



AGENDA

California Avocado Commission Executive Committee Meeting

Meeting Information

Date: November 6, 2023

Time: 10:00 a.m.

Location: Hybrid Meeting

Physical Meeting Location:
United Water Conservation District
1701 Lombard St
Oxnard, CA 93030

Web/Teleconference URL:

<https://californiaavocado.zoom.us/j/84916111864?pwd=dFRCZERrTmlHK09XT3M4cEhFcFhiUT09>

Conference Call Number: (669) 900-6833

Meeting ID: 849 1611 1864

Passcode: 288912

Meeting materials will be posted online at least 24 hours prior to the meeting at:
<https://www.californiaavocadogrowers.com/commission/meeting-agendas-minutes>

Committee Member Attendance

As of Friday, November 3, 2023, the following individuals have advised the Commission they will participate in this meeting:

Jason Cole, Treasurer

Rob Grether, Chair

Jessica Hunter, Secretary

Rachael Laenen, Vice Chair

Time	Item
10:00 a.m.	<ol style="list-style-type: none"> 1. Call to Order <ol style="list-style-type: none"> a. Roll Call/Quorum b. Introductions 2. Opportunity for Public Comment Any person may address the Committee at this time on any subject within the jurisdiction of the California Avocado Commission. 3. Consent Calendar <ol style="list-style-type: none"> a. Consider approval of Executive Committee meeting minutes of October 10, 2023 4. Update on the overall administration of the Commission 5. Code of conduct and ethics 6. Closed session regarding the appointment, employment, evaluation of performance, or dismissal of an employee pursuant to California Government Code Section 11126(a) <ol style="list-style-type: none"> a. The Committee may go into closed session to discuss and make recommendations regarding appointment, employment or dismissal of an employee. 7. Return to open session and announce action taken in closed session, if any.
12:00 p.m.	<ol style="list-style-type: none"> 8. Adjourn Meeting

Disclosures

The times listed for each agenda item are estimated and subject to change. It is possible that some of the agenda items may not be able to be discussed prior to adjournment. Consequently, those items will be rescheduled to appear on a subsequent agenda. All meetings of the California Avocado Commission are open to the public and subject to the Bagley-Keene Open Meeting Act.

All agenda items are subject to discussion and possible action. For more information, or to make a request regarding a disability-related modification or accommodation for the meeting, please contact April Aymami at 949-341-1955, California Avocado Commission, 12 Mauchly, Suite L, Irvine, CA 92618, or via email at aaymami@avocado.org. Requests for disability-related modification or accommodation for the meeting should be made at least 48 hours prior to the meeting time. For individuals with sensory disabilities, this document is available in Braille, large print, audiocassette or computer disk. This meeting schedule notice and agenda is available on the internet at <https://www.californiaavocadogrowers.com/commission/meeting-agendas-minutes> and <http://it.cdfa.ca.gov/igov/postings/detail.aspx?type=Notices>. If you have questions on the above agenda, please contact April Aymami at aaymami@avocado.org or 949-341-1955.

Summary Definition of Conflict of Interest

It is each member's and alternate's responsibility to determine whether they have a conflict of interest and whether they should excuse themselves from a particular discussion or vote during a meeting. To assist you in this evaluation, the following *Summary Definition of Conflict of Interest* may be helpful.

A Commission *member or employee* has a conflict of interest in a decision of the Commission if it is reasonably foreseeable that the decision will have a material effect, financial or otherwise, on the member or employee or a member of his or her immediate family that is distinguishable from its effect on all persons subject to the Commission's jurisdiction.

No Commission member or employee shall make, or participate in making, any decision in which he or she knows or should know he or she has a conflict of interest.

No Commission member or employee shall, in any way, use his or her position to influence any decision in which he or she knows or should know he or she has a conflict of interest.

**CALIFORNIA AVOCADO COMMISSION
EXECUTIVE COMMITTEE MINUTES
October 10, 2023**

A meeting of the California Avocado Commission (CAC) Executive Committee was held on October 10, 2023 at 4:00 p.m. with the following people present:

MEMBERS PRESENT

Jason Cole
Rob Grether
Rachael Laenen

STAFF PRESENT

April Aymami
Ken Melban
Terry Splane

GUESTS PRESENT

None

OFFICIALLY PRESENT

Katie Cook, *USDA*
Samantha Mareno, *USDA*
George Soares, *Kahn, Soares & Conway*

ITEM #1 CALL TO ORDER

Roll Call/Quorum – Item 1.a.

Rob Grether, CAC Executive Committee chairman, called the meeting to order 4:15 p.m. and established a quorum.

Introductions – Item 1.b.

April Aymami, CAC industry affairs director, announced the California Department of Food and Agriculture (CDFA) and US Department of Agriculture (USDA) representatives, CAC staff, legal counsel and known guests participating in the meeting.

ITEM # 2 OPPORTUNITY FOR PUBLIC COMMENT

There was no public comment.

ITEM # 3 CONSENT CALENDAR

Consider approval of Executive Committee meeting minutes of September 26, 2023 – Item 3.a

Mr. Grether introduced the consent calendar items and asked for questions or comments. With no comments on the consent calendar items, the following motion was put forward:

MOTION:

The Executive Committee approves the Consent Calendar, Items 3.a as presented.

(Cole/Laenen) MSC Unanimous

MOTION 23-10-10-1

The Consent Calendar is attached to the permanent copy of these Minutes and identified as EXHIBIT A.

ITEM # 4 UPDATE ON THE OVERALL ADMINISTRATION OF THE COMMISSION

Commission management had no updates since the last Executive Committee meeting.

ITEM # 5 RATIFY MOTION TO APPROVE PINE TREE RANCH LEASE EXTENSION

Mr. Grether reported that the Executive Committee took action at their September 26, 2023 meeting to provide approval of an additional three month extension to the Pine Tree Ranch lease agreement. Because that discussion item was not specifically called out on the September 26 meeting agenda, and was discussed under the general Commission updates, CAC legal counsel recommended the Committee ratify the motion at their next meeting.

