiations, it shall be the policy of OTA to prefer the use of mediation whereby an impartial mediator may facilitate negotiations between the parties and assist them in developing a mutually agreeable settlement. Members are encouraged to cooperate in this process. In the event that mediation is not mutually agreeable or is unsuccessful in resolving such a dispute, both the OTA and the member or former member are required to submit the dispute to binding arbitration by an arbitrator selected by independent counsel.

Article IV: Dues

SECTION A: The Board of Directors shall approve.



SECTION B: The Board of Directors may not impose any levy or special assessment upon members unless:

- (i) A detailed plan showing the need and the proposed use of funds is submitted to voting members for approval;
- (ii) The levy or special assessment shall apply only to voting members;
- (iii) The levy or special assessment is made pro rata according to the then in force schedule of annual dues;
- (iv) Does not exceed fifty percent of such annual dues; and
- (v) Is approved by two-thirds of Trade members in good standing by mail vote according to Article VI, Section C.

Article V: Meetings of Members

SECTION A: The Annual Meeting shall be held in the fiscal year at a time and place to be determined by the Board of Directors. The membership shall be given notice of the time and place of the Annual Meeting at least 90 days prior to the meeting.

SECTION B: Special meetings of members, as a body or by mail as in Article IV, Section C, may be called by the Board of Directors or by the President and shall be called when a written petition of members is submitted to the principal office of OTA. Such petition must state the purpose of the meeting and must be signed by at least twenty-five percent of all members.

Written notice of special meetings of members shall be provided to each member at least thirty days prior to the date of the meeting. Such notice shall state the time, place, and the issue to be considered by vote of the members. No business shall be transacted at a special meeting other than that specified in the notice.

SECTION C: The presence in person or by representative or, when authorized, by written ballot of a majority of Trade members shall be necessary and sufficient to constitute a quorum for the transaction of business at any meetings of members.

Article VI: Voting

SECTION A: Each Trade member in good standing shall receive one vote. "Good standing" is defined as a member who has paid their annual dues in full for the year in which the vote is taken.

SECTION B: The individual entitled to cast the vote of a Trade member organization shall be the Chief Executive Officer of the organization or such other individual as authorized to do so by the Chief Executive Officer or Board of Directors of the member in writing. Voting by proxy shall not be permitted.

SECTION C: Trade members shall be given the opportunity to vote by mail or electronically on:

- (i) Election of Board Members;
- (ii) Approval of levies or special assessments;



- (iii) Amendments to these Bylaws, and
- (iv) All other matters which could be voted upon at a meeting of members except those put before the membership at the Annual Meeting by motion from the floor by complying with the following procedure:
 - (a) Notice shall be provided to members entitled to vote that the Board intends to authorize written or electronic ballots. Such notice may be by separate mailing or in a publication distributed to members. The notice shall include at least a brief description of the issue or issues to be voted upon.
 - (b) Opportunity shall be given for presentation by members of brief statements supporting or opposing any issue or candidate which shall be distributed by separate mailing, in a subsequent issue of the publication distributed to all members, or posted on OTA's website.
 - (c) Written or electronic ballots accompanied by the full text of the issue to be voted upon shall be mailed or posted on OTA's website to all Trade members in good standing postmarked or electronically posted not later than twenty days before the required return date.
 - (d) The vote of the member must be postmarked or submitted electronically to the principal office of OTA not later than the required return date stated on the ballot.
 - (e) The ballot must be numbered and assigned when ballot is mailed or submitted electronically.
 - (f) The results of the vote shall be reported to members either by separate mailing or in a publication distributed to all members.

SECTION D: Unless otherwise specified in these Bylaws, all matters shall be decided by a majority of votes cast. In the case of elections to the Board of Directors when there are competing candidates or more candidates than seats up for election, the candidate or candidates receiving the highest number of votes shall be elected.

SECTION E: All tie votes shall be decided by the vote of the President or, in the absence of the President, the Vice President, whose vote shall be cast last.

SECTION F: The final tally of votes put to the membership shall be verified by the Secretary and recorded in the minutes of the association. These minutes shall be available to any member upon request according to Article XVII, Section A.

Article VII: Board of Directors

SECTION A: The Board of Directors (sometimes referred to in these bylaws as "the Board") shall consist of seventeen persons, each of whom shall serve a term of three years. A Board member may not serve more than three consecutive terms. "Term" is defined as beginning on the date of the Annual Meeting and continuing until the third successive Annual Meeting thereafter. Each Board member shall continue to hold office until his or her successor is elected and qualified or until he or she sooner resigns or is removed.

