

POLICIES

NATIONAL ASSOCIATION OF FARM BROADCASTING

P. I NAME.

The name of the organization is National Association of Farm Broadcasting (NAFB) (the "Association").

P. II PURPOSE.

The Association supports its stated Purpose through the adoption of a Mission and Vision, and subsequently builds and supports a Strategic Plan that recognizes the Articles of Incorporation, Bylaws and Policies of the Association.

P. III MEMBERSHIP.

Part 1. Procedural Requirements for Membership Application.

- (a) Application for membership in all Councils shall be in writing or electronically submitted on an approved form to the NAFB Office.
- (b) The Membership Committee shall review application(s) weekly and take action on all membership applications. (c) Upon payment of dues, and pro-rated Marketing and Promotion Investment Assessment, if appropriate, the applicant shall be awarded full membership status.
- (d) The Membership Committee shall reject applications where applicants do not meet the membership standards. The applicant shall be notified in writing of the rejection and his right to appeal to the Executive Committee.
- (e) Members may qualify for membership in multiple councils if they meet the criteria.
- (f) Notification of acceptance or rejection will be sent to applicant(s) within 45 days of application.

Part 2. Marks. The NAFB name, logo or other printed official insignia is restricted in its commercial and marketing use to Commercial Broadcast Council members under the Membership Agreement. However, the name, logo and insignia are permitted for use on clothing and jewelry by any NAFB member. Guidelines for use of the NAFB logo is defined in the NAFB Brand Guidelines available on the association website. Violation of use and this policy can result in suspension or sanction of membership. Members in violation will receive written notice and the opportunity to be heard by the Board of Directors or a Committee thereof, at least 5 days prior to the effective date of termination/suspension.

Part 3. Dues. Dues for all member categories are reviewed annually by the Board of Directors in conjunction with the budgeting process. Dues increases are presented to the membership at the Annual Meeting by the Board of Directors.

Annual dues shall be assessed on a calendar year basis. Any member not paying dues by January 31 of any calendar year shall be removed from membership for that year. Postmark or transaction date is used as payment date.

Members who choose to belong to more than one class of membership must pay dues for each class to which they belong.

(a) Dues Rates. Dues are set at \$100 for Commercial Broadcast Council, \$200 for the Non-Commercial Broadcast Council, \$100 for Management & Sales Council, \$200 for Allied Industry Council, \$25 for Student, and dues are waived for Emeritus, Honorary and Lifetime Broadcast Council.

(b) Pro-Rating Dues. There is no pro-rating of dues.

(c) Late Fees. A fee of \$25 for dues and 2% per month on assessments is assessed on late payments for members seeking reinstatement.

Part 4. Assessments.

(a) MPI Assessment. Marketing and Promotion Investment (MPI) Assessments serve as the member assessments for the Association, and are assessed on the Commercial Broadcast Council members and paid by the entities for which they work or have a contractual relationship. MPI Assessments are reviewed annually by the Board of Directors. The Board reviews the needs of the association and makes any specific requests for consideration of a change in the assessment to the Management & Sales Council. The Management & Sales Council considers the assessment and makes a recommendation for the assessment to the Board of Directors, which sets the MPI Assessment. The Board of Directors notifies the members of any change in MPI Assessment at the Annual Meeting.

(i) Assessment Rates.

(a) Radio Stations. The MPI shall be 18 times the station's highest national non-political 60-second net national rate.

(b) Networks. The MPI shall be based on the network's highest non-political 60-second net national rate based on the following formula:

24 or more commercial minutes available daily — 18 times rate

13-23 commercial minutes available daily — 18 times rate times 50%

0-12 commercial minutes available daily — 18 times rate times 35%

(c) Television/Satellite/Distributors. The MPI shall be 6 times the highest non-political 30-second net national rate.

(d) Web/Internet. The MPI shall be a rate equal to 1% of gross sales.

(e) Multiple Categories. Commercial Broadcast Members who may qualify under multiple categories must pay the highest qualifying MPI under (a), (b), (c), or (d).