MOTION:

The Executive Committee moves to ratify the motion to approve the Pine Tree Ranch Lease extension.

(Cole/Laenen) MSC Unanimous

MOTION 23-10-10-2

ITEM #6 CLOSED SESSION REGARDING APPOINTMENT, EMPLOYMENT, EVALUATION OF PERFORMANCE, OR DISMISSAL OF AN EMPLOYEE PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 11126(a)

The Committee may go into closed session to discuss and make recommendations regarding appointment, employment or dismissal of an employee. – Item 6.a

Mr. Grether convened a Closed Session of the CAC Executive Committee at 4:18 p.m. with members of the Executive Committee and CAC's legal counsel.

ITEM #7 RETURN TO OPEN SESSION AND ANNOUNCE ACTION TAKEN IN CLOSED SESSION, IF ANY

Mr. Grether returned to open session at 6:17 p.m. and announced that the committee had taken no action in Closed Session.

ADJOURN MEETING

Mr. Grether adjourned the meeting at 6:17 p.m.

Respectfully submitted,

April Aymami, CAC Industry Affairs Director

I certify that the above is a true statement of the minutes of the October 10, 2023, CAC Executive Committee, approved by the CAC Executive Committee on November 6, 2023.

Jessica Hunter, CAC Board Secretary

EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES

Exhibit A October 10, 2023 Consent Calendar

Exhibit B October 10, 2023 Executive Committee Meeting AB 2720 Roll Call Vote Tally Summary

CALIFORNIA AVOCADO COMMISSION

AB 2720 Roll Call Vote Tally Summary
To be attached to the Meeting Minutes

Meeting Name: <i>Executive Committee Meeting</i>	Meeting Location: <i>In-Person (Irvine)</i>	Meeting Date: <i>October 10, 2023</i>
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<i>Attendees Who Voted</i>	<i><u>MOTION</u></i> <i><u>23-10-10-1</u></i>	<i><u>MOTION</u></i> <i><u>23-10-10-2</u></i>
Rob Grether	Did not vote	Did not vote
Jason Cole	Yea	Yea
Rachael Laenen	Yea	Yea
<i>Outcome</i>	Unanimous	Unanimous

California Avocado Commission Code of Conduct and Ethics

~~12.0 CODE OF CONDUCT AND ETHICS~~

~~12.01 INTRODUCTION AND GENERAL POLICY~~

This Code of Conduct and Ethics (Code) applies to all Board members, committee members, and alternates (collectively "~~Board m~~Members") of the California Avocado Commission (CAC). The purpose of this Code is to ~~promote as well as to~~ provide direction guidance with regarding ~~to~~ ethical conduct, ~~integrity, standards, and practices expected~~ required of ~~CAC Board m~~Members. Ethical conduct and loyalty are inherent obligations and ~~Board m~~Members are expected to act in the best interests of CAC and to comply with CAC policies and procedures. Consequently, this policy is created to sustain a strong ethical culture on which CAC is built and is ~~to be used as a~~ foundational for conducting its activities.

This Code does not cover every issue that may arise, but is intended to ~~provide a basic summary of summarize~~ the ~~legal, ethical and regulatory~~ principles that should guide the conduct of ~~all Board m~~Members. CAC expects ~~every Board m~~Members to conduct themselves in strict compliance with all legal and ethical obligations, and to avoid ~~even actual or~~ the appearance of impropriety. ~~CAC's philosophy can be implemented only if CAC Board members recognize their responsibilities and take care in following this policy.~~

~~CAC expects each Board member to read and become familiar with CAC's policies and the ethical standards described in this Code. Compliance with this Code and the high standards of ethical conduct is mandatory for every Board member.~~

~~This Code requires at a minimum:~~

- ~~1. Honest, prudent and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between professional and personal relationships;~~
- ~~2. Compliance with CAC's policies and with applicable governmental laws, rules and regulations;~~
- ~~3. The prompt reporting of violations of this Code, including any illegal activity, to the appropriate person or persons identified in this Code;~~
- ~~4. Full, fair, accurate, timely and understandable disclosures in reports and documents;~~
and
- ~~5. Accountability and enforceability for adherence to this Code.~~

~~Board m~~Members must also recognize that the Board acts ~~only~~ as a collective entity. Success depends on the contributions of all ~~Board m~~Members and their ability to work well together. With the goal of embedding these core principles into the culture of ~~the Board~~CAC, this ~~policy~~ Code establishes standards of conduct ~~expected required~~ of ~~each Board m~~Members.

12.02II. RESPONSIBILITIES OF ~~BOARD~~ MEMBERS

Code of Ethics and Conduct

~~Board members shall at all times abide by the following code of ethics and conduct in their capacity as Board members:~~

1. Duty of Care.

- ~~a. Board members will a~~Abide in all respects by this ~~e~~Code of conduct and all other CAC policies and procedures and ~~will shall~~ ensure that they remain in good standing at all times.
- ~~a.b. Furthermore, each Board member will e~~Comply with applicable federal, state, and local laws and regulations ~~and will provide their full cooperation when requested to do so.~~
- ~~c. When performing their duties on the board or any committee, Board members must a~~Act in good faith, in a manner reasonably believed to be in CAC's best interest, and with such care, including reasonable inquiry, as ~~an ordinarily~~ prudent person in like position would use under similar circumstances.
- ~~d. Prompt reporting of violations of this Code, including any illegal activity, to the appropriate person or persons identified in this Code. (See section 7.)~~
- ~~b.e. Complete accurate and timely disclosures in reports and documents.~~