SECTION B: To be qualified as a Board member a person must be a Trade member in good



standing of OTA or be formally associated with a Trade member organization in good standing of OTA, such as being an officer or employee of the organization.

SECTION C: Seats on the Board of Directors shall be allocated and either elected or appointed as follows:

- (i) Eleven at-large members elected by the general membership;
- (ii) Two Canada Organic Trade Association representatives who have been elected by the general membership of the Canada Organic Trade Association and are thereafter appointed by the vote of the Board of the Canada Organic Trade Association, one of whom shall be designated by the vote of the Board of the Canada Organic Trade Association as Vice President – Canada to also serve on the Executive Committee. Canada Organic Trade Association members who are not also Organic Trade Association members, are ineligible to be elected as at-large Board members; and
- (iii) Four members who shall be appointed by the elected Board members.

SECTION D: To assure continuity, Board members shall be elected or appointed on a staggered basis, as follows:

Year 1: Four at-large, one Canada Organic Trade Association representative, one appointed;

Year 2: Four at-large, one Canada Organic Trade Association representative, one appointed;

Year 3: Three at-large, two appointed.

SECTION E: No two members of the Board shall be employed by a single corporation, company, partnership, or other legal entity. If there is a change that creates the situation of two or more members of the Board being employed by a single corporation, company, partnership, or other legal entity during a Board member's term (either through a change in that Board member's employment or a change in the management or majority ownership of that Board member's employer), the Board members employed by a single corporation, company, partnership, or other legal entity will be allowed to complete their terms. The only exception to the above rule is if the change during the Board member's term creates a reporting relationship between two Board members. In that situation, the affected Board members and member company will be obligated to communicate to the Board the specific resolution, and one of the affected Board members will resign his or her Board position immediately. The procedure in Section H regarding filling open Board seats shall be followed.

SECTION F: A resignation of a Board member shall take effect upon its acceptance by the Board, unless such resignation specifies a later effective date. A resignation due to the requirements in Section E above (regarding no two Board members being employed by a single corporation, company, partnership, or other legal entity) shall take effect immediately upon communication by the affected Board members and member company to the Board. Unexcused absence from two Board meetings within a twelve-month period shall constitute a resignation. The Secretary shall note all excused and unexcused absences in the minutes of the Board meetings.

SECTION G: Board members may be removed from office for cause by a 2/3 vote of all



members of the Board of Directors. All such Board members shall be provided at least thirty days notice of intention to remove and an opportunity to speak at a meeting before the removal vote is taken.

SECTION H: Should a Board member resign or otherwise be unable to serve the full term, the seat shall be filled by appointment of the Board of Directors to serve the unexpired term.

SECTION I: Board members shall be under an affirmative obligation to disclose their actual or potential conflicts of interest in any matter under consideration by the Board. This shall include disclosure of any conflict that would trigger Section E above (regarding no two Board members being employed by a single corporation, company, partnership, or other legal entity). Board members having an actual or potential conflict of interest in any matter under consideration by the Board shall absent themselves from decision of the matter and, unless otherwise determined by the Board, from its discussion. Board members must sign an annual disclosure statement.

SECTION J: During the term of his or her office, a Board member shall not be party to a contract with OTA differing in any way from the business relations accorded each member or upon terms differing from those generally current for such services.

SECTION K: The duties of the Board of Directors shall be:

- (i) To establish policies, realistic plans for future development and growth, not inconsistent with law or these bylaws, and to evaluate and monitor progress and results;
- (ii) To appoint Board members and elect its officers;
- (iii) To review and approve an annual budget;
- (iv) To hire the Executive Director and to evaluate the Executive Director's performance annually;
- (v) To assure that appropriate mechanisms are operating to safeguard the association's assets;
- (vi) To authorize appropriate officers or agents to sign contracts, leases or other documents on behalf of OTA;
- (vii) To establish its committees and task forces as needed to fulfill its duties; and
- (viii) To act in such other ways as may be necessary from time to time to further the best interests of members and the organic industry.

Article VIII: Nominations

SECTION A: The Board Governance Committee shall be the Nominating Committee as set forth in Article XII.

SECTION B: The Nominating Committee shall present to the Board for consideration a slate of candidates best qualified for all open seats on the Board at least 120 days prior to the date of the Annual Meeting. All nominees must be Trade members in good standing. No Board candidates (including incumbents) will be considered who would create the situation of more than one member of the Board employed by a single corporation, company, partnership, or other legal entity. The slate may not include any candidate whose election would violate Article VII, Section E above (regarding no two Board members being employed by a single corporation, company,



partnership or other legal entity). (This means no two candidates may be employed by a single corporation, company, partnership or other legal entity, and no candidate may be employed by the same corporation, company, partnership or other legal entity as a Board member whose term is not ending.) The Board shall approve a final slate of candidates.

