

CATTLEMEN'S BEEF BOARD POLICIES AND PROCEDURES

Acting in the Best Interest of the Board

It is the responsibility of Cattlemen's Beef Board members to act in the best interest of the Board and the beef checkoff program at all times. The Executive Committee shall hear concerns from the industry, should any arise, and take action as it deems necessary, if any member of the Board is acting in opposition to the best interest of the Board or the beef checkoff.

(Approved March 15, 2012)



Brand or Tradename Policy Statement

State References: In the domestic market, references that imply state or regional origin of product are inappropriate.

In foreign markets, references to state or regional origin may be acceptable provided that the references are not combined with statements that disparage other beef products.

Breed References: Breed references that meet the following criteria will be acceptable:

- (1) The breed reference is determined by a third party and not the Board or its contractors;
- (2) The checkoff funding of the program does not exceed 50% of the overall program funding; and
- (3) The activity does not disparage other beef products.

(Approved July 23, 2003)

Breed Referenced Branded Product Activities Policy

The Cattlemen's Beef Board is authorized to review and approve activities involving brand or trade named products. Section 1260.169(d) of the Beef Promotion and Research Order provides, "In carrying out any plan or project of promotion or advertising implemented by the committee, no reference to a brand or trade name of any beef product shall be made without the approval of the Board and the Secretary...." Some of the proposals submitted for review have included brand or trade names which include references to cattle breeds. Recognizing the sensitivity of this issue and pursuant to the Board's authority, the Board has established a policy to review activities involving proposed brand or trade names that include breed specific references in a manner that will ensure consistency and neutrality.

The Board's general policy is to encourage breed associations or other entities to pay for promotion of branded products that mention breeds and to approve brand or trade name activities that position positively beef or beef products as a center of the plate choice in competition with other non-beef center of the plate alternatives.

A promotion opportunity may arise with a third partner who provides a clear, measurable and unique way for the checkoff to promote beef's convenience and nutrition. However, the product carries a breed name or excludes a breed. In such cases, the following position should always be made clear:

- a. Checkoff dollars will never be more than 50 percent of the total cost of the promotion and will be used only to promote the convenience and/or nutrition qualities of beef in general rather than the specific product.
- b. Any publicity about the program generated by the checkoff will not mention the breed name.

With regard to breed referenced brand or trade activities, the Board will not engage in or approve breed referenced brand or trade name activities that position such products competitively against other beef products.

Further, the Board will only approve breed-referenced brand or trade names that have been selected through a third-party process. For example, the Board will review activities: (1) Proposed by a potential industry partner where such partner has chosen a breed referenced product to compete against other non-beef products; or (2) activities promoting beef products that receive product awards. These activities position beef positively in competition against non-beef products and the product promoted has not been chosen by the Board.

If CBB decides to reward a branded product company for its uniqueness or creativity, either through a contest or award, all checkoff publicity regarding winning companies that may include or exclude breeds should follow these guidelines:

- a. The product name should not include the breed name.
- b. Specifications that eliminate breeds should not be mentioned.
- c. Only individual cuts or muscles used in the product should receive mention.

(Approved June 7, 2001)

State Name Advertising Policy

- State, area, and regional programs such as "Arizona Beef," "Kansas Beef," "Montana Beef," "Washington Beef," "Iowa Beef," "Rocky Mountain Beef" etc. which promote beef and beef products are of questionable legality under the Order, as they may constitute "Brand Advertising."
- These types of programs should be carefully evaluated, with due consideration given to the effectiveness of the promotion effort as well as the potential conflict with the Order.
- Thus, any reference to a state name such as "Wyoming Beef" in checkoff funded promotions should be submitted to CBB and, subsequently, to USDA for approval.

(Reaffirmed June 9, 2000)



CEO and CFO

The Executive Committee, acting on behalf of the Board, shall approve the hiring of a Chief Executive Officer to perform the duties necessary for the management of an effective and efficient national beef promotion program.

