



NATIONAL BIODIESEL BOARD

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MEMBERSHIP PACKET

Effective January 25, 2011

**NATIONAL BIODIESEL BOARD
MEMBERSHIP PACKET**

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**NATIONAL BIODIESEL BOARD
MEMBERSHIP INFORMATION
(Revised 11/19/2008)**

Corporate Purpose

The National Biodiesel Board (NBB) is organized exclusively to promote the common business interests of those parties seeking to advance the use of biodiesel as a fuel or fuel additive that meets ASTM standards.

Biodiesel means the mono alkyl esters of long-chain fatty acids that are derived from animal fats or vegetable oils and that meet or exceed the specifications of ASTM D-6751 or any legal successor thereto.

Eligibility

A Voting Membership on the National Biodiesel board is available to any biodiesel Feedstock Producer, Feedstock Producer Organization, Biodiesel Producer, or biodiesel Marketer¹ that is dedicated to the corporate purpose, pays the required dues, complies with the Articles, Bylaws, and Policies and Procedures of the National Biodiesel Board, and operates in a manner consistent with NBB goals.

Membership Approval Procedure

Upon receipt of a completed NBB Membership Application Form, a signed Health Effects Access Agreement (for Producers, Marketers and Small Producers), and a check for the appropriate Minimum Annual Dues, NBB shall act expeditiously on the application pursuant to the procedure detailed in the NBB Directorship Admission Policy.

Voting Membership Class

NBB has two classes of Voting Memberships (Non-Voting):

- A Feedstock Producer or Feedstock Producer Organization.¹
- A Biodiesel Producer or Biodiesel Marketer.¹

Associate Membership Class (Non-Voting)

NBB has three classes of Associate Memberships:

- A Small Producer
- An Organization
- An Individual

¹ “Feedstock” means a material that can be used to produce biodiesel.

“Feedstock Producer Organization” is a trade association that represents feedstock producers.

“Biodiesel Producer” means a person who processes Mono Alkyl Esters of long chain fatty acids into a biodiesel product that meets or exceeds the specifications of ASTM D-6751 or any legal successor thereto.

“Biodiesel Marketer” for a Voting Member means a person who markets biodiesel that meets or exceeds the specifications of ASTM D-6751, or any legal successor thereto, and which it is required to Register with the US Environmental Protection Agency (EPA) pursuant to 40 CFR Part 79. Marketers whose biodiesel is already registered by an upstream supplier may qualify for a Non-Voting Associate Membership.

Dues

NBB operates on a fiscal year that starts on October 1 of each year and ends on September 30 of the following year. All Dues payments are geared to this schedule. Dues are not tax deductible as charitable deductions but may be tax deductible as ordinary and necessary business expenses. Initial Dues will be prorated to the fiscal year quarter in which Membership is granted. An eligible dues payor must pay dues according to the following:

Feedstock Producer or Feedstock Organization: \$10,000 per NBB fiscal year.

Two or more Feedstock Producers or Feedstock Producer Organizations may pool their contributions to meet or exceed the minimum \$10,000 dues and, having done so, may jointly appoint the Voting Member to whom they are thereupon entitled.

Biodiesel Producer or Biodiesel Marketer: \$5,000 per NBB fiscal year.

Additionally, on gallons above 666,667, members must pay Volume Dues based upon the cumulative annual volume of biodiesel produced, as follows:

<u>Total Volume Produced during NBB's</u>	<u>current fiscal year (gallons)</u>	<u>Volume Dues</u>
0 to 5,000,000 (\$5,000 Minimum)	\$.0075 per gallon	(\$37,500)
5,000,001 to 15,000,000	\$.0035 per gallon	(\$35,000)
15,000,001 to 45,000,000	\$.0010 per gallon	(\$30,000 max)
Amounts over 45,000,000	\$.0005 per gallon	

[Example: A Biodiesel Producer or Marketer that produced 65 million gallons would pay \$112,500 in annual dues (\$37,500 + \$35,000 + \$30,000 + \$10,000 = \$112,500)]

Subsequent to the first year of Membership, Producers and Marketers shall be invoiced for their \$5,000 Minimum Annual Dues at the beginning of each fiscal year. However, Volume Dues shall be paid on a quarterly basis in the first and all subsequent years. Producers and Marketers must submit quarterly reports, postmarked by January 15, April 15, July 15, and October 15, of cumulative biodiesel gallons produced to date during the current fiscal year. Two officers of the company must sign these reports. If the reported cumulative volume produced during the year-to-date has exceeded 666,667 gallons, then Volume Dues must be paid in accordance with the schedule above. Information on volumes reported shall be restricted pursuant to the NBB Confidentiality Policy.