~~Board members should:~~

- ~~fa. Be informed: Become and remain~~ informed about the activities, ~~and~~ goals, ~~of the organization — not the minutia, but at least as to its major activities,~~ financial condition, and the procedures under which ~~CAC#~~ operates.
- ~~bg. Participate: a~~Attend meetings; volunteer for committee assignments; participate in discussions, etc. Even if ~~a Board member isn't there, he or she can still be held not in attendance, Members are~~ responsible for actions ~~taken — so better to show up and participate.~~
- ~~c. Act in good faith: Decisions made with the best interests of CAC in mind, in a deliberate fashion, without undue haste or pressure from other sources; ask for independent evaluations on complex issues (legal counsel, accountants) — reasonable inquiry; appropriate paper trail (ensure good minutes are maintained, etc.).~~

2. Duty of Loyalty.

- a. Avoid Conflicts of interest (a decision ~~before the Board~~ in which a ~~Board~~ ~~m~~Member or his or her family may benefit financially ~~or in any other manner~~).
- i. Disclose – If a ~~board m~~Member thinks they ~~have or may~~ have a conflict of interest on a particular agenda item ~~before the board,~~ they ~~concern must shall be disclosed such belief~~ to the Chairman ~~(of the CAC or committee, as appropriate) (preferably before prior to the meeting, if possible)~~ to

- determine whether a conflict actually exists. ~~(seek advice of legal counsel if necessary).~~
- ii. Abstain – If a ~~board m~~Member ~~does have~~ has a conflict, they ~~Member should~~ shall abstain from ~~both~~ discussion and voting ~~on the matter.~~ The Chair may also instruct the Member not to attend the meeting during the time in which the matter is being discussed.
 - iii. ~~Real, perceived, creating problems—Even if it's determined that an actual, legal conflict of interest does not exist, consider abstaining from the discussion and vote anyway if the perception of a conflict will cause problems for the organization.~~
- b. Avoid Corporate opportunity/self-dealing: ~~Board m~~Members ~~must shall~~ not ~~look for ways, or take advantage of opportunities, to make money~~ profit in any way from CAC (~~i.e.e.g. leasing its office space or equipment, persuade decisions affecting other organizations on which you serve,~~ using corporate CAC resources for personal gain, selling product for use by CAC, etc.). ~~Additionally, board m~~Members ~~must shall~~ not attempt to persuade any employee of CAC to leave the employment of CAC or to become employed by the ~~board m~~Member or a related entity. ~~Furthermore, board m~~Members ~~must shall~~ refrain from not attempting to persuade exhibitors, advertisers, sponsors, suppliers, contractors, or any other person or entity with an actual or potential relationship ~~to with~~ CAC to terminate, curtail, or not enter into ~~its a~~ relationship with CAC or to in any way reduce the monetary or other benefits to CAC of such ~~a~~ relationship.
 - c. Confidentiality. ~~Every Board m~~Members ~~has have~~ a duty to maintain in confidence the proprietary and confidential information of CAC (unless otherwise required by law), and not ~~to~~ utilize confidential and proprietary information of CAC for his or her ~~own~~ personal gain or to the detriment of CAC.
 - d. Duty to support ~~the board publicly.~~ -When representing CAC ~~in public,~~ ~~Board m~~Members ~~should shall~~ support ~~the~~ positions taken by ~~the Board CAC.~~ and should avoid stating personal opinions adverse to CAC. ~~Board members can, of course, voice personal opinions when speaking on their own behalf and not on behalf of CAC.~~
 - e. After Leaving Service. Upon termination of service for any reason, ~~Board m~~Members ~~must shall~~ promptly return to CAC all documents, electronic and hard files, reference materials, and any other CAC property in their possession entrusted to the board member in his or her capacity as a Board member. Such return of materials does not abrogate the ~~board m~~Member's duty of confidentiality with respect to the information contained in the ~~those~~ materials and the ~~Board m~~Member's duty of confidentiality continues after leaving ~~the Board~~ service to CAC.
3. Relations with Staff. The Board has a duty to select a President (or establish other appropriate leadership) who ~~will lead and shall~~ guide CAC in its day to day activities with integrity and with the best interests of CAC and the avocado industry. ~~as his/her goal.~~ The Board ~~must shall~~ use its best efforts to ensure that the President ~~is in~~ compliance

with all federal, state, and local employment-related laws and regulations and that employees are hired, promoted, and disciplined by the President in a fair and unbiased manner in accordance with CAC's Employee Handbook. The Board supervises the President and takes seriously any complaint from employees or third parties about the President's conduct, and ~~will shall~~ not tolerate retaliation against any employee who makes a good faith complaint against the President. ~~Board members~~ The Board should shall refrain from intruding on administrative issues that are the responsibility of the President or other managers, and ~~must shall~~ abide by CAC's Communications Policy ~~(set forth later in this document)~~. ~~While it is the President who generally interacts with other staff, Board members who have permitted interaction with staff should~~ The Board shall treat employees courteously and professionally, ~~recognizing that CAC has an obligation to provide its employees and ensure~~ a workplace free from discrimination and harassment.

4. Relations among ~~Board~~ Members. ~~Each Board m~~Members ~~s must shall~~ foster an environment of respect, cooperation and collegiality. ~~A Board member must and shall~~ not unduly disrupt the ~~b~~Board from operating in an efficient and effective manner. ~~Board m~~Members ~~should shall~~ treat each other with courtesy, ~~and~~ allow other ~~m~~Members ~~of the board~~ to express their views. ~~A Board member should and~~ respect the differing opinions of others. ~~Board m~~Members may disagree on issues, but disagreements ~~should shall~~ be directed at the issue ~~—~~(personal attacks are not acceptable). ~~A Board m~~Members ~~s~~ should never undermine, sabotage or falsely impugn another ~~board m~~Members. This ~~is does~~ not ~~intended to~~ preclude a ~~Board m~~Members ~~s~~ from filing or voicing a complaint against another ~~Board m~~Members, but is to ensure that complaints are made only after thoughtful consideration and with the utmost good faith.