(ii) Member Requirements. A MPI Assessment worksheet must be completed annually to verify the rates defined above. Assessments shall be made on the basis of rates for each broadcast entity that the Commercial Broadcast Council member lists (and thereby qualifies to use the NAFB logo). Where AM/FM combo rates exist, they may be applied. If a network is operated in conjunction with a station(s), the entities must pay dues and assessments separately in order to be listed as a member. Each MPI Assessment worksheet will be used to verify the entity(ies) for all NAFB promotions, including but not limited to the NAFB Directory, NAFB Planner, website(s), and promotional and marketing materials.

(iii) Payments. MPI Assessment may be paid either annually or quarterly. All entities that wish to pay MPI on a quarterly basis shall pay their first quarter allocation and sign a contract by January 31 of that calendar year. MPI Assessments are non-refundable.

(iv) Pro-Rating of Assessments. Assessments will be pro-rated on a monthly basis for members joining during the year.

(v) Maximum and Minimum Assessments. The assessment shall not exceed \$7,000 and shall not be less than \$600.

(vi) Review. The Executive Director and Marketing & Promotions Committee Chair may request the notarized copy of an entity's submitted rate card for MPI dues.

Part 5. Regions. Part 1. The three regions shall be defined as follows:

West — Alaska, Arizona, California, Idaho, Iowa, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wisconsin, Wyoming; Alberta, British Columbia, Manitoba, Saskatchewan.

South — Alabama, Arkansas, Colorado, Florida, Georgia, Hawaii, Kansas, Louisiana, Mississippi, Missouri, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, Texas.

East — Connecticut, Delaware, District of Columbia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia; New Brunswick, Newfoundland, Nova Scotia, Ontario, Prince Edward Island, Quebec.

Part 6. Member Requirements.

(a) Commercial Broadcast Council.

(i) Meeting Attendance. Commercial Broadcast Council members shall be required to attend at least one NAFB business meeting each calendar year. The Board of Directors shall name the recognized business meetings by the start of each calendar year. There will be at least two opportunities each year for Broadcast Council members to fulfill this requirement. A waiver for cause may be granted prior to December 31 of each year at the discretion of the Board of Directors.

(b) Emeritus Membership. This is a specialized segment for influencers with whom NAFB wishes to retain contact. These members shall be selected by and approved by the Board of Directors.

(c) Honorary Membership. This designation shall be given to any individual who has not held Broadcast Council membership in NAFB, but has contributed significantly to the farm broadcasting industry or has provided exemplary service to the NAFB organization. Nominees shall come from the membership or NAFB staff, though there is no requirement that Membership(s) be granted on an annual basis. The Association may grant as few or as many Honorary Memberships as the Board of Directors deems appropriate in any time period. These members shall be approved by the Board of Directors.

Part 7. Change in Member Status. It is the responsibility of the member to meet the standards of criteria for membership in a Council and to report any change of status.

(a) Commercial Broadcast Council. Should a member cease to meet the requirements as established

due to resignation or termination by the employing station or network, he/she shall be placed on an "inactive" status until the end of the calendar year for which dues have been paid. When a member moves to a different station or network, he/she must file a renewal application. The Membership Committee shall determine if the individual continues to qualify for membership status under membership criteria. If said member affiliates with another station or network, he/she may apply for reinstatement to membership without any interruption of membership status. If that condition does not apply, said person must re-apply for membership.

(b) Non-Commercial Broadcast Council. Should a member cease to meet the requirements of membership, he/she will retain membership through the end of the membership year.

(c) Allied Industry Council. Should a member cease to meet the requirements as established due to resignation or termination by the employing entity, he/she shall retain membership for 120 days or until the employing entity completes a transfer membership application.

(d) Management Sales Council. Should a member cease to meet the requirements as established due to resignation or termination by the employing station or network, he/she shall retain membership for 120 days or until the employing entity completes a transfer membership application.

(e) Student. A student member may maintain their membership for a period of up to one calendar year following their last date of enrollment.

Part 8. Appeal of Rejection, Reclassification or Termination. Members may appeal the Membership Committee's rejection, reclassification or termination of membership status within 30 days of receipt (by postmark). Appeals must include specific proof of membership claim. Appeals will be reviewed by the Membership Committee within 60 days of receipt (by postmark.)

Termination: Before a member may be terminated, written notice must be given to the member at least 15 days prior to the effective date of the termination. The member must be given the opportunity to be heard before the Membership Committee at least 5 days prior to the effective date of the termination. The exception to this policy is termination for failure to pay dues.