Small Producer: \$2,500 per NBB fiscal year.

Additionally, on gallons produced over 333,333, members must pay Volume Dues based upon the cumulative annual volume of biodiesel produced as follows:

Total Volume Produced during NBB's

Current fiscal year (gallons)

All Gallons Produced

Volume Dues

\$.0075 per gallon

Subsequent to the first year of Membership, Small Producers shall be invoiced for their \$2,500 Minimum Annual Dues at the beginning of each fiscal year. However, Volume Dues shall be paid on a quarterly basis in the first and all subsequent years. Small Producers must submit quarterly reports, postmarked by January 15, April 15, July 15, and October 15, of cumulative biodiesel gallons produced to date during the current fiscal year. Two officers of the company must sign these reports. If the reported cumulative volume produced during the year-to-date has exceeded 333,333 gallons, then Volume Dues must be paid in accordance with the schedule above. Information on volumes reported shall be restricted pursuant to the NBB Confidentiality Policy.

Organization: \$2,500 per NBB fiscal year.

Individual: \$500 per NBB fiscal year.

Fuel Sales Among NBB Producers/Marketers: For purposes of calculating Volume Dues payments, gallons of biodiesel that are sold among NBB Members shall be counted only once. Volume Dues on such sales shall be paid only by the first NBB Member involved in the transaction (whether the Member produces the fuel, purchases it, or simply brokers it).

Volume Dues Auditing Policy: NBB shall have access to the Member's books and records relevant to the proper payment of Volume Dues. If a Volume Dues audit reveals the Member has underpaid NBB by more than 10% of the amount due, the Member shall be assessed and shall be liable for the costs of the audit. All information accessed by the audit shall remain restricted pursuant to the NBB Confidentiality Policy.

Proper and timely payment of all dues allows the Member, if an individual, to be a Member of the National Biodiesel Board (NBB). If a legal entity, proper and timely payment of dues allows the Member to designate one individual to be a Delegate to the NBB. Nonpayment of dues is grounds for membership discipline, including suspension or revocation of membership. Appropriate Minimum Annual Dues must accompany all membership applications.

Delegates and Alternates

Voting Members. In order to operate knowledgeably, efficiently and consistently in the best interests of the biodiesel industry, that dues-paying legal entity must appoint only one individual to serve it consistently at NBB meetings.

That designated individual will be its Voting Delegate. This person must be an officer or agent of the dues-paying entity with full authority to vote on all matters coming before the Voting Members of the NBB. Each Voting Member shall have the option to designate an Alternate in writing seven (7) days before the election.

Meeting Attendance

Faithful attendance at meetings is necessary for the NBB to act faithfully for the benefit of the industry. Proper attendance at an NBB meeting that fails for lack of a quorum is a waste of time for those Members who took the time to faithfully attend, and accomplishes nothing for the industry. **Important Notice. An NBB Member, through its Voting Delegate or Alternate, is strongly encouraged to attend all meetings, and expected to attend at least half of all NBB meetings.**

NBB Structure

NBB's Governing Board consists of 15 Directors elected by and from Voting Members. Seven (7) of the Directors are elected by Weighted Voting. When a membership vote is taken by Weighted Voting, each Voting Member possesses one vote for each \$1,000 in Total Financial Contribution for the first \$100,000 and one vote for each additional \$10,000. "Total Financial Contribution" includes dues, program funding, contributions to the National Biodiesel Foundation, and cash sponsorship of NBB events due from or obligated by the Member during the previous year and accrued on NBB's books by October 31. The remaining eight (8) Directors are elected by Straight Vote. These Directors shall be elected in each of the following categories:

- Two Directors shall be Feedstock Producer Organizations Voting Delegates who are actively engaged in farming.
- Two Directors shall be Voting Delegates of Producer or Marketer Members which are members of either the National Renderer's Association or the Fats and Proteins Research Foundation (FPRF).
- Four Directors shall be Voting Delegates of and Producer or Marketer Member and/or Feedstock Producer Member other than a member of the National Renderer's Association or FPRF.