5. Execution of documents:

- a. Timely response by Members in reviewing, signing and returning documents provided by CAC is essential to remain in good standing with CAC. Following is a partial list of such documents.
 - i. Acceptance to Serve
 - ii. Policies and Procedures
 - iii. Social Media Policy
 - iv. Mandatory Ethics Orientation Training
 - v. Mandatory Harassment Prevention Training
 - vi. Application for California Government Identification Card
- b. Members shall provide proof that they have taken or have applied to take mandatory ethics orientation training, and sexual harassment and abusive conduct training, and provide proof of completion or the expected dates of completion.
- c. Newly elected/appointed Members shall have 30 days from receipt of documents by certified mail to return the signed documents, and evidence of completion of training or expected date of completion, as appropriate, to CAC.

- d. Currently serving Members who are delinquent in returning signed documents to CAC shall have 15 days to complete the requirements specified in subsection b) above.
- e. Failure of any Member to comply shall result in the immediate suspension of the Member from participating in any CAC activities including serving on the Board and committees of CAC.
- f. Reinstatement of a suspended Member shall be subject to a recommendation by the Executive Committee and approval by the Board.

12.03III. DISCLOSURE AND FINANCIAL INTEGRITY

~~CAC requires honest and accurate recording and reporting of information. CAC's policy is to provide full, fair, accurate, timely and understandable disclosure in reports and documents. All of CAC's books, records, accounts and financial statements must be maintained in reasonable detail, accurately and fairly reflect transactions, not contain false or misleading entries, comply with generally accepted accounting principles, be audited in accordance with generally accepted government auditing standards, and conform to applicable legal requirements and to CAC's internal control policies and procedures. CAC's internal control policies and procedures have been developed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for internal and external purposes. These internal control policies and procedures require CAC to:~~

- ~~1. Maintain records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets;~~
- ~~2. Properly record transactions to permit the preparation of financial statements in accordance with generally accepted accounting principles, and make receipts and expenditures only in accordance with authorizations of management and the Members of the Board ; and,~~
- ~~3. Prevent or detect in a timely manner the unauthorized acquisition, use or disposition of assets.~~

1. CAC expects all Board mMembers and staff to shall comply with the disclosure controls and procedures and report: ~~any~~

- 1a. Material information or unreported transactions that affect the disclosures made in the financial statements.
- 2b. Information concerning significant deficiencies and material weaknesses in the design or operation of CAC's internal control over financial reporting which are ~~reasonably~~ likely to adversely affect the ability to record, process, summarize and report financial information
- 3c. Fraud, whether or not material, that involves ~~Board mMembers and staff members~~ who have a significant role in internal control or financial reporting

12.04IV. USE OF CAC ASSETS

1. Assets~~General~~

Protecting CAC's assets is a key fiduciary responsibility of ~~every Board mMembers and staff member~~. Care ~~should shall~~ be taken to ensure that assets are not misappropriated. ~~All Board mMembers and staff members~~ are responsible for the proper use of CAC's assets, and ~~must shall~~ safeguard such assets against loss, damage, misuse or theft. ~~Board mMembers and staff members must shall~~ not use CAC identification, stationery, supplies, or equipment for personal or political ~~matters purposes~~. ~~Board mMembers and staff members~~ who violate any aspect of this policy or who demonstrate poor judgment in the manner in which they use any asset may be subject to disciplinary action, ~~up to and including termination~~. ~~CAC equipment and assets are to be used for CAC's purposes only and may not be used for personal use.~~

2. CAC~~Funds~~

~~Board mMembers and staff members~~ are personally responsible for all CAC funds over which they exercise control. CAC funds ~~must shall~~ be used only for CAC purposes and not for personal benefit. ~~Board mMembers and staff members~~ who have access to CAC funds in any form ~~must shall~~ follow the prescribed procedures for recording, handling, and protecting money as detailed in CAC's policies. When ~~a BoardMembers or staff member's position requires are required to~~ spending CAC funds or incurring any reimbursable personal expenses, ~~that individual must they shall~~ use good judgment on CAC's behalf to ensure that good value is received for every expenditure and that expense reports and invoices are accurate and submitted in a timely manner.

3. CAC imposes strict standards to prevent fraud and dishonesty. ~~If anyone becomes aware of aAny evidence information indicating of~~ fraud or dishonesty, ~~that person should shall~~ ~~be~~ immediately ~~advise provided to~~ the appropriate person ~~so that~~ CAC ~~for can~~ promptly investigate ~~one further and possible disciplinary action~~.

~~12.05 MANAGING CAC'S INFORMATION AND RECORDS~~

~~MAINTAINING AND MANAGING RECORDS~~

~~CAC HAS A LEGAL REQUIREMENT TO MANAGE ITS RECORDS AND INFORMATION, INCLUDING ALL RECORDED INFORMATION REGARDLESS OF MEDIUM OR CHARACTERISTICS. RECORDS INCLUDE BUT ARE NOT LIMITED TO PAPER DOCUMENTS, CDS, COMPUTER HARD DISKS, EMAIL, FLOPPY DISKS, MICROFICHE, MICROFILM AND ALL OTHER MEDIA. CAC IS REQUIRED BY LAWS, REGULATIONS, POLICIES AND GUIDELINES TO RETAIN CERTAIN RECORDS AND TO FOLLOW SPECIFIC GUIDELINES IN MANAGING ITS RECORDS. PENALTIES MAY BE INCURRED FOR FAILURE TO COMPLY WITH SUCH RULES AND DISCIPLINARY ACTION MAY BE TAKEN BY CAC TO CORRECT THE SITUATION. BOARD MEMBERS AND STAFF MEMBERS ARE REQUIRED TO MANAGE AND MAINTAIN RECORDS CONSISTENT WITH THIS CODE AND CAC'S RECORDS MANAGEMENT/RETENTION POLICIES.~~