SECTION C: A Trade member in good standing may nominate a person for an open Board seat by sending such nomination to the President in writing, seconded by at least six additional Trade members in good standing, at least ninety days prior to the date of the Annual Meeting.

Such nominated individuals shall be added to the slate presented to the membership, unless their election would violate Article VII, Section E above (regarding no two Board members being employed by a single corporation, company, partnership or other legal entity). (This means no two candidates may be employed by a single corporation, company, partnership or other legal entity, and no candidate may be employed by the same corporation, company, partnership or other legal entity as a Board member whose term is not ending.). All nominees must be Trade members in good standing.

SECTION D: All nominated candidates shall be presented to the membership at least forty-five days prior to the Annual Meeting, with balloting to be conducted according to these Bylaws.

Article IX: Meetings of Board of Directors

SECTION A: The Board of Directors shall meet as a body at least twice annually. The Board may conduct business by mail, e-mail, or telephone or meet as a body at other times, at the Board's discretion, and any action taken at such meetings shall be binding provided only that the quorum requirement of Section C is met.

SECTION B: Board of Director meetings shall require actual notice, either written or oral, of the time and place of the meeting delivered to all Board members. Written notice shall be delivered not less than five days before the date of the meeting and oral notice, either personally or by telephone, shall be given not less than forty-eight hours before the date of the meeting. The purpose of any meeting of the Board need not be specified in the notice of the meeting.

SECTION C: A quorum of the Board shall be ten members, less the number of vacant seats on the Board at the convening of the Board meeting at which business is to be considered and voted upon. All issues shall be decided by majority vote of directors present.

Article X: Officers

SECTION A: The officers shall be President, Vice President, Vice President-Canada (or second Vice President), Secretary, and Treasurer. The officers must be Board members of OTA.

SECTION B: The President, Vice President, Vice President-Canada (or second Vice President), and Secretary shall be elected by the Board at its Annual Meeting. A Canada Organic Trade Association board member, whether elected or appointed to the Board, shall not be eligible to be elected as President. The Treasurer shall be appointed by the Board at this same meeting.



SECTION C: Officers shall serve for a term of one year, as defined in Article VII, Section A. An officer may be removed by the Board whenever in its judgment the best interest of OTA will be served thereby.

SECTION D: Should the President resign or otherwise be unable to serve the full term, the Vice President shall succeed to President and the Board shall elect a new Vice President. The new President shall serve the unexpired term, and shall be eligible to be elected to serve a full term. Should the Vice President or Secretary or Treasurer resign or otherwise be unable to serve the full term, the Board shall elect a replacement who shall serve the unexpired term and be eligible to be elected to serve a full term.

Article XI: Duties of Officers

SECTION A: The President shall be the Chairperson and preside at the Annual Meeting and at meetings of the Board; shall convene meetings of the Board when necessary; shall cast a vote to break tie votes according to Article VI, Section E; shall act in such other ways as are incident to the office and for the betterment of members and the organic industry.

SECTION B: The Vice President shall perform the duties of the President when the President is unavailable to act.

SECTION C: The Secretary shall give notice, or cause to give notice, of all meetings of the Board and membership; shall keep, or cause to be kept, an up-to-date record of all business conducted at such meetings; shall maintain, or cause to be maintained, a current list of members; shall certify, or have certified, and announce the results of all votes.

SECTION D: The Treasurer shall monitor the financial affairs of OTA and the filing of all required returns; shall receive or cause to be received all dues, levies, special assessments, or other funds due to the association and maintain or cause to be maintained accurate records of same; shall establish such procedures as are required to assure the sanctity of the association's assets; shall prepare and distribute to members an annual report of the association's finance at the Annual Meeting.

SECTION E: All officers shall sign documents or attest to documents on behalf of OTA as authorized or directed by the Board and shall perform such other duties as may be prescribed by the Board.

Article XII: Executive Committee

The Executive Committee shall consist of the President, the Vice President, Vice President-Canada (or second Vice President), Secretary, Treasurer, and the immediate past president, if the immediate past president is still a member of the Board. The President shall chair the Executive Committee. Three members shall constitute a quorum for the transaction of business. Meetings by telephone, mail, or as a body whenever required may be called by the Chairperson or by three



members of the Executive Committee.

