

TRUE SOURCE HONEY, LLC

OPERATING AGREEMENT (June 6, 2024)

THIS OPERATING AGREEMENT is made and entered into as of this 30th day of November, 2011, by and between the undersigned parties, who agree to be bound hereby.

WITNESSETH:

WHEREAS, the parties have formed True Source Honey, LLC as a limited liability company under the District of Columbia Limited Liability Company Act, and the parties hereto desire to adopt this agreement as the Operating Agreement of the company (the "Agreement").

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE I
FORMATION

1.01 Name. The name of this Limited Liability Company is True Source Honey, LLC ("True Source").

1.02 Purpose of Business. True Source is specifically organized for the purpose of becoming a recognized and credible certifier of honey products entering the U.S. food chain for the benefit of customers and consumers, who have the right to expect that every container of product that they purchase or bite of food they eat is, truthfully labeled, and ethically sourced. True Source is generally organized to call attention to the problem of illegally-sourced honey; to encourage action to protect consumers and customers from these practices; and to highlight and support legal, transparent and ethical sourcing. True Source seeks to help maintain the reputation of honey as a high quality, highly valued food and further sustain the U.S. honey sector by:

- a) improving the business conditions of honey producers, packers, dealers and importers;
- b) representing the members' interests, as designated by the Board of Directors, principally in legislative, regulatory and technical matters pertaining to honey;
- c) providing opportunities for dialogue and education which may affect the honey industry through a web site, meetings, seminars, communications, publications and other programs and activities;
- d) engaging in such other activities as may ordinarily be considered incident to a non-profit organization.

True Source may exercise any power suitable, convenient or proper to accomplish any of the purposes set forth in this Agreement or Articles of Organization, as may exist now or as may be amended from time to time, or incidental to those purposes, or which at any time may appear conducive to or expedient to accomplish any such purposes; and to have and exercise any and all powers and privileges now or hereafter conferred by the District of Columbia Limited Liability Company Act, D.C. Code §§ 29-1001 et seq. (2001), as amended (the "Act"), the general laws of the District of Columbia, and the provisions of Section 501(c)(6) of the Internal Revenue Code.

1.03 Term. The duration of True Source shall be perpetual.

1.04 Registered Agent. The True Source registered agent for service shall be Richard Pasco, Watkinson Miller, 1100 New Jersey Avenue, SE, Suite 910, Washington, DC 20003

1.05 Place of Business. The principal place of business for True Source shall be the offices of Watkinson Miller, 1100 New Jersey Avenue, SE, Suite 910, Washington, DC 20003, or at a location as the Board of Directors may from time to time determine or as the business of True Source may require.

ARTICLE II

MEMBERS

2.01 In General. The members of True Source shall consist of such individuals, firms and corporations that are honey packers, dealers, importers, exporters and producers of honey and honey products as shall agree to be bound by the terms and provisions of this Agreement and are in compliance with the requirements for membership as a certified or participating entity as described in the True Source Certified Standards. Membership in True Source is a commitment to full compliance with the terms of the “True Source Certified Whole Chain Traceability” system.

2.02 Members.

- a) Any individual, firm, or corporation eligible for membership per the criteria set forth in Article 2.01 herein may apply for membership in True Source, and the Board may solicit members. Upon payment of any applicable dues and/or True Source licensing fee, such applicant shall become a member and shall be entitled to all the benefits of the True Source, including but not limited to Board representation as set forth in Article 2.04 herein;. The policy of True Source shall be to encourage membership in an inclusive manner, and no potential members shall be excluded as a result of territory, products or other anticompetitive considerations. Each prospective True Source member shall meet the requirements for membership as a certified or participating entity as described in the True Source Certified Standards to obtain membership in True Source. By submitting an application to become a True Source member and requesting to undergo the certification or registration process such member and all of its affiliate companies that are engaged in the same business practice of sourcing, trading, brokering, selling, producing, or packaging honey or honey products agree to disclose the relevant traceability information to a third-party audit firm retained by True Source in order to validate the intended purpose of receiving certification by True Source. Any entity that is approved under this traceability system shall also apply for membership in True Source and remain in full compliance with both the membership and the traceability system requirements.
- b) For purposes of nominating to, voting for, and serving on the Board of Directors, there shall be three categories of members as follows: 1) certified packers; 2) participating importers and certified exporters, and; 3) participating beekeepers. Each of these categories of members are only eligible to nominate, vote for, and serve on the Board of Directors for their respective membership category as set forth in Article 3.01.