~~PRIVACY AND CONFIDENTIALITY~~

~~IT IS IMPERATIVE THAT THE FINANCIAL, BUSINESS, OR PERSONAL INFORMATION BELONGING TO CAC BE KEPT CONFIDENTIAL AND NOT DISCLOSED UNLESS REQUIRED BY APPLICABLE LAWS OR REGULATIONS. CONFIDENTIAL INFORMATION IS TO BE RETAINED ONLY FOR AS LONG AS NECESSARY OR AS REQUIRED BY LAW. ANYONE HANDLING PROPRIETARY DATA MUST PROTECT THE PHYSICAL SECURITY OF THE INFORMATION, AND LIMIT INTERNAL ACCESS TO IT TO THOSE WITH A LEGITIMATE REASON FOR SEEKING THAT INFORMATION. ONLY USE THE INFORMATION FOR THE PURPOSES FOR WHICH IT WAS ORIGINALLY OBTAINED. CONFIDENTIAL INFORMATION INCLUDES ALL NON-PUBLIC INFORMATION THAT MIGHT BE OF USE TO COMPETITORS, OTHERS, OR BE HARMFUL TO CAC, ITS PERSONNEL, OR ITS RELATED PARTIES IF DISCLOSED.~~

~~12.06 PAYMENT PRACTICES~~

~~ACCOUNTING PRACTICES~~

~~CAC'S RESPONSIBILITY TO ITS CONSTITUENTS AND TO THE PUBLIC REQUIRES THAT ALL TRANSACTIONS BE FULLY AND ACCURATELY RECORDED IN CAC'S BOOKS AND RECORDS IN COMPLIANCE WITH ALL APPLICABLE LAWS. FALSE OR MISLEADING ENTRIES, UNRECORDED FUNDS OR ASSETS, OR PAYMENTS WITHOUT APPROPRIATE SUPPORTING DOCUMENTATION AND APPROVAL ARE STRICTLY PROHIBITED AND VIOLATE CAC'S POLICIES AND THE LAW. ADDITIONALLY, ALL DOCUMENTATION SUPPORTING A TRANSACTION SHOULD FULLY AND ACCURATELY DESCRIBE THE NATURE OF THE TRANSACTION AND BE PROCESSED IN A TIMELY MANNER.~~

~~NO POLITICAL CONTRIBUTIONS~~

~~CAC FUNDS OR ASSETS SHALL NOT UNDER ANY CIRCUMSTANCES TO BE USED FOR OR CONTRIBUTED TO POLITICAL CAMPAIGNS, CANDIDATES, OR POLITICAL PARTIES.~~

~~PROHIBITION OF INDUCEMENTS~~

~~UNDER NO CIRCUMSTANCES MAY BOARD MEMBERS OR STAFF MEMBERS OFFER TO PAY, MAKE PAYMENT, PROMISE TO PAY, OR ISSUE AUTHORIZATION TO PAY~~

~~ANY MONEY, GIFT, OR ANYTHING OF VALUE TO EMPLOYEES, VENDORS, CONSULTANTS, ETC. THAT IS PERCEIVED AS INTENDED, DIRECTLY OR INDIRECTLY, TO IMPROPERLY INFLUENCE ANY CAC DECISION, ANY ACT OR FAILURE TO ACT, OR THE COMMITMENT OR COMMISSION OF FRAUD. INEXPENSIVE GIFTS AND INFREQUENT BUSINESS MEALS, PROVIDED THAT THEY ARE NOT EXCESSIVE OR CREATE AN APPEARANCE OF IMPROPRIETY, DO NOT VIOLATE THIS POLICY.~~

12.07V. ~~RESPONSIBILITIES TO CONSTITUENTS AND SUPPLIERS~~

1. ~~Relationship with Constituents and Suppliers~~

~~Board mMembers and staff members must shall not avoid investing in or acquireing a financial interest in any business that has a contractual relationship with CAC, and/or that provides goods or services where such investment or interest could influence or create the impression of influencing their decisions. in the performance of their duties on behalf of CAC.~~

2. ~~Gift, Entertainment, and Favors~~

~~Board mMembers and staff members must never shall not accept entertainment, gifts or personal favors that would actually, or appear to undermine or influence their good business judgment or decisions. Similarly, employees must not accept any other preferential treatment under these circumstances because their position with CAC might be inclined to, or be perceived to, place them under obligation. On occasion, Board members and staff members may accept novelties, promotional items of a nominal value, or modest gifts if:~~

- ~~1.—The gift complies with the giver’s company’s rules.~~
- ~~2.—This happens only occasionally.~~
- ~~3.—The gift was not solicited.~~
- ~~4.—Open disclosure of the gift would not embarrass CAC or the people involved.~~
- ~~5.—The value of the gift is \$50 (U.S.) or less.~~

~~Gifts to CAC instead of to specific Board members or staff members are allowed as long as they do not undermine or influence good business judgment or decisions. These gifts should meet the following criteria:~~

- ~~1.—The gift complies with the giver’s company’s rules.~~
- ~~2.—This happens only occasionally.~~
- ~~3.—The gift was not solicited.~~
- ~~4.—Open disclosure of the gift would not embarrass CAC or the people involved.~~
- ~~5.—The value of the gift is \$50 (U.S.) or less.~~

~~Kickbacks and Secret Commissions~~

~~Regarding CAC’s activities, Board members and staff members may not receive payment or compensation of any kind, except as authorized under CAC’s policies. In particular, CAC strictly prohibits the acceptance of kickbacks and secret commissions from suppliers or others. Any breach of this rule will result in immediate termination for employees or, in the case of Board~~