The CEO shall have the authority to create and fill staff positions as necessary with the approval of the executive committee.

The CEO shall represent the CBB and report to the executive committee.

The Chief Executive Officer (CEO) shall hire a Chief Financial Officer (CFO) to maintain the integrity and independence of checkoff funds. The CFO shall present reports to the Executive Committee and the Board.

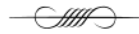
(Approved February 3, 2012)



Committee Assignments

Joint Advisory Committee membership will be assigned by the officers of the Cattlemen's Beef Board.

(Approved on March 15, 2012)



Communications Devices

CBB may provide cell phones or other electronic communication devices to volunteer officers to assist in the performance of their responsibilities. These devices are the property of CBB, offered under existing service provider contracts to provide basic voice, text and email access and should be used primarily for business purposes. Volunteer officers are responsible for the proper care and use of these devices and should ensure that all use of these devices complies with CBB policies. Limited personal usage of these devices is allowable within reasonable limits. CBB will monitor the usage of these devices and reserves the right to take appropriate action if a volunteer officer has excessive personal usage. Charges related to personal use that are not covered under CBB's agreement with the service provider may be the responsibility of the volunteer officer. All CBB devices must be returned upon request. If a CBB device is damaged, lost or stolen through the negligence of the user, that individual will be responsible for reimbursing CBB for repair or replacement costs. In lieu of receiving a CBB device, however, a volunteer officer may request reimbursement for any business-related use of a personal electronic communications device or service that results in noticeable incremental costs to the volunteer.

(Approved March 15, 2012)



Contracting With Land Grant Universities

1. In general, equipment purchases should not be necessary. If a university submits a proposal for research funding, the university should be equipped to conduct the research it is proposing. Exceptions could be made for truly unique projects requiring specialized equipment.

It is clearly not the purpose of the checkoff program to refurbish university laboratories throughout the country.

2. If equipment is purchased:
 - A. The Qualified State Beef Council (QSBC) or Beef Board must retain ownership of the equipment. A realistic useful life expectancy and corresponding depreciation schedule should be determined; and after completion of the project, the equipment can be sold to the university at its depreciated value or offered for sale in an approved disposal method (competitive bids, etc.).
 - B. The equipment must be an integral part of the specific research project and represent a relatively small portion of the total research budget (excluding exceptions as mentioned above).
 - C. Adequate agreements should be established to limit or prevent liability of the QSBC or Beef Board resulting from the use or misuse of the equipment.

CBB will not pay indirect costs or principal investigator salaries to land grant universities. Some of the reasons for this policy include:

1. Land grant universities receive funding directly from state and federal governments offsetting overhead costs.
2. As it relates to patents and copyrights, the CBB is required to own patents which are derived from research activities funded with checkoff dollars. Land grant universities have taken the position that they are required to own any patents which result from research funded at the university and have the right to retain a significant portion of the royalties. In view of the fact that the CBB is required to retain ownership of patents derived from checkoff funded activities, a compromise was developed with the Department of Agriculture which would allow the CBB to enter into agreements which provided ownership, licensing and royalty rights to the university, with a retention of only a portion of those rights for the CBB in return for the university contributing indirect costs and the principal investigator salary.
3. It was the feeling of the BPOC that should the CBB be required to reimburse not only direct costs but also indirect costs and principal investigator costs, it would merely shift those dollars to use for another group, thereby in effect having the CBB “subsidize” another group’s activities.

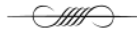
(Reaffirmed June 9, 2000 and January 19, 2012)



Fiduciary Responsibility of Board Members

Beef Board members have a “fiduciary” relationship to the Beef Board. A “fiduciary” is a person who is required to act in scrupulously good faith, and primarily in the interest of another. Members of the Beef Board must act primarily in the general interests of the beef industry and not in his/her own interest or that of industry segments. So long as the members conduct the business of the Beef Board in accordance with their fiduciary responsibilities, they remain free from personal liability. However, if members commit acts of dishonesty or willful misconduct, they can be held personally liable. For example, Board members can be liable for fraudulent actions, gross negligence, participation in torts (including personal injury, libel, slander or other wrongful acts), or actual knowledge of wrongful acts that they do not bring to the attention of the proper authorities.