2.03 Termination of Membership. Membership in True Source shall terminate:

- a) when a member no longer conforms to the membership requirements for eligibility or any other obligations or duties of membership;
- b) when a member is no longer in full-compliance with the requirements of the “True Source Certified Whole Chain Traceability” system; or
- c) by filing a written resignation with the Board of Directors. Upon termination of True Source membership, any such terminated member shall cease and desist from using any logos or other materials that suggest any affiliation with True Source membership or compliance with the “True Source Certified Whole Chain Traceability” system. Any member who no longer qualifies for membership may be removed from membership. Default in the payment of dues or any other membership assessment or obligation for the period of sixty (60) days shall cause a forfeiture of all rights and privileges of membership. Termination of membership shall not relieve such member from the obligation of paying dues and other assessments to the date of termination. Any firm or corporation whose membership was terminated for any reason for less than one fiscal year may be reinstated by payment of all delinquent dues, or of any other membership assessments or obligations for that year.

2.04 Member Representation. Each member company shall designate, a representative who shall be an employee of the member and who shall have full authority of the member to represent such member in all matters coming before True Source, including, if elected, service on the Board of Directors and/or True Source committees on behalf of that member should the member so choose to serve on the Board of

Directors or True Source committees. Each member shall designate, an alternate, if/as desired for the designated representative of such member. The alternate shall have the right to attend Board of Directors meetings, and shall have the right to vote at such meetings if the member's designated representative is unable to participate in the meeting. The term of a member's representative as a Director or otherwise shall automatically terminate if and when said individual ceases to be employed by the member, his or her connection with the member is otherwise severed, or the member with which he or she is employed ceases to be a member of True Source. Vacancies shall be filled by the Board of Directors.

2.05 Associate Membership. Any individual, firm, association or corporation that agrees to the stated purpose of True Source may make application to the Board of Directors for associate membership in True Source. If the Board of Directors determines that the qualifications for associate membership have been met, it shall approve the application by majority vote of the entire Board. Upon payment of any applicable associate member dues, such applicant shall become an associate member and shall be entitled to all of the benefits of an associate member as shall be determined by the Board of Directors. Associate members shall not have the right to have a representative on the Board of Directors nor have any voting rights.

ARTICLE III BOARD OF DIRECTORS

3.01 In General. The managing body of True Source shall be the Board of Directors. The number of Directors of True Source shall be no less than eleven (11). Board of Directors seats shall be apportioned as follows: no less than four (4) seats for certified packers; no less than two (2) seats for participating importers; no less than 2 seats for North/South American certified exporters; no less than 2 seats for Asian/European certified exporters; and no less than one (1) seat for participating beekeepers. Each Board Member shall have one vote each.

3.03 Term of Office. Each Director shall hold office until the next annual meeting and until his or her successor is elected, or until his or her resignation, removal from office, or death, subject to the provisions of Article 3.01.

3.04 Powers of the Board.

- a) The Board of Directors shall have ultimate responsibility for True Source, shall establish the policies and procedures which will guide the daily operation of True Source and shall establish the framework for selection of issues to be evaluated by True Source. The Board of Directors may delegate certain of its authority and responsibility to an Executive Committee.
- b) The Directors are authorized to exercise such powers as are now, or hereafter may be, conferred by law upon an association organized for the purposes set forth in the Articles of Incorporation, or necessary or incidental to the powers so conferred, or conducive to achieving the purposes of True Source. Such powers shall be subject to the limitation and condition that, notwithstanding any other provision of this Agreement, only such powers shall be exercised by the Directors as are in furtherance of the tax exempt purposes of True Source and as may be exercised by an organization exempt under Section 501(c)(6) of the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended, and as may be exercised under the Act and all other applicable laws and regulations.