All election for the Voting Members in these categories are conducted simultaneously, so that a candidate is eligible in only one category in any one election. All Voting Delegates are entitled to vote for candidates in all categories.

Other Requirements

A Voting Member must meet all applicable requirements listed in the NBB Membership Admission Policy.

NATIONAL BIODIESEL BOARD
MEMBERSHIP ADMISSION POLICY
(Revised 7/13/2007)

Membership Admission Policy:

Biodiesel is a nascent renewable fuel competing for market share in a mature and highly competitive motor fuels market. The National Biodiesel Board (NBB) is a non-profit trade association that exists to promote public acceptance and confidence in biodiesel, to the end of commercial success for all in the biodiesel industry. To advance this common goal, the NBB will admit to Membership on a nondiscriminatory basis any industry member or supporter with a legitimate economic interest in the success of biodiesel, and who meets the membership requirements. The Applicant must:

If applying for a **Voting Membership**, must be either a:

- Feedstock Producer, or
- Feedstock Producer Organization, or
- Biodiesel Producer, or
- Biodiesel Marketer (required to register its biodiesel with the US Environmental Protection Agency pursuant to the Clean Air Act regulations found at 40 CFR Part 79).

If applying for an **Associate Membership (Non-Voting)**, must be a party with a bona fide economic interest in the success of the biodiesel industry and supportive of the purposes of the National Biodiesel Board. Common examples of those fitting this description are, but not limited to:

- Industry technology, chemical, process, and petroleum suppliers
- Expert consultants
- Research and Development organizations
- Industry trade organizations and related businesses
- Biodiesel Marketers not required to register their biodiesel with the EPA because their upstream suppliers have already registered such biodiesel
- Biodiesel stakeholders not eligible for Voting Membership

If applying for a **Small Producer Associate Membership**, must also be a:

- Biodiesel producer who in the calendar year preceding membership, manufactured less than 250,000 gallons of biodiesel.

If a **Potential Future Producer**, not yet in commercial production, NBB will proceed with admission to Producer Membership:

- However, applicant will not execute the Member Payment Agreement for Access to H/E data; and NBB will not grant access to H/E data, until NBB is presented proof of actual commercial production of B100 eligible for EPA registration.
- Proof of actual commercial production of B100 eligible for EPA registration may be either:
 - a) A complete Certificate of Analysis of a sample of B100 produced at applicant's plant demonstrating satisfaction of EPA registration requirements; or
 - b) A communication from the EPA indicating that applicant has met all requirements of EPA registration save Health Effects Data.
- Upon receipt thereof and upon member's execution of Member Payment Agreement for Access to Health Effects Data, NBB will expeditiously grant access to its Group Health Effects Data.

If applying for an **Individual Associate Membership (Non-Voting)**, must be an Individual person who has NO Direct Economic Interest* in the Biodiesel industry; but is supportive of the purposes of the National Biodiesel Board.

*Direct Economic Interest in the Biodiesel industry shall mean directly marketing a product or service either within the Biodiesel Industry or to the Biodiesel Industry; or being an employee, officer, or Board member of or contractor to an entity that does so. If and when an Individual Member ever does acquire a Direct Economic Interest in the Biodiesel Industry, he or she is no longer eligible for Individual Membership, and must notify the NBB in writing. The Individual Membership shall expire at the end of the fiscal year in question; and that individual or his or her company will be invited to apply for a different Membership.

Signify intention to abide by the Articles of Incorporation, Bylaws, and Policies and Procedures of the National Biodiesel Board.

Signify intention to comply with the NBB Antitrust Compliance Policy, the NBB Code of Ethics, the NBB Fuel Quality Policy, and other NBB Policies.

Submit its Minimum Annual Dues with its Membership Application and, if admitted, thereafter pay its dues within thirty (30) days of invoice.

If a Biodiesel Producer, Biodiesel Marketer or Small Producer producing more than 250,000 gallons per year, submit required **quarterly Volume Dues statements** of gallons produced signed and verified by two officers of the company. *Note: Volume Dues Statements are required to be submitted even if production during the quarter is zero (0).*

If a Biodiesel Producer or Small Producer, attest that it will produce only biodiesel that is registered with the EPA pursuant to the Clean Air Act regulations found at 40 CFR Part 79.