(Approved March 15, 2012)



Member’s Terms

In order to provide an orderly transition of member representation, Board members who have terms expiring shall serve until the conclusion of the annual meeting or until the Secretary of Agriculture appoints new members following the annual meeting. Incoming members shall be seated as soon as outgoing members’ terms end.

(Approved February 3, 2012)



Nominating Committee

The Nominating Committee shall be selected with attention to representation from geographic regions. Each of the following six regions shall select one member to the Nominating Committee.

Regions shall be defined as follows:

- Region 1: Illinois, Indiana, Michigan, Mid-Atlantic Region (District of Columbia, Maryland, West Virginia), Minnesota, Pennsylvania, New York, Northeast Unit (Connecticut, Delaware, Massachusetts, Maine, New Hampshire, New Jersey, Rhode Island, Vermont), North Carolina, Ohio, Virginia, Wisconsin
- Region 2: Arkansas, Florida, Kentucky Louisiana, Mississippi, Missouri, Southeast Unit (Georgia, Alabama, South Carolina), Tennessee
- Region 3: Texas
- Region 4: Colorado, Kansas, New Mexico, Oklahoma
- Region 5: Iowa, Nebraska, North Dakota, South Dakota
- Region 6: Arizona, Southwest Unit (California, Nevada), Idaho, Montana, Northwest Unit (Alaska, Hawaii, Washington) Oregon, Utah, Wyoming

- 1) The Board or its representative may redefine boundaries as needed following each three-year reapportionment to maintain approximately equal numbers of Board

members in each Region. Regions must consist of states that form a single contiguous area, other than a region that includes a contiguous area and Alaska and Hawaii.

- 2) Board members from each of the respective regions shall meet as a region separately from and simultaneously to the meeting of all the other regions at the meeting of the Board approximately six months prior to the annual meeting. Regions may also elect a leader for the meeting and select a tallying committee as needed.
- 3) A Board member is eligible to serve on the Nominating Committee after s/he has participated as a voting member in one annual meeting of the Board.
- 4) Prior to the region meeting, any eligible Board member who wishes to be considered as the region's representative to the Nominating Committee is encouraged to inform the Board Chair or CEO of his or her intent to seek that election in a timely manner such that that member's biographical information can be made available to the other members of that region.
- 5) Members may be nominated by another member of the region or may be self-nominated. No second is required for the nomination.
- 6) In the case of more than one member seeking election, voting shall be by secret ballot and counted by a tallying committee consisting of the Region Chair and a representative of each of the nominees and one staff member.
- 7) Preference may be given to those Board members who have served six years on the Board.

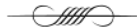
(Approved February 3, 2012)



Producer Communications

The Cattlemen's Beef Board will manage a producer communications program. Such a program will be subject to approval by both the CBB Executive Committee and the Beef Promotion Operating Committee and will be subject to evaluation by the Joint Evaluation Advisory Committee.

(Approved March 15, 2012)



Reimbursement of Expenses

Board members will be reimbursed for all necessary and reasonable travel expenses incurred in connection with Beef Board business in accordance with the Beef Board Travel Expense Reimbursement Policy. This includes all travel to official Beef Board meetings. If Board members are asked to attend other meetings, members must obtain pre-approval from the CEO or the CFO of the Beef Board prior to incurring any expenses. As a general rule, the Board does not reimburse travel expenses to attend Qualified State Beef Council meetings.

(Approved March 15, 2012)



Service to Other Organizations

CBB may ask Board members to serve as organizational liaisons with other organizations. These roles authorize Board members to represent CBB at meetings or events of other organizations, but do not authorize Board members to commit or bind the Board. If Board members are asked to serve another organization as part of, or an extension of, their appointment to CBB, they must act in the best interest of the Board and the beef checkoff at all times.