The role of the Executive Committee is to discuss strategic issues deserving near-term attention, set and evaluate annual operational priorities with the executive director, set key indicators to evaluate program/ service effectiveness, provide financial oversight, facilitate an annual performance evaluation of the Executive Director and oversee OTA's Code of Ethics and enforcement procedures. The Executive Committee may be authorized to act on behalf of the Board in between Board meetings as defined by the Executive Committee Authorization's Policy adopted by the board.

Article XIII: Committees of the Board

SECTION A: In addition to the Executive Committee, there shall be two standing committees of the Board, namely: Governance and Joint Community Relations. The principal duties of these standing committees are: Governance Committee: Recruit, welcome, and orient new board members; evaluate board election process; recommend the officer slate; review board and association policies and bylaws; develop and implement board self-assessment system; and develop board training sessions. Joint Community Relations Committee: Review systems and programs for member involvement; evaluate membership dues strategies; develop strategic goals for OTA's and COTA's public image and for OTA's and COTA's relations with affiliated organizations; develop strategies for Board/member communications; and recruit, screen, and select OTA's Annual Organic Leadership Award recipient(s).

SECTION B: The Joint Community Relations Committee shall be comprised of a number of members appointed by the Board from among its members and also two board members of the Canada Organic Trade Association (one of whom need not be a member of the Organic Trade Association Board of Directors). The Joint Community Relations Committee will include The At-Large Canada Organic Trade Association Board member and one other Canada Organic Trade Association Board member (or VP Canada). The Board of Directors shall appoint, from among its members, the other members and chairs of the standing committees.

SECTION C: The Board or its standing committees may, at any time, appoint other committees or task forces and their chairs on any subject for which there are no standing committees. Special committees and task forces shall be accountable to the Board or Board standing committees.

SECTION D: A majority of any committee of OTA shall constitute a quorum for the transaction of business, unless a committee shall by a vote of its entire membership decide otherwise.

SECTION E: Recommendations for policies, rules, or regulations must be recommended to the Board of Directors for approval.

Article XIV: Member Interest Groups

SECTION A: OTA members in good standing can request that the association establish a specific interest group, provided that the sector, topic, or regional interest falls within the mission



of the association.

SECTION B: Member interest groups, or any member(s) in good standing, may request the establishment of committees or task forces for special projects or topics. Such requests may be accompanied by requests for funding. Committees or task forces shall be organized as determined by the OTA Board of Directors.

SECTION C: Member interest groups shall be organized as determined by the OTA Board of Directors.

Article XV: Indemnification

Any person who at any time shall serve, or shall have served, as member, director or officer, or as any agent, representative or employee of the Corporation, or any other enterprise at the request of the Corporation, and the heirs, executors, and administrators of such person, shall be indemnified by the Corporation against all costs and expenses (including but not limited to counsel fees, amounts of judgment paid, and amounts paid in settlement) reasonably incurred in conjunction with the defense of any claim, action, suit, or proceeding whether civil, criminal, administrative, or other in which he or she may be involved by virtue of such person having been such member, director or officer, or agent, representative or employee, whether or not such conduct was in conformity with other corporate policy and whether or not he or she was successful in such defense; provided, however, that no reimbursement shall be made for any person with respect to any matter in which he or she shall have been adjudicated in and proceeding not to have acted in good faith in the reasonable belief that his or her action was in the best interest of this Corporation.

Article XVI: Amendments to Bylaws

Amendments to these bylaws shall be proposed in writing by:

- (i) The Board of Directors acting upon a majority vote of said Board, or
- (ii) Written motion signed by not less than twenty-five Trade members in good standing.

Amendments to these bylaws shall be put before the Annual Meeting or voted upon according to the procedures in Article VI, Section C.

Article XVII: Miscellaneous

SECTION A: Copies of incorporation papers, these bylaws, as may be amended, minutes of all meetings of the membership, committees of the Board, and of the Board of Directors shall be maintained by the Secretary and a copy made available upon request to any member in good standing to the principal office of the association during normal business hours.

SECTION B: No member of the association shall be liable for any indebtedness or obligation of the association in an amount exceeding such member's unpaid current dues and any duly authorized levy or special assessment.



SECTION C: Upon dissolution and/or liquidation of the association for any reason, assets remaining after satisfaction of all debts and obligations shall be donated to any non-profit organizations having purposes consistent with the purposes of the association, such donation to be directed by the Board of Directors at the time of dissolution.

SECTION D: In the event that any provision of these bylaws is determined to be invalid or unenforceable under any statute or rule of law, then such provision shall be deemed inoperative to such extent and shall be deemed modified to conform, with such statute or rule of law without affecting the validity or enforceability of any other provision of these bylaws.