If a Biodiesel Producer, Marketer, or Small Producer, commits to comply with all laws and regulations requiring compliance with ASTM D-6751 or any legal successor, and with NBB's Fuel Quality Policy.

Affirm that neither the Applicant nor any of its key employees has been found by any court of competent jurisdiction to have intentionally sold inferior biodiesel or to have engaged in fraudulent, deceptive, or other illegal conduct that undermines consumer confidence in biodiesel.

Membership will be granted to an Applicant meeting the above requirements.

Membership Admission Procedure:

An Applicant for NBB membership must submit a completed Application Form (Section Q) and a check for appropriate Minimum Annual Dues. See the Application Form for specific details. Upon submission of all required documents, the Application Package will be distributed to the NBB Voting Members. Each NBB Voting Member will be given fourteen (14) calendar days from the date of distribution to file a Written Comment. A Voting Member may comment if it believes applicant has conducted and will conduct its biodiesel business in a manner inconsistent with the exempt purposes of the National Biodiesel Board. If after 14 days staff has received no comment, applicant shall be admitted to membership. If staff does receive written comment, it shall proceed as directed by NBB Chair after consultation with legal counsel.

Access to Health Effects Data:

The National Biodiesel Board, through funding provided almost exclusively from its Soybean Checkoff members, funded all the testing that generated both the Tier I and Tier II Health Effects Data submitted to the EPA on biodiesel pursuant to the requirements of the Clean Air Act, Part 211(b). The total cost of Health Effects testing was about \$2.2 million. NBB will grant access to all entities represented by a Voting Member in a manner consistent with NBB policies. NBB will grant access to Tier I Health Effects Data to all entities represented by a Small Producer Member. See the Member Payment Agreement For Access To Health Effects Data (Section N) for details.

Any entity wishing to gain access to NBB's Health Affects Data without becoming a member of NBB may do so, pursuant to EPA rules, by entering into an agreement with NBB for reimbursement of testing costs. Consult EPA rules, the National Biodiesel Board, and the Non-Member Payment Agreement For Access To Health Effects Data for details (Section O).

NATIONAL BIODIESEL BOARD FEEDSTOCK POLICY

(Revised 9/8/2000)

The National Biodiesel Board (NBB) recognizes and represents all feedstocks used in the commercial production of biodiesel that meet ASTM D-6751. The purpose of the policy is to maximize the production, sale and distribution of biodiesel. Although the NBB has adopted a feedstock neutral policy, the NBB does recognize that certain variations exist depending on the feedstock used in the production process. It is the position of NBB that the marketplace and customer requirements dictate the need for any given properties in individual biodiesel applications. This policy notwithstanding, funding entities retain the discretion to designate the feedstock to be used for specific projects (excluding dues) funded by the respective entities. NBB will not intervene in specific sales competition among competing industry members, but will supply objective technical information upon request.

**NATIONAL BIODIESEL BOARD
CONFIDENTIALITY POLICY
for
PRODUCTION DATA
(Revised 8/15/2007)**

Because dues for Producers and Marketers are based upon production data, one who knows the amount or level of dues paid can deduce, within the limits of the Volume Dues schedule of levels, the volume of product produced by an organization.

It is the policy of the National Biodiesel Board to keep all company-identifiable production data, as revealed by dues statements and payments, strictly confidential. Only the Chief Executive Officer and appointed staff of the National Biodiesel Board shall have knowledge of this information. No officer, employee, or Board member of the National Biodiesel Board shall ever disclose the amount or level of dues paid by an individual, organization or company to any other party. Willful violation of this restriction shall be grounds for dismissal or removal from the Board, as appropriate. Any and all such company-identifiable data in the possession of the Board, once employed for its proper purpose, shall be destroyed.

Dues information, aggregated so that company-identifiable data is not present and cannot be ascertained, can be shared as necessary in the operation of the Board and is not subject to this restriction.

NATIONAL BIODIESEL BOARD
ANTITRUST COMPLIANCE POLICY AND MEETING GUIDELINES
(Revised 6/22/2001)

The Antitrust Law: U.S. and state antitrust laws have as their general goal the promotion of free competition. Under the antitrust laws, competitors may not restrain competition via agreements or understandings regarding the price, production or distribution of products and services. Competitors may not engage in any activity intended to restrict the competitive capabilities of their customers, suppliers, or other competitors.