(Approved March 15, 2012)



Sexual Harassment Policy

The Board takes the issue of sexual harassment very seriously, and is committed to maintaining a positive, constructive working environment where all Board members, Board employees and Board contractor employees feel safe and comfortable. Accordingly, the Board will not tolerate sexual harassment committed by any Board member. Any person who commits sexual harassment will be subject to discipline, including recommendation to the Secretary for removal from the Board. This policy applies to all aspects of a Board member's responsibilities and duties.

Board members may not:

1. Make unwelcome sexual or physical advances or requests for sexual favors, or engage in other verbal or physical conduct of a sexual nature; this is a condition of continued service or employment by a Board member, employee or contractor.
2. Make submission to, or rejection of, such conduct the basis for employment or service, or any other decision affecting the Board member, employee or contractor.
3. Engage in conduct that creates an intimidating, hostile or offensive working environment for anyone.

Board members should be aware that sexual harassment may take many forms, including, but not limited to:

1. Unwanted physical or verbal sexual advances or propositions
2. Making service, employment or other benefits contingent on sexual favors
3. Leering, whistling, making sexual gestures, displaying or communicating suggestive objects or pictures, cartoons or posters
4. Inappropriate physical contact, including any touching, pinching, assaulting, impeding or blocking movement deemed uncomfortable by the recipient
5. Making derogatory comments, slurs, innuendo or jokes

6. Making comments about an individual's physical appearance, body; using demeaning words to describe an individual
7. Sending suggestive or obscene letters, notes, or electronic communication

Reporting Harassment

1. Any person who believes s/he has been sexually harassed may directly inform the offending person that the conduct is offensive and must stop. If the person is not comfortable confronting the offender, s/he should promptly report the conduct to the Board chair, any other Board officer, or the CEO. A contractor's employee may also report the behavior to his or her supervisor, who then has the responsibility to report it to one of the individuals listed above.
2. The Board will promptly and thoroughly investigate all sexual harassment complaints. The investigation may include interviews with the parties involved and, if necessary, any persons who may have relevant knowledge about the alleged conduct.
3. To protect privacy, the Board will keep confidential any complaint throughout the investigation to the extent practicable and appropriate under the circumstances.
4. Following the investigation of a complaint, the Board will review the facts and results of the investigation, decide upon the validity of the complaint, and determine how the complaint should be resolved.
5. If it is determined that harassment has occurred, the Board will take immediate and appropriate remedial action, the nature of which shall depend upon the severity of the determined offense.
6. After the investigation and determination of the merits of any properly registered complaint, the Board shall meet with the complainant and accused to discuss the results of the investigation.
7. The Board will report the alleged misconduct to the Agricultural Marketing Service ("AMS") of the United States Department of Agriculture, as required by AMS Guidelines.

A person may not retaliate against any person who reports any alleged harassment, or provides information as part of an investigation. A person subject to retaliation should report the conduct immediately. The Board will take appropriate disciplinary action.

Filing groundless and malicious complaints is an abuse of this policy and is prohibited.

A Board member will be dealt with in a manner calculated to end any offensive conduct and prevent future misconduct. If appropriate, the Board will recommend to the Secretary of Agriculture that a Board member be removed.

(Approved March 15, 2012)



Taking of Minutes

Fully convened meetings of the CBB Executive Committee and of the Cattlemen's Beef Board shall be recorded in minutes of the meeting. A draft copy of such minutes will be provided to the Board as soon as possible, but not greater than 30 days after the convened meeting. Special committees shall submit ongoing reports as appropriate.

(Approved March 15, 2012)



CBB Whistleblower Policy

Reporting Responsibility

The Cattlemen's Beef Board (CBB) members have a responsibility to report suspected ethics violations, misuse of funds, fraud or other suspected violations of the law in accordance with this Whistleblower Policy.