3.05 Election of Directors and Vacancies. The Directors representing certified packers, participating importers and certified exporters shall be elected at the annual meeting or at a special meeting called for the purpose of electing Directors. The Director representing participating beekeepers will be nominated by the Nominating Committee and no further nominations for this position will be accepted from the floor.

- a) If a vacancy occurs among the Directors pursuant to the provisions of Section 2.04, the relevant member company shall designate in writing a substitute Director.

- b) Any Director may resign by filing a written resignation with the Board of Directors, and may be removed from office, at any time for reasonable cause, by the affirmative vote of a three-fourths majority of the Board of Directors. Should the resignation or removal of a Director result in a member not being represented on the Board of Directors, the Board shall request the member to designate in writing a substitute Director.

ARTICLE IV OFFICERS

4.01 Duties. The duties of officers shall be those usually pertaining to their respective offices. All officers shall serve without compensation.

4.02 Chair. The Chair of the Board shall have full supervision and control over True Source subject to the control of the Board of Directors; shall preside at all meetings of True Source and the Board of Directors; shall call meetings as provided by this Agreement; appoint committee members; and shall perform all other duties usually performed by the Chief Executive Officer or that may be prescribed by the Board of Directors. The Chair shall not be charged with administrative responsibility for True Source.

4.03 Vice Chair. The Vice Chair shall perform all duties of the Chair during the latter's absence, disability, refusal to act or resignation. The Vice Chair shall have such duties as are assigned by the Board of Directors, and the Vice Chair shall assist the Chairman as he or she may require. The Vice Chair shall automatically become the Chairman without a vote after the term of the Chair expires, or he or she resigns or otherwise does not serve until the completion of his or her term

4.04 Secretary. The Secretary shall take charge of all official correspondence and keep all papers and records of True Source which are not kept by the Treasurer or other officers, and he or she shall issue all notices and keep all approved minutes of meetings in a minute book, and send out copies of minutes to all Board members. The Secretary shall have custody of the corporation seal and attach same to any instrument requiring the seal of True Source.

4.05 Treasurer. The Treasurer shall collect and (unless otherwise ordered by the Board of Directors) be responsible of the funds of True Source and deposit these funds in such banks or depositories, or invest them, as may be approved by the Board of Directors, and for making such disbursement as are ordered by the Board of Directors. The Treasurer shall keep a record of the True Source budget and prepare financial reports as needed. The Treasurer shall render to the Board of Directors, at its regular meetings or when the Board of Directors so requires, an account of all his or her transactions as Treasurer and of the financial condition of True Source. The Treasurer shall notify the Board of Directors of members over sixty days in arrears in dues or other membership assessment or obligations.

4.06 Executive Director. The Board of Directors may appoint a professional as Executive Director of True Source, who shall have general active management of True Source. The Executive Director shall be an ex officio member of the Board of Directors but shall not be entitled to vote as the Board of Directors or committee meetings. Any extraordinary actions to be taken must be approved by the Board of Directors. The terms and conditions of service of the Executive Director of True Source shall be determined by the Executive Committee.

4.07 Election and Qualifications of Officers. Except as provided in the Article 4.08, each officer of True Source, except the Executive Director, must be an employee of a corporate member of True Source. Except as provided for in Article 4.03 of this Agreement, with respect to succession of the Vice Chair to the position of Chair, the officers of True Source shall be elected at the annual meeting of the Board of Directors and each shall serve for a term of one (1) year, or until either they are reelected or their successors and are elected and qualified. Except as provided for in Article 4.03 of this Agreement, any vacancy occurring in any office of True Source shall be filled by the Board of Directors, with the Candidates being nominated by the Nominating Committee appointed pursuant to Article 5.01 of this Agreement.

4.08 Removal of Officers. Any officer of True Source or member of any committee, elected or appointed, may be removed by the affirmative vote of a three-fourths majority of the Board of Directors whenever, in their judgment, the best interests of True Source will be served by such removal. Removal of an officer or member of the Executive Committee will be without prejudice to the contract rights, if any, of the person so removed. Election of an officer does not itself create contract rights.