Part 9. Reinstatement of Membership. Memberships reinstated through the appeals or other processes are retroactive to the member's date of record, that being the date the membership status was removed or to the membership year, whichever is more relevant to the situation. Members are notified of reinstatement within 30 days. Appeals shall be taken up by the Membership Committee.

Part 10. Member Names/Mailing Lists. The sale and rental of the member list is prohibited. However, NAFB permits limited use of the list in partnerships and sponsorships so long as the list is retained by the NAFB Office.

P. IV OFFICERS.

Part 1. Confidentiality. Officers, Directors and committee members of the Association may come into contact with information of a financial and personal nature that must be held in confidence. It is their duty not to discuss information outside the strictest confines of Association business so as not to endanger the Association.

Part 2. Access to Legal Counsel/Consultants. No direct access to the Association legal counsel or consultants is allowed. Volunteer leaders and staff are to direct access through the Executive Director or the President.

Part 3. Conflict of Interest. It is the duty of all Board members and representatives of NAFB to conduct themselves without conflict to the interests of the Association. In their capacity as Board members or representatives, they must subordinate personal, individual business, third-party and other interest to the welfare and best interests of the Association. No member may enter into a decision on the Association's behalf in which he/she has a conflict of interest. Conflicts of interest must be declared and members of the Board of Directors, Committee members and staff must be recused from debate and voting on the matter in which the conflict of interest is present. A conflict of interest is a transaction or relationship which presents or may present a conflict between an individual's personal, business or other interests.

Part 4. Election.

(a) Procedure. All Broadcast Council members in good standing are entitled to vote in the election of officers and shall cast only one vote each. Broadcast Council members in good standing may cast an absentee ballot by requesting said ballot at least 15 days prior to, but not more than 60 days before the

election of Officers, from the national office. Ballots must be returned to the national office no later than one week prior to the election. Ballots will remain sealed until ballots are counted at the election. Broadcast Council members in good standing may also cast their vote via the internet if such system is set up by the national office. Non-commercial Broadcast Council members are prohibited from voting on Bylaws matters.

Election of representatives to the Board of Directors is conducted in the same manner by the Management & Sales Council for their representatives (2) and the Allied Industry Council for their representatives (2). In those respective elections, each member of the respective council in good standing is entitled to one vote.

(b) Process. The Nominating Committee presents its slate of candidates. Each nominee requests a nominating speech of up to three minutes by another member on their behalf, a seconding speech of up to two minutes, and the candidate gives a speech of up to three minutes. Nominations are taken from the floor, and the nominating process is repeated. The Nominating Committee oversees the election process, counting the ballots and keeping the records. The Executive Director verifies the vote and destroys the ballots after the election.

Part 5. Officer Duties.

(a) Regional Vice President. The Regional Vice President provides representation for the members in his/her region. The Regional Vice president is responsible for communicating with Broadcast Council members in the region about Association programs, and for communicating with the Association about those members' priorities and needs.

(b) Regional Director. The Regional Director provides representation for the members in his/her region and providing support to the Regional Vice President. The Regional Director records notes of the regional meetings and is responsible for providing them to the NAFB Office within 30 days of the meeting. In the case of a vacancy, he/she may fulfill the role of the Regional Vice President.

Part 6. Voting. Voting of the Board of Directors is by simple majority; the President abstains in all votes unless there is a tie. In that case, he/she votes to break the tie.

Part 7. Non-Performance. Board members, including Officers, who do not fulfill their duties, may be removed from office. This may occur by formal complaint to the President who will conduct an investigation of the complaint. Should the complaint be against the President, the President-Elect will conduct the investigation. The complaint may also be made to the Executive Director who will forward the complaint to the appropriate Officer. The complaint and the complainant will be held in confidence. Complaints will be addressed within 60 days of receipt.

a) If there is substance to the complaint, the Board member who is the subject of the complaint will be addressed to correct the behavior. If the behavior is corrected, no action will be taken. The Officer handling the complaint will notify the complainant of the action.

b) If there is substance to the complaint and no resolution, the Board member will be asked to resign or be removed from the position; the Officer handling the complaint will notify the complainant of the resolution.

c) If there is no substance to the complaint, no action will be taken and the Officer handling the complaint will notify the complainant of the result of the investigation.