~~members, removal from the Board. Board members and staff members who violate this practice will be prosecuted to the fullest extent of the law.~~

12.08VI. GOVERNMENT RELATIONS

~~It is CAC's policy to fully Members shall comply with all applicable laws and regulations governing contact and dealings with government employees and public officials, and to adhere to high ethical, moral and legal standards of conduct. This policy includes strict compliance with all local, state, federal, and other applicable laws, rules and regulations.~~

12.09VII. REPORTING VIOLATIONS

~~All Board mMembers and staff members are individually responsible for carrying out and monitoring compliance with this Code. Board members and staff members shall including the reporting of all evidence of a possible or actual violations of the Code to the the Chair or Board as appropriate person as follows:~~

- ~~• Board Members — refer the issue to the Board,~~
- ~~• President — refer the issue to the CAC Board Chairperson,~~
- ~~• Employees, Agents and Contractors — refer the issue to the President.~~

~~Reports of suspected violations will shall be taken seriously and investigated promptly and thoroughly immediately. All reports will shall be treated confidentially to every extent possible, except where disclosure is required to investigate a report or by applicable law or legal process. Board mMembers and staff members will shall be protected from retaliation of any kind.~~

12.10VIII. DISCIPLINARY ACTIONS/TERMINATION/REMOVAL

- ~~1. The matters covered in this Code are of the utmost importance to CAC and are essential to the ability to conduct its activities in accordance with its stated values. Board mMembers and staff members are expected required to strictly adhere to these rules in carrying out their duties for CAC this Code. Accordingly, a fFailure to fulfill one's responsibilities under this Code may result in disciplinary action, up to and including immediate termination for employees and removal for Board members.~~
- ~~2. Appropriate action shall will be taken against any one person whose actions are is found to have violated these policies or any other policies any provision of this Code of CAC. Where CAC has suffered a loss, it may pursue its remedies against the individuals or entities responsible. Where laws have been violated, CAC will shall fully cooperate with the appropriate prosecuting authorities. Reprisal, threats, retribution or retaliation against any person Member who has in good faith reported a violation or a suspected violation of law, this Code or other CAC policies, or against any person who is assisting in any investigation or process with respect to such a violation, are prohibited.~~
 - ~~— With respect to employees, the discipline and termination policies contained in CAC's Employee Handbook will determine the disciplinary actions, termination, or removal of the employee from their position.~~

3. ~~In the case of Board members,~~ CAC may discipline or remove ~~a Board member any~~ Member from the Board or any committee for cause, as determined by a two-thirds vote at any properly called and noticed Board meeting where a quorum is present. In the event of ~~a~~ removal from the Board, ~~there is a~~ vacancy ~~which~~ shall be filled in the manner provided in Food and Agricultural Code section 67053. In the event of ~~a~~ removal from a committee, the vacancy shall be filled in accordance with ~~the~~ CAC bylaws.

4. The procedure for ~~disciplining a Board member or removing a Board member from the Board or any committee~~ addressing complaints shall be as follows:

1.a. Complaints ~~about a Board member must~~ shall be in writing. ~~If CAC receives a written complaint about a Board member from any source (whether from another Board member, staff member, industry member, or member of the public), the complaint shall be~~ and forwarded to the Executive Committee ~~and to the President~~ who shall determine whether the complaint merits formal process. ~~(If the Board mMember who is the subject of the complaint is on the Executive Committee, he or she shall voluntarily absent himself/herself from the Member shall not participate in any discussions and/or decision regarding what to do about the complaint.) If the complaint is one that can be resolved by the President, he or she will do so and will advise the Board of the complaint and the outcome.~~ If the complaint is not one that can be informally resolved, the following process ~~will~~ shall be followed.

2.b. The ~~Board mMember~~ shall be ~~sent~~ provided written notice of the ~~proposed discipline or removal and the reasons therefore~~ complaint which shall be. ~~Any written notice sent pursuant to this section shall be by USPS-certified mail or the equivalent or by express mail service with tracking (USPS priority mail, Federal Express, UPS overnight, or the like).~~ Notice shall be deemed received on the date of delivery as confirmed by the carrier.

3.c. The written notice ~~to the Board member~~ shall provide at least ~~21~~ 14 calendar days for the ~~Board mMember~~ to respond. The ~~Board mMember's~~ response ~~must~~ shall be in writing and may be either or both of the following:

i.a) ~~a~~ A written statement and any document ~~sation~~ detailing ~~the Board member's~~ arguments against discipline or removal, or

ii.b) ~~A~~ A written statement and any documents detailing arguments against discipline or removal and a request for an in-person hearing before the Board.

4.d. If the ~~Board mMember~~ provides a response within the required time period, the ~~Chairperson of the Commission~~ shall call a special Board meeting (or utilize an already scheduled regular meeting) to hear the matter. If the ~~Board mMember~~ provides ~~sd only~~ a written statement and documents, if appropriate, the Board shall consider ~~the~~ this information and information provided by CAC legal counsel and other sources, statement and render its decision based on ~~the written statement and any documents provided~~ all such information. If the ~~Board mMember~~ requested an in-person hearing, the Board shall provide the ~~Board mMember~~ with a reasonable amount of time at the Board meeting to ~~make his~~

or her arguments against removal or discipline as applicable address the issues specified in the complaint.

e. If the member does not respond, the Board shall utilize any information in its possession and take any action it determines to be appropriate.

5.f. Whether to hold any in-person hearing or consideration of written documents
The decision to hold the Board meeting in open or closed session shall be governed by the state law based on the facts of the particular matter. If the law allows for but does not require a closed session, ~~then whether to hold the hearing or consideration in open or closed session will be in the Chairperson's discretion, who shall also take into consideration the wishes of the Board member at issue~~ shall determine the manner in which to proceed.