ARTICLE V COMMITTEES

5.01 Nominating Committee. The chair shall appoint a Nominating Committee, consisting of three members of the Board of Directors, one of whom shall be the Chair, to nominate candidates for Director. The Nominating Committee, which shall be appointed at least four weeks prior to the annual meeting, shall nominate a full slate of candidates to serve for the following year and shall report its nominations for Directors to the annual meeting of the Board of Directors. In selecting the candidates, the Nominating Committee shall nominate to the Board of Directors the representative from each member company designated pursuant to Article 2.04

5.02 Executive Committee. The Board of Directors shall establish an Executive Committee composed of the Chair, Vice Chair, Secretary and Treasurer. The members of the Executive Committee shall serve for a term of one (1) year or until they are either reelected or their successors are elected and qualified. Between meetings of the Board of Directors, the Executive Committee shall have such powers of the Board of Directors as set forth herein, except that all transactions must be reported in full to the entire Board of Directors as soon as practicable. The Executive Committee shall also advise the Board of Directors on policy matters concerning True Source. Three (3) voting members of the Executive Committee shall constitute a quorum.

5.03 Other Committees. The Board of Directors may establish standing or ad hoc committees, which will undertake projects and assume such other duties as may be assigned by the Board of Directors. Such committees may include: 1) an Audit Criteria Revision Committee, and 2) an Audit Review/Approval Committee. Significant projects of a committee and the funding thereof shall be subject to the approval of the Board of Directors.

5.04 Committee Appointments. Committee appointments shall be made from eligible members/participants. The chairman of a committee shall be appointed by the Chair of the Board and shall be responsible to the Chair and the Board of Directors for the management of the committee; he or she shall preside at all meetings of the committee; he or she shall see to the carrying out of all orders and resolutions of the Board of Directors pertaining to the committee; he or she shall appoint observers to the committee as deemed appropriate; he or she shall determine the membership of the committee as may be appropriate and consistent with the purposes of the committee; and he or she shall exercise such control over the dissemination of information, produced by the committee, as is appropriate and consistent with policies of the Board of Directors regarding dissemination of information.

5.05 Reporting. Each committee shall submit to the annual meeting of the Board of Directors a report of the committee's activities and finances.

ARTICLE VI MEETINGS

6.01 Regular Meetings. Regular meetings shall be held twice annually: 1) once during the annual honey industry meetings and in proximity to the National Honey Packers and Dealers Association meeting; and 2) mid-year (July/August) as determined by the Board of Directors. Other regular meetings may be held at such time and at such place as shall from time to time be determined by the Board of Directors.

6.02 Special Meetings. Special meetings may be called by the Chair on at least three day's notice to each Director, which shall include an agenda. Special meetings may be called by the Executive Director or a majority of Board members in like manner and on like notice.

6.03 Quorum. A quorum consists of a majority of the Board of Directors. Except as otherwise stated herein, the affirmative vote of a majority of the votes entitled to be cast by the Directors present at a meeting of the Board of Directors, or a committee thereof at which a quorum is present shall be necessary for the adoption of any matter voted upon. In the absence of quorum, no formal action shall be taken except to adjourn the meeting to a subsequent date.

6.04 Passage of a Motion. Passage of a motion requires a simple majority (i.e. one more than half the members present), unless provided otherwise by the terms and provisions of this Agreement.

6.05 Alternate Means of Meeting. Directors may participate in regular or special meetings by means of telephone conference or similar communications equipment. Such participation shall constitute presence in person at the meeting. Any action required or permitted to be taken at any meeting may be taken without a meeting if all Directors consent in writing to the taking of such action. Such written consents shall be filed with the minutes of the Board of Directors.