The antitrust laws are complex and often of unclear applicability. Unlawful agreements can be inferred from even circumstantial evidence. A conviction for violating the antitrust laws may result in severe penalties, both on corporations and individuals. Convicted individuals are subject to fines of up to \$100,000 and jail terms of as much as three years. Corporations may be punished by fines not exceeding \$1 million. Even if the antitrust case is won or settled, the demands upon the time of those involved can be very high.

Meeting Guidelines: At NBB meetings, the following subjects will **not** be discussed:

1. Current or future industry prices (great care must be taken in discussing past prices).
2. What constitutes a "fair" profit level.
3. Possible increases or decreases in industry prices.
4. Standardizing or stabilizing final prices.
5. Pricing procedures.
6. Cash discounts.
7. Credit terms.
8. Control of sales.
9. Allocation of markets or customers.
10. Refusals to deal with a corporation or an individual because of its pricing or marketing practices.
11. Whether or not the pricing practices of any industry member are unethical or constitute an unfair trade practice.

General Operating Procedures: To guard against unintentional conduct, all NBB meetings shall be conducted in accordance with the following procedures:

1. A written agenda will be prepared for each meeting, and will be reviewed in advance by legal counsel.
2. Accurate minutes providing a complete summary of each meeting will be prepared. The minutes of all meetings will be reviewed by legal counsel to ensure there is no misinterpretation.
3. Legal counsel will be available for consultation at all meetings of the Governing Board and Executive Committee, as well as other meetings at which sensitive issues will be discussed.
4. All Board meetings will be properly and formally scheduled; members should never hold "rump" meetings.
5. In case of doubt concerning the propriety of any topic of discussion, members will consult NBB legal counsel prior to raising it at an NBB meeting.
6. Should a question arise as to the propriety of remarks or discussion at an NBB meeting, state the question. If the discussion is not terminated or the question not satisfactorily resolved, the chair shall adjourn the meeting temporarily to request advice of legal counsel. If the issue is not resolved to the satisfaction of the concerned member, that member should leave the meeting.

NBB Antitrust Compliance Policy to be read at all Meetings:

"NBB and its officers, directors, and employees fully support and intend to comply with all applicable federal and state antitrust laws and shall not engage in anti-competitive conduct or practice, nor allow NBB to be used by any member or other party for anti-competitive or unlawful purposes, including but not limited to the following kinds of prohibited conduct:

- a. Any discussions or effort to directly or indirectly fix, raise, lower, control, recommend, suggest, or maintain prices on products.
- b. Any contract, combination, conspiracy, discussions or effort to divide or allocate markets or customers.

- c. Any discussions or effort to engage in any boycott or considered refusal to deal.
- d. Any discussions or joint effort to unlawfully injure the business or trade of anyone.

Minutes will be kept of all meetings of the Governing Board, the Executive Committee and Standing Committees. These minutes shall summarize accurately and concisely the action taken at the meeting.”

**NATIONAL BIODIESEL BOARD CODE OF
ETHICS
(Revised 7/13/2007)**

Preamble: The National Biodiesel Board (NBB) is organized exclusively to promote the common business interests of those parties seeking to advance the use of biodiesel as a fuel or fuel additive that meets ASTM standards. Recognizing that biodiesel is a nascent clean-burning renewable fuel which competes for market share in a mature and highly competitive diesel fuel market, the National Biodiesel Board has adopted this Code of Ethics for the purpose of enhancing consumer confidence in a high quality, reliable alternative fuel provided by honorable and dependable suppliers.

Code of Ethics: Each member of the National Biodiesel Board is pledged to observe high standards of integrity, fair dealing, and competence in the conduct of business:

- By taking every opportunity to increase public understanding and acceptance of biodiesel as a high-quality, reliable renewable fuel.
- By fully informing each customer of all facts and circumstances relevant to the customer's beneficial use of biodiesel in the customer's particular circumstances.
- By promptly acknowledging and acting on all customer complaints.
- By refraining from any act intended to restrain trade or suppress competition, and to promote the private enterprise system and its guarantee of equal opportunity for all.
- By adhering to and promoting this NBB Code of Ethics.