6.g. After Following considerationing of information as specified above, a written statement or conducting a hearing, the Board shall ~~vote and make~~ render its decision, which may ~~include result in no action, a~~ written reprimand, temporary suspension from the Board or ~~a committees,~~ or removal from the Board and/or ~~from a committees.~~ The decision of the Board ~~regarding discipline or removal~~ shall be final.

h. The Member may be prevented from attending closed sessions of the Board and committees pending resolution of the complaint.

California Avocado Commission

Code of Conduct and Ethics

I. INTRODUCTION

This Code of Conduct and Ethics (Code) applies to all Board members, committee members, and alternates (collectively “Members”) of the California Avocado Commission (CAC). The purpose of this Code is to provide direction regarding ethical conduct required of Members. Ethical conduct and loyalty are inherent obligations and Members are expected to act in the best interests of CAC and to comply with CAC policies and procedures. Consequently, this policy is created to sustain a strong ethical culture on which CAC is built and is foundational for conducting its activities.

This Code does not cover every issue that may arise, but is intended to summarize the principles that should guide the conduct of Members. CAC expects Members to conduct themselves in strict compliance with all legal and ethical obligations, and to avoid actual or the appearance of impropriety.

Members must also recognize that the Board acts as a collective entity. Success depends on the contributions of all Members and their ability to work well together. With the goal of embedding these core principles into the culture of CAC, this Code establishes standards of conduct required of Members.

II. RESPONSIBILITIES OF MEMBERS

1. Duty of Care.

- a. Abide in all respects by this Code and all CAC policies and procedures and shall ensure that they remain in good standing at all times.
- b. Comply with applicable federal, state, and local laws and regulations.
- c. Act in good faith, in a manner reasonably believed to be in CAC's best interest, and with such care, including reasonable inquiry, as a prudent person in like position would use under similar circumstances.
- d. Prompt reporting of violations of this Code, including any illegal activity, to the appropriate person or persons identified in this Code. (See section 7.)
- e. Complete accurate and timely disclosures in reports and documents.
- f. Be informed about the activities, goals, financial condition, and the procedures under which CAC operates.
- g. Attend meetings; volunteer for committee assignments; participate in discussions, etc. Even if not in attendance, Members are responsible for Board/Committee actions.

2. Duty of Loyalty.

- a. Avoid Conflicts of interest (a decision in which a Member or his or her family may benefit financially or in any other manner).

- i. Disclose – If a Member thinks they have or may have a conflict of interest on a particular agenda item, they shall disclose such belief to the Chair (of the CAC or committee, as appropriate) prior to the meeting, if possible to determine whether a conflict actually exists.
 - ii. Abstain – If a Member has a conflict, the Member shall abstain from discussion and voting. The Chair may also instruct the Member not to attend the meeting during the time in which the matter is being discussed.
 - b. Avoid Corporate opportunity/self-dealing: Members shall not profit in any way from CAC (e.g. using CAC resources for personal gain, selling product for use by CAC, etc.). Members shall not attempt to persuade any employee of CAC to leave the employment of CAC or to become employed by the Member or a related entity. Members shall not attempt to persuade exhibitors, advertisers, sponsors, suppliers, contractors, or any other person or entity with an actual or potential relationship with CAC to terminate, curtail, or not enter into a relationship with CAC or to in any way reduce the monetary or other benefits to CAC of such relationship.
 - c. Confidentiality. Members have a duty to maintain in confidence the proprietary and confidential information of CAC (unless otherwise required by law), and not utilize confidential and proprietary information of CAC for his or her personal gain or to the detriment of CAC.
 - d. Duty to support. When representing CAC, Members shall support positions taken by CAC.
 - e. After Leaving Service. Upon termination of service for any reason, Members shall promptly return to CAC all documents, electronic and hard files, reference materials, and any other CAC property in their possession. Such return of materials does not abrogate the Member’s duty of confidentiality with respect to the information contained in the materials and the Member’s duty of confidentiality continues after leaving service to CAC.
- 3. Relations with Staff. The Board has a duty to select a President (or establish other appropriate leadership) who shall guide CAC in its day-to-day activities with integrity and with the best interests of CAC and the avocado industry. The Board shall use its best efforts to ensure that the President complies with all federal, state, and local employment related laws and regulations and that employees are hired, promoted, and disciplined by the President in a fair and unbiased manner in accordance with CAC’s Employee Handbook. The Board supervises the President and takes seriously any complaint from employees or third parties about the President’s conduct, and shall not tolerate retaliation against any employee who makes a good faith complaint against the President. The Board shall refrain from intruding on administrative issues that are the responsibility of the President or other managers, and shall abide by CAC’s Communications Policy. The Board shall treat employees courteously and professionally, and ensure a workplace free from discrimination and harassment.

4. Relations among Members. Members shall foster an environment of respect, cooperation and collegiality and shall not unduly disrupt the Board from operating in an efficient and effective manner. Members shall treat each other with courtesy, allow other Members to express their views and respect the differing opinions of others. Members may disagree on issues, but disagreements shall be directed at the issue (personal attacks are not acceptable). Members should never undermine, sabotage or falsely impugn other Members. This does not preclude Members from filing or voicing a complaint against other Members but is to ensure that complaints are made only after thoughtful consideration and with the utmost good faith.
5. Execution of documents:
 - a. Timely response by Members in reviewing, signing and returning documents provided by CAC is essential to remain in good standing with CAC. Following is a partial list of such documents.
 - i. Acceptance to Serve
 - ii. Policies and Procedures
 - iii. Social Media Policy
 - iv. Mandatory Ethics Orientation Training
 - v. Mandatory Harassment Prevention Training
 - vi. Application for California Government Identification Card
 - b. Members shall provide proof that they have taken or have applied to take mandatory ethics orientation training, and sexual harassment and abusive conduct training, and provide proof of completion or the expected dates of completion.
 - c. Newly elected/appointed Members shall have 30 days from receipt of documents by certified mail to return the signed documents, and evidence of completion of training or expected date of completion, as appropriate, to CAC.
 - d. Currently serving Members who are delinquent in returning signed documents to CAC shall have 15 days to complete the requirements specified in subsection b) above.
 - e. Failure of any Member to comply shall result in the immediate suspension of the Member from participating in any CAC activities including serving on the Board and committees of CAC.
 - f. Reinstatement of a suspended Member shall be subject to a recommendation by the Executive Committee and approval by the Board.