No Retaliation

Any person who in good faith reports a suspected violation shall suffer no harassment, retaliation or other adverse consequences. Any person who retaliates against someone who has reported a violation in good faith is subject to appropriate disciplinary action.

Reporting Violations

It is CBB policy that all complaints be reported to the CEO. However, if an individual is not comfortable reporting the complaint to the CEO or is not satisfied the action taken, he or she can contact an AMS representative or USDA's Office of the Inspector General at (800) 424-9121. If an individual has a question, concern or suggestion concerning an incident or policy issue he or she should either contact the CEO, an AMS representative or USDA's Office of the Inspector General.

If a complaint or other information indicating a possible violation of law, misuse of funds or fraud is received by CBB, an investigation into the purported events will be initiated. CBB will follow the AMS Guidelines in these situations.

Acting in Good Faith

Anyone filing a complaint concerning a suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Confidentiality

Suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

(Approved May 31, 2012)



Board Code of Ethics

The Cattlemen's Beef Board (CBB) is charged with administering the national beef checkoff program. Service on the CBB is a public trust and it is the responsibility of board members to act in the best interest of the Board and the Beef Checkoff Program rather than in his/her own interest or that of industry segments or organizations.

To fulfill this responsibility, CBB members should follow the code of ethics outlined below. In addition, each Board member, as soon after the time of appointment as possible and annually thereafter, shall fill out an affidavit acknowledging their receipt and understanding of the code of ethics outlined below and disclosing any relationship defined in item 12 below:

1. CBB members shall comply with all policies of the Board and will at all times obey all applicable federal, state and local laws and regulations, including but not limited to the Beef Promotion and Research Act and the Beef Promotion and Research Order.
2. CBB members will conduct the business affairs of the Board and the Beef Checkoff Program in good faith and with honesty, integrity, due diligence, and reasonable competence.
3. CBB members shall act in the best interest of the Board and the Beef Checkoff Program at all times. While serving on the Board, CBB members shall act as advocates for the Board and its policies, and the Beef Checkoff Program, whenever they are identified as Board members, such as in public forums or meetings, media interviews or other situations where any audience may reasonably infer that the member is acting as a Board representative.
4. CBB members may occasionally have access to CBB facilities, equipment or supplies located at the CBB offices. Limited personal use of CBB facilities, equipment or supplies may be allowed within reason, if such use does not result in additional cost to the Board.
5. CBB may provide electronic communication devices to CBB members to assist in the performance of their responsibilities. All use of such items shall be in compliance with Board policy.
6. CBB members may receive confidential information while performing Board duties. Members shall not disclose any information not authorized for release.
7. CBB members cannot accept money or any other consideration from anyone or any organization for the performance of their duties as Board members.
8. CBB members may accept payment or reimbursement of meals, lodging, transportation or miscellaneous expenses if such payment or reimbursement is provided in conjunction with meetings, conferences or other events directly related to Board business or the CBB

member is attending meetings, conferences or other events as a Board representative at the request of the Board.

9. CBB members cannot accept money or any other consideration from anyone or any organization doing or seeking to do business with the Board if it could be reasonably inferred that the payment or other consideration was intended to influence the action of the CBB member while performing Board duties.
10. CBB members shall not make unauthorized commitments or promises of any kind to bind the Board.
11. CBB members shall not give preferential treatment to any private organization or individual while performing their Board duties.
12. If CBB members or immediate family members are engaged in outside employment, business relationships or other activities, including seeking or negotiating for employment, that may conflict with the Board duties and responsibilities, the member is required to disclose the relationship and recuse himself/herself from voting on any related matter to which the member has a conflict. Immediate family is defined as the member's spouse, parents, grandparents, in-laws, siblings or dependent children.

Questions regarding this policy should be directed to the CBB CEO.

Suspected violations of this policy should be reported to the CBB CEO. However, if an individual is not comfortable reporting the complaint to the CEO or is not satisfied with the action taken, he or she can contact an AMS representative or USDA's Office of the Inspector General at (800) 424-9121.

(Approved July 26, 2012)