Part 8. Non-Compensation of Directors. Directors may not be compensated by the Association for service as NAFB Directors or Officers. Officers and Directors may receive remuneration (honorariums, fees and expenses) for other services which may be gained as a result of their position as Officers.

Part 9. Expense Reimbursement. NAFB values and appreciates the contribution of time and leadership provided by its volunteer Officers, Directors, and other leaders. NAFB further appreciates any and all expense underwriting that employers provide in allowing staff to serve the Association in leadership roles. When expenses related to that industry service are not fully absorbed by the employing entity, the following policy applies.

(a) Executive Committee and Board of Directors. All expenses associated with personal attendance at Executive Committee and/or Board of Directors meetings, national conferences (eg. NAMA), or other meetings involving Officers and/or Directors are eligible for the following reimbursement: Full reimbursement of Lodging, Meal, and Air or Over-the-road Travel expenses when not otherwise reimbursable by the Officer or Director's employer and when the Board of Directors or Executive Committee meeting, or NAFB business or official representation is the purpose of travel.

Part 10. Travel Reimbursement & Reporting Guidelines.

NAFB will reimburse for travel expense submitted for reimbursement within 60 days of travel and within budget guidelines. Travel must fall within NAFB's approved reimbursement guidelines: Air travel to be reimbursed by NAFB, in whole or in part, is requested to be scheduled at least 14 days in advance to achieve the greatest available and reasonable economies -- by carrier and/or scheduling selected. NAFB travelers to be reimbursed are asked to use a rental vehicle if doing so will result in less reimbursable expense to the Association than paying mileage for use of a personal or company vehicle. The NAFB reimburses over-the-road mileage at up to 100 percent of the prevailing published IRS business travel rate, whether for personal vehicle or company car use (if required). Beginning and ending odometer readings should be submitted with an expense claim. Alternatively, vehicle fuel receipts may be submitted.

Expense reports with complete receipts, including any air travel schedules, should be submitted to the NAFB Office Manager within one week of the final date of those expenses. Travel and other expenses willfully paid, in whole or in part, by one's employer should not be otherwise submitted to NAFB.

P. V MEETINGS.

Part 1. Business Meetings. The Board of Directors shall name no less than two meetings per year as official business sessions of NAFB. Those shall be the Annual Meeting and Washington Watch. Those sessions shall include All Member Meetings in which the general business of the organization shall be brought forward.

Part 2. Council Meetings. Council business may be conducted during, i.e. in concert with, the business meetings of the Association, or may be held separately, at the discretion of the President and Board of Directors. Councils shall conduct business in an orderly manner under NAFB rules of business. Council representatives are charged with planning and chairing the business sessions.

Part 3. Regional Meetings. Results of the business sessions of regional meetings shall be provided and available in writing at the NAFB Office no later than 30 days following the meeting. Regional meetings shall be announced to members 30 days prior. Regional meetings are open to all NAFB members. Voting is conducted under the Bylaws.

Part 4. Board Meetings. The Board of Directors shall meet no less than twice a year to conduct the business of the Association. Special meetings may be called to conduct emergency or high priority business. Meetings may be held in person or by any means which allows business to be conducted appropriately with full participation. The NAFB Office is responsible for planning the meetings in conjunction with the President, for coordinating the announcement, site or means of the meeting, agenda and materials. The meeting announcement must occur no less than 10 business days prior to the meeting.

P. VI EXECUTIVE COMMITTEE.

Part 1. Management & Finance. The Executive Committee reports to the Board of Directors. It will review financial statements and provide quarterly financial reports to the membership.

Part 2. Meetings. The Executive Committee shall meet as needed, to conduct the business of the Association. Special meetings may be called to conduct emergency or high priority business. Meetings may be held by any means that allows business to be conducted appropriately with full participation.

Part 3. Advisors. Should the President request it, one representative of the Allied Industry Council and one member of the Management & Sales Council may serve in an advisory capacity to the Executive Committee. They may not vote and may not participate in any personnel matters.

P. VII COMMITTEES.

Part 1. Appointments.

(a) The President shall appoint the chairmen of all committees established in the Bylaws. The President shall appoint a chair to any other committees authorized by the Board of Directors.