**NATIONAL BIODIESEL BOARD DISCIPLINARY POLICY
AND PROCEDURE
(Revised 6/21/2006)**

Section 1. Basis for Discipline or Expulsion. A Member is subject to discipline by or expulsion from the National Biodiesel Board for nonpayment of dues, violation of the National Biodiesel Board's Articles and Bylaws, violation of one's fiduciary duty to the Board, violation of the Board's membership standards, Code of Ethics, or policies. These include, but are not limited to, the requirements that a Member sell only Biodiesel which is registered with the EPA pursuant to the Clean Air Act, and complies with all laws and regulations requiring compliance with ASTM D-6751 or any legal successor.

Section 2. Initiation of Disciplinary Action. No disciplinary action shall be taken hereunder except upon Written Accusation by another Member or upon passage of a Written Resolution of the NBB Governing Board or Executive Committee. Such Written Accusation or Written Resolution must state specifically the violation alleged; together with the facts, known either by objective evidence, by hearsay evidence, or by first-hand testimony, substantiating the alleged violation. A Written Accusation shall be delivered to the Executive Committee. A Member submitting a Written Accusation must state in the Written Accusation its commitment to appear at the Hearing in order to afford the accused its right of facing its accuser. If the Accuser fails to appear at the Hearing, the Hearing Panel shall find in favor of the Accused by default, and shall dismiss the matter. A Member accusation of a violation of ASTM-6751 by another Member shall not trigger disciplinary action

Section 3. Preliminary Investigation and Finding. Upon receipt of such Written Accusation or passage of a Written Resolution, the Executive Committee shall conduct a Preliminary Investigation to determine whether there exists sufficient credible evidence to support a reasonable suspicion of actionable misconduct. Before deliberating, the accused Member shall be given written notice that a Preliminary Investigation is being conducted, shall be given a copy of the Written Accusation or Written Resolution and evidence submitted and gathered, and shall be afforded an opportunity to comment in writing.

Upon gathering the evidence, the Executive Committee shall at a meeting held in person or telephonically, make in writing its Finding whether there exists sufficient credible evidence to support a reasonable suspicion of actionable misconduct. Both the accuser(s) and the accused shall be given written notice of this Finding.

Section 4. Written Notice of Hearing. If the Executive Committee makes an affirmative Finding, it shall notify the accused in writing of the conduct of a Hearing on the accusation. The written notice shall be given at least thirty (30) days in advance of the Hearing. A copy of all evidence of the suspected misconduct shall be forwarded to the accused with the notice. A copy of all such evidence shall also be forwarded to the accuser(s).

The notice shall state these rights of the accused:

- The right to copy of all evidence supporting the accusation.
- The right to present a defense. This includes:

- The right to be represented by an attorney
- A right to present evidence and witnesses.
- A right to cross-examine witnesses and accusers.
- The right to a hearing panel consisting of NBB members with no immediate interest in the subject of the accusation.

Section 5. Hearing Panel. The hearing shall be conducted by a panel of three NBB Members chosen by the Chair, who shall decide on the place, date, and time of the hearing.

Section 6. Conduct of Hearing; Decision. The hearing shall be conducted before the Hearing Panel. The Executive Committee, its attorney or representative, shall present the evidence of misconduct against the accused. The accused or his or her attorney or representative shall be entitled to a fair defense. The hearing shall not proceed according to formal rules of procedure, but shall proceed pursuant to informal procedure consistent with fundamental notions of fairness and an opportunity to be heard. The Hearing Panel shall determine the rules of procedure and rules of evidence. The Hearing Panel may conduct the Hearing in person or telephonically. The Hearing Panel shall conduct the Hearing within a time frame which, consistent with a fair opportunity to be heard, completes its duties efficiently.

Upon presentation of all the evidence and arguments, the Hearing Panel shall, in executive session, make one Finding. The Finding shall be: Whether the accused has been shown, by a preponderance of that evidence, to be guilty of misconduct. The Finding shall be determined by a majority of those present and voting. If affirmative, a Resolution to that effect shall be adopted and executed, and such action shall be final. If negative, a Resolution to that effect shall be adopted and executed, and such action shall be final. Its Finding shall be forwarded to the NBB Governing Board.

Section 7. Potential Discipline. If the Finding is affirmative, The NBB Governing Board may impose such measure of Discipline as it determines appropriate. It may or may not be one or more of these:

- 1) Verbal Reprimand.
- 2) Letter of Reprimand.
- 3) Letter of Severe Reprimand.
- 4) Suspension.
- 5) Expulsion.
- 6.) Referral to appropriate government agency for enforcement.