ARTICLE VII INTELLECTUAL PROPERTY AND EXCHANGE OF INFORMATION

7.01 In General. The Members intend to exchange information relevant to the business purposes set forth in Article 1.02 herein; however, under no circumstances shall True Source allow or participate in any discussions or the dissemination of any information concerning the businesses of its members relating to manufacturing costs, prices or sales. The members shall make sure that they will not exchange any information which in any way violates any law or regulation of any jurisdiction to which the member is subject and they shall make sure that the records of True Source and minutes of meetings of certified at all times record the discussions between the members and information exchanged in order to show at any given time that this non-exchange clause is complied with.

7.02 Intellectual Property Ownership and License. All trademarks, copyrights, logos, and other intellectual property created or owned by True Source or developed under the scope of cooperation in True Source shall be owned by True Source. Each member of True Source shall receive a royalty-free nonexclusive perpetual license in any such trademark, copyright, logo, and other intellectual property, under such terms as shall be determined by the Board of Directors; True Source may develop a logo to be used on containers and other materials to identify containers and other products as True Source or it may contract for a logo under a licensing arrangement. Upon dissolution of True Source, notwithstanding any other provision of this Agreement, ownership and use of all trademarks, copyrights, logos, and other intellectual property owned by True Source shall be determined by the Board of Directors.

ARTICLE VIII FISCAL YEAR

8.01 In General. The fiscal year of True Source shall be January 1 through December 31 of each year.

ARTICLE IX DUES AND FINANCES

9.01 In General. The annual dues for members shall be in the amount and payable at such times and under such conditions as shall be determined by the Board of Directors.

9.02 Budgets. Each year, the Board of Directors shall adopt a budget for True Source.

9.03 Financial and Operating Statements and Tax Returns. Within sixty (60) days from the close of each fiscal year, True Source shall deliver to each member a statement setting forth such member's

allocable share of all tax items of True Source for such year, and all such other information as may be required to enable each member to prepare all required tax returns in accordance with all then-applicable laws, rules and regulations.

ARTICLE X PROCEDURE

10.01 In General. Procedure shall be governed by such rules as the Board of Directors may from time to time adopt. In the absence of the Directors adopting any such rules, the Chair shall rule on matters of procedure.

ARTICLE XI AMENDMENTS

11.01 Amendments. The terms and provisions of this Agreement may be altered, amended or repealed or a new Agreement may be adopted at any meeting of the Board of Directors upon an affirmative vote of two-thirds of the Directors in office; provided. A copy any proposed Agreement amendments shall be provided to each Board member at least one week prior to such meeting.

ARTICLE XII INDEMNIFICATION

12.01 In General. Any person made a party to any action, suit or proceeding by reason of the fact that he, his testator or intestate, is or was a Director, officer or employee of True Source or of any corporation in which he or she served as such at the request of True Source, shall be indemnified by True Source against the reasonable expenses, including attorney's fees, actually and necessarily incurred by him or her in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, except in relation to matters as to which shall be adjudged in such action, suit or proceeding that such Director, officer or employee is liable for negligence or misconduct in the performance of his or her duties.

ARTICLE XIII DISSOLUTION

13.01 In General. Upon the dissolution of True Source, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of True Source, dispose of all the assets of True Source exclusively for the purposes of True Source to such organizations(s) organized and operated exclusively for purposes similar to those of True Source and tax-exempt within the definition of Section 501(c)(6) of the Internal Revenue Code. No part of the assets shall inure or be distributed to any of the members of True Source.

ARTICLE XIV MISCELLANEOUS PROVISIONS

14.01 Application of Washington, DC Law. This Agreement and the interpretation hereof, shall be governed exclusively by its terms and by the laws of the District of Columbia, without reference to its choice of law provisions, and specifically the Act.

14.02 Headings. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provision hereof.

14.03 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

14.04 Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of True Source.

14.05 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

14.06 Entire Agreement. This Agreement sets forth all of the promises, agreements, conditions and understandings between the parties respecting the subject matter hereof and supersedes all prior and contemporaneous negotiations, conversations, discussions, correspondence, memoranda and agreements between the parties concerning such subject matter; provided, that the foregoing shall not be construed to limit the amending of the terms and conditions of this Agreement pursuant to Article XI hereof.