(b) The President may appoint specific members to serve on these committees and/or may authorize the committee chairman to appoint members as needed. Committee members for standing and other committees will be appointed in January of each year by the President. Terms are for one year, ending

December 31.

(c) The Board of Directors annually reviews the other committees for relevance to NAFB's program needs. They may also consider any ad hoc committees needed. They determine the committees to be named.

(d) Ad hoc or other committees may be appointed any time during the year.

Part 2. Limitation on Committee Authority. Any Committee shall have authority to act only to the extent provided in the Articles of Incorporation or Bylaws. Acts outside of a Committee's authority shall be void. No individual or committee shall incur any financial obligations not included in the budget without approval of the Board of Directors.

Part 3. Committee Reporting. All Committees report to the Board of Directors. Minutes of meetings including all actions must be sent within 30 days of the meeting to the NAFB Office.

Part 4. Committee Records. All Committees will keep a written record of their actions, to be available in the NAFB Office within 30 days of the meeting date for review by members.

Part 5. Voting. Voting by committees is by simple majority.

Part 6. Quorum. A quorum is 50% of the membership of a committee.

Part 7. Standing Committees

(a) Nominating Committee. The Nominating Committee gathers nominations using a specific petition form and brings forward a slate of candidates to the membership for the national offices. Candidates must submit a biographical statement including a statement of willingness to serve. NAFB does not endorse any candidate. Campaign contributions and expense are the responsibility of the individual.

(b) Membership Committee. The Membership Committee shall consist of the National Vice President (who shall be the Chairperson) and the Regional Vice Presidents, a member of the Management & Sales Council and a member of the Allied Industry Council. The Executive Director shall be permitted to attend all meetings of the Membership Committee but shall not be a member or have a vote. The committee will also be responsible for membership retention and recruitment in all categories. The National Vice President and Executive Director shall coordinate to set the meetings and agendas. The NAFB Office shall be responsible for meeting notice, agenda and materials prior to the meeting and for coordinating the site.

(c) Finance Committee. The Committee shall be responsible for providing oversight of ongoing NAFB finances, including budgeting as managed by the Executive Director; reviewing monthly, quarterly, and year-to-date financial Statements of Activity. They report to the Board of Directors and the Executive Committee.

Part 8. Other Committees. Other committees currently authorized are: Awards, Convention Planning, and Strategic Planning, Hall of Fame, and Washington Watch.

(a) Awards Committee. The Awards Committee selects awards under the procedures set by the Association. The Committee may, with the authorization of the Board of Directors, collect nominations, make selections and report to the Board of Directors and Membership on the following awards:

(i) Dix Harper Meritorious Service Award. The awarding of a Meritorious Service plaque or certificate may recognize service to farm broadcasting and to the Association. Only one such award shall be made per calendar year and Broadcast Council members shall be afforded the opportunity to vote, via mail ballot or other means, on the recipient.

(ii) Herb Plambeck & Art Page President's Gavel. The Herb Plambeck & Art Page President's Gavel award shall be presented to the outgoing President.

(iii) President's Award. A special award shall be made to the employer of the outgoing President.

(iv) Tenure Awards. Tenure awards recognizing the years of Broadcast Council membership shall be made to qualifying members at five-year intervals.

(v) Farm Broadcaster of the Year. The Farm Broadcaster of the Year is selected annually and represents the outstanding agricultural or rural lifestyles broadcaster.

(vi) The Horizon Award. The Horizon Award is given annually to an outstanding broadcaster with five years or less experience in agricultural or rural lifestyles broadcasting.

(vii) The Marketcast Award. Award for broadcaster who performs the best entry of a farm market update.

(viii) The Newscast Award. Award for broadcaster who performs the best entry for a farm news story.

(ix) Herb Plambeck Award for Creative Excellence. This award exists to recognize agencies or

advertisers for the development and creation of outstanding radio advertisements. Awards will be given for the Best Single Spot (:30 or: 60) and for the Best Series.

(x) NAFB Hall of Fame Awards. These awards will be given annually to selected farm broadcasters who have made significant contributions to the industry. A committee of past Presidents named by the immediate past-President and overseen by the NAFB Historian will do the selection.