III. DISCLOSURE AND FINANCIAL INTEGRITY

1. Members shall comply with the disclosure controls and procedures and report:

- a. Material information or unreported transactions that affect the disclosures made in the financial statements.
- b. Information concerning significant deficiencies and material weaknesses in the design or operation of CAC's internal control over financial reporting which are likely to adversely affect the ability to record, process, summarize and report financial information
- c. Fraud, whether or not material, that involves Members who have a significant role in internal control or financial reporting

IV. USE OF CAC ASSETS

1. Assets

Protecting CAC assets is a key fiduciary responsibility of Members. Care shall be taken to ensure that assets are not misappropriated. Members are responsible for the proper use of CAC assets, and shall safeguard such assets against loss, damage, misuse or theft. Members shall not use CAC identification, stationery, supplies, or equipment for personal or political purposes. Members who violate any aspect of this policy or who demonstrate poor judgment in the manner in which they use any asset may be subject to disciplinary action.

2. Funds

Members are personally responsible for all CAC funds over which they exercise control. CAC funds shall be used only for CAC purposes and not for personal benefit. Members who have access to CAC funds in any form shall follow the prescribed procedures for recording, handling, and protecting money as detailed in CAC policies. When Members are required to spend CAC funds or incur any reimbursable personal expenses, they shall use good judgment on CAC's behalf to ensure that good value is received for every expenditure and that expense reports and invoices are accurate and submitted in a timely manner.

- 3. CAC imposes strict standards to prevent fraud and dishonesty. Any information indicating fraud or dishonesty shall be immediately provided to the appropriate person at CAC for prompt investigation and possible disciplinary action.

V. CONSTITUENTS AND SUPPLIERS

1. Relationship

Members shall not invest in or acquire a financial interest in any business that has a contractual relationship with CAC, and/or that provides goods or services where such investment or interest could influence or create the impression of influencing their decisions.

2. Gift, Entertainment, and Favors

Members shall not accept entertainment, gifts or personal favors that would actually, or appear to undermine or influence their decisions.

VI. GOVERNMENT RELATIONS

Members shall comply with all applicable laws and regulations governing contact and dealings with government employees and public officials, and to adhere to high ethical, moral and legal standards of conduct.

VII. REPORTING VIOLATIONS

Members are responsible for carrying out and monitoring compliance with this Code including the reporting of possible or actual violations of the Code to the Chair or Board as appropriate.

Reports of suspected violations shall be investigated immediately. All reports shall be treated confidentially, except where disclosure is required to investigate a report or by applicable law or legal process. Members shall be protected from retaliation of any kind.

VIII. DISCIPLINARY ACTIONS/TERMINATION/REMOVAL

1. Members are required to strictly adhere to this Code. Failure to fulfill responsibilities under this Code may result in disciplinary action.
2. Appropriate action shall be taken against any person who is found to have violated any provision of this Code. Where laws have been violated, CAC shall fully cooperate with the appropriate authorities. Reprisal, threats, retribution or retaliation against any Member who has in good faith reported a violation or a suspected violation of law, this Code or other CAC policies, or against any person who is assisting in any investigation or process with respect to such a violation, are prohibited.
3. CAC may discipline or remove any Member from the Board or any committee for cause, as determined by a two-thirds vote at any properly called and noticed Board meeting where a quorum is present. In the event of removal from the Board, the vacancy shall be filled in the manner provided in Food and Agricultural Code section 67053. In the event of removal from a committee, the vacancy shall be filled in accordance with CAC bylaws.
4. The procedure for addressing complaints shall be as follows:
 - a. Complaints shall be in writing and forwarded to the Executive Committee who shall determine whether the complaint merits formal process. If the Member who is the subject of the complaint is on the Executive Committee, the Member shall not participate in any discussions and/or decision regarding the complaint. If the complaint is not one that can be informally resolved, the following process shall be followed.
 - b. The Member shall be provided written notice of the complaint which shall be sent by certified mail or the equivalent. Notice shall be deemed received on the date of delivery as confirmed by the carrier.

- c. The written notice shall provide at least 14 calendar days for the Member to respond. The Member's response shall be in writing and may be either or both of the following:
 - i. A written statement and any documents detailing arguments against discipline or removal, or
 - ii. A written statement and any documents detailing arguments against discipline or removal and a request for an in-person hearing before the Board.
- d. If the Member provides a response within the required time period, the Chair shall call a special Board meeting (or utilize an already scheduled regular meeting) to hear the matter. If the Member provides a written statement and documents, if appropriate, the Board shall consider this information and information provided by CAC legal counsel and other sources, and render its decision based on all such information. If the Member requested an in-person hearing, the Board shall provide the Member with a reasonable amount of time at the Board meeting to address the issues specified in the complaint.
- e. If the member does not respond, the Board shall utilize any information in its possession and take any action it determines to be appropriate.
- f. The decision to hold the Board meeting in open or closed session shall be governed by state law based on the facts of the particular matter. If the law allows but does not require a closed session, the Chair shall determine the manner in which to proceed.
- g. Following consideration of information as specified above, the Board shall render its decision, which may result in no action, a written reprimand, temporary suspension from the Board or committees, or removal from the Board and/or committees. The decision of the Board shall be final.
- h. The Member may be prevented from attending closed sessions of the Board and committees pending resolution of the complaint.