(a)Procedures. The Committee will determine the deadline for nominations and entries, and publicize it in a timely fashion to Broadcast Council members through the NAFB Office. The NAFB Office will also select the judges for the award areas. The application forms, judging criteria and scoring sheets for the awards will be housed in the Association office. The winners will be recognized at the annual convention.

(b)Convention Planning. The Convention Planning Committee is responsible for working with the President-Elect, Executive Director and staff in planning the annual convention.

(d) Washington Watch. The Washington Watch Committee is responsible for working with the Executive Director and staff in planning the annual event in Washington, DC. The National Vice President shall serve as a liaison member to the committee.

(e) Hall of Fame. The Hall of Fame Committee is responsible for soliciting and selecting inductees for the NAFB Hall of Fame. The number of selections and criteria shall be at the discretion of the committee.

Part 9. Advisory Boards.

Part 1. Marketing & Promotion Advisory Board. The Marketing & Promotion Advisory Board serves in an advisory role. The Advisory Board typically meets "mid-year" in conjunction with the Annual NAMA Convention, or otherwise.

P. VIII PARLIMENTARY AUTHORITY.

Part 1. Amendments; Notification; Enforcement.

The Board of Directors can amend these policies through a majority vote. A vote to amend requires a quorum of no less than 7 members. Any change must be communicated to the full membership within 30 days. Notification may be through mail, fax, internet, newsletter or electronic means. The Board of Directors is responsible to the membership for enforcement of the Policies which shall be enforced reasonably and without discrimination.

P. IX AMENDMENTS.

Part 1. Anti-Harassment Policy. NAFB has adopted a zero-tolerance policy toward discrimination and all forms of unlawful harassment, including but not limited to sexual harassment. This policy means that no form of unlawful discriminatory or harassing conduct by or towards any employee, member, vendor or another person in our workplace or meetings will be tolerated. The Association is committed to enforcing its policy at all levels within the Association. Any Officer, Director, employee or member who engages in prohibited discrimination or harassment will be subject to discipline, up to and including immediate discharge from employment or removal from leadership for a first offense. This policy absolutely prohibits harassment or discrimination based on sex, age, disability, perceived disability, marital status, personal appearance, sexual orientation, race, color, religion, national origin, veteran status or any other legally protected characteristic. This policy protects against sexual harassment including offensive and unwelcome sexual invitations, and particularly when spoken or implied quid pro quo for sexual favors as a benefit of employment or continued employment; offensive and unwelcome conduct of a sexual nature including sexually-graphic spoken comments, offensive spoken comments, offensive comments transmitted by email or other messaging systems, or the possession/use of sexually suggestive objects; offensive and unwelcome physical contact of a sexual nature including touching of another's body, the touching or display of one's own body, or any similar contact. Any individual who believes she/he has been subjected to unlawful harassment of any kind has the responsibility to report the harassment immediately to the Executive Director. If, for any reason, the individual is uncomfortable with reporting to the Executive Director, the incident must be reported to the President. The Association will make a reasonable effort to promptly and impartially address and resolve the issue, with every effort to maintain confidentiality. The complainant and the accused will be informed of the results of the investigation. If the Association finds that its policy has been violated, it will take appropriate corrective action, up to and including discharge, and/or similarly appropriate action towards offending vendors, contractors or members. No association employee will be retaliated against for reporting harassment. This no-retaliation policy applies whether a good faith complaint of harassment is well-founded or ultimately determined to

be unfounded. No Officer, Director or manager is authorized or permitted to retaliate or to take any adverse employment action against anyone for reporting unlawful harassment or for opposing any other discriminatory practice in the workplace.

Part 2. Bonding. The Executive Director and Officers authorized to handle funds shall be bonded for a sum equal to or in excess of receipts and funds on deposit. The bond or bonds shall be renewed annually and the cost thereof shall be at the expense of NAFB.

Part 3. Destruction of Documents. No Officer, Director, employee or agent of the Association shall knowingly destroy a document with the intent to obstruct or influence the investigation or proper administration of any matter within the jurisdiction of any government department or agency or in relation to or contemplation of any such matter or case.

Part 4. Fiscal Year. The fiscal year of NAFB shall be from January 1 through December 31.

Part 5. Financial.

(a) Reserve Fund Policy. Surplus operating funds realized after and not needed for ongoing operations, shall be deposited into select mutual funds and other vehicles to build investment value.

(i) Purpose: Reserve Funds are accumulated fundamentally and primarily for the purpose of ensuring the long-term solvency of the Association, notably in the event of a downturn in the industry marketplace and/or membership funding. Secondly, assuming diligence and restraint, Reserve Funds can be available for providing legal representation (beyond normal expenditures for the same), helping fund large-scale strategic projects (beyond annual budget allocations).

Use of any Reserve Funds, relative to the above considerations, is subject to approval of a majority of the full voting Board of Directors.

(ii) Financial Advisor. The Executive Director will name the Financial Advisor.

(iii) Agent/Broker. Our present Agent/Broker for Reserve Funds is Mark Matthews of Edward Jones, St. Joseph, MO.

(b) Investment of Reserve Funds. The Executive Director, working in conjunction with the NAFB Financial Advisor and the Agent/ Broker, will assess the investments of the association reflective of the current marketplace and the Association's financial needs. The Executive Director will annually assess the performance of the Financial Advisor and Agent/Broker.

(i) Recommendations. The Executive Director, Financial Advisor and Agent/Broker will make recommendations regarding the placement and/or transfer of funds, preservation of capital and minimizing risk in the selection of investment securities.

(ii) Communication. Communication of the status of Reserve Funds will be presented at meetings of the Board of Directors.

(iii) Limitations. Amounts over \$100,000 should be reviewed and approved by the President or another member of the Executive Committee.

Part 6. Insurance. The Association may purchase and maintain insurance on behalf of any person who is a Director, Officer, employee or agency of the Association or is serving at the request of the Association against any liability asserted against that person and incurred by that person in any such capacity. This insurance will include Directors and Officers liability insurance at the level of \$500,000 and employment practices liability at a level of \$500,000. The association will not be responsible for a person or persons acting in bad faith. Commercial general liability coverage shall be \$1 million.

Part 7. Whistleblower. NAFB is committed to high standards of ethical, moral and legal business standards. In line with this commitment, the Association provides protection to employees, Board members, members, vendors or other persons who might seek to raise concerns. The Association provides protection from reprisals or victimization for whistleblowing. This policy is intended to cover protections regarding incorrect financial reporting, unlawful activity, activities that violate NAFB policy or activities that amount to serious improper conduct.

Part 8. Executive Director.

(a) Management of staff. The Executive Director shall have the authority to manage the day-to-day activities including the authority to hire and discharge office staff and to collect and expend the

Association's funds in accordance with the Association's annual budget. The duties of staff personnel shall be as set forth by the Executive Director.

(b) Expenditures. The Executive Director may authorize expenditures up to \$5,000. Expenditures over \$5,000 shall also be authorized by an Officer other than the Executive Director.

(c) Authorization of deposits and transfers limitations. Deposits and transfers below \$100,001 in Reserve Funds and capital expenditures under \$25,000 may be approved by the Executive Director. Transactions exceeding this amount must be approved by the President or another member of the Executive Committee.

(d) Annual Evaluation. A committee made up of the National President, President Elect, a representative of the Allied Industry Council, a representative of the Management & Sales Council, and the Marketing & Promotions Committee Chair will conduct a formal annual performance review of the Executive Director. Based on that review, the Committee will present their employment recommendations to the NAFB Board of Directors. The contract will be renewed, pending the approval of the NAFB Board of Directors.

Part 9. Definitions.

(a) Employed. In defining "employed," NAFB has determined it to be employment, self-employment, and contractual relationships.

(b) Entity. In defining "entity," NAFB has determined it to be business engaged in the audio/video transmission of agricultural or rural lifestyle news and information.

(c) Broadcast. In defining "broadcast," NAFB has determined it to be the delivery of audio/video agricultural and rural lifestyle content.

(d) Commercial. In defining "commercial," NAFB has determined it to be a business organized as a for-profit entity that returns any profits to owners or shareholders.

(e) Non-Commercial. In defining "non-commercial," NAFB has determined it to be not-for-profit entity, organized with tax-exempt status.

These Policies were approved by the NAFB Board of Directors on November 26, 2007 and were last amended on August 15, 2016.