If the Finding is negative, the NBB Governing Board shall issue a letter of exoneration.

Section 8. Summary Termination for Nonpayment of Dues. If either the Chief Executive Officer or the Chief Operating Officer determines that a Member is delinquent in payment of its dues, the following procedure shall be followed exclusively:

- Notice. Written notice shall be delivered to the Member responsible for payment of dues notifying that Member of the delinquency and giving a thirty-day opportunity to cure.

- Opportunity to cure. The Member shall be afforded thirty days opportunity to cure the delinquency.
- Association Response. If the delinquency is timely cured, no further steps shall be taken. If the delinquency is not cured, membership shall be immediately terminated. Appropriate notice shall be immediately given.
- Re-Admission. If a former Member terminated for nonpayment of dues applies for re-admission, that Member shall, as a condition of re-admission, be required to submit payment of all dues, without interest, that would have been payable during its membership lapse. If such Member had moneys in escrow pursuant to an agreement for Access to Health Effects Data, no escrowed money shall be returned before the expiration of one year after re-admission and timely payment of dues.
- Appeal. Any decision or action taken hereunder can be appealed to the Executive Committee, which shall convene in Special Meeting and issue a decision within sixty days of the filing of the appeal.

Section 9. Notice. Any notice required by this policy shall be by Certified Mail, Return Receipt Requested. Return of Receipt shall be adequate proof of service.

NATIONAL BIODIESEL BOARD FUEL QUALITY POLICY

(Adopted 6/21/2006)

Purpose: The American Society of Testing and Materials (ASTM) is the recognized standard-setting body for fuels and additives in the United States. ASTM has adopted a specification for pure biodiesel (ASTM D 6751) that is to be used in blends up to 20% with diesel fuel which meets its respective specification (ASTM D 975). When biodiesel that meets its specification is properly blended into diesel fuel which meets its specification, and is handled according to proper fuel management techniques, the resulting fuel is a high quality, premium diesel fuel which has been shown to perform well in virtually any unmodified diesel engine. However, use of any fuel that does not meet its quality specifications could cause performance problems or equipment damage, and this includes biodiesel. The National Biodiesel Board (NBB) believes strongly that rigorous adherence to D 6751 is important in order to protect consumers from unknowingly purchasing substandard fuel, in order to maintain the integrity of the nation's fuel supply, and in order to protect the reputation of biodiesel as a high quality, high performance fuel. Sale of off-spec fuel is usually a violation of federal and state law. Several federal and state government agencies are responsible for the regulation and enforcement of fuel quality in the United States. The National Biodiesel Board (NBB) is a non-profit trade association and does not have authority to regulate or enforce fuel quality. However, this "Fuel Quality Policy" outlines the measures that the NBB will take to enhance overall fuel quality in the industry.

Government Adoption of ASTM D-6751 The National Biodiesel Board is a strong proponent of ASTM D-6751. The National Biodiesel Board expects each of its producer Members to be dedicated to the consistent production of ASTM D-6751 compliant B100. The National Biodiesel Board will continue to urge the adoption of ASTM D-6751 by every appropriate level of federal, state, and local government as a legal requirement for the manufacture and sale of Biodiesel. **As to Member & Non-Member Producers:** The National Biodiesel Board will, upon receiving a complaint regarding fuel quality, offer the complainant all available information regarding fuel quality enforcement efforts by any applicable state or federal government agency.

ASTM Standards for Biodiesel Blends ASTM is currently developing one or more uniform standards for blends of B100 and diesel fuel. The National Biodiesel Board is fully supportive of those efforts. When adopted, the National Biodiesel Board will be an active and strong supporter of those ASTM standards.

BQ-9000 Certification The National Biodiesel Board created the National Biodiesel Accreditation Commission in 2000 and charged it with developing a certification program for quality biodiesel producers and marketers. The resulting certification program is BQ-9000. There are two certifications: *Certified Marketer* and *Accredited Producer*. In either case, the certified party must possess a Quality Manual, a Quality Control System, and employ best practices as required to assure the delivery of a quality product. NBB encourages all biodiesel producers and marketers to achieve and maintain approval under the BQ-9000 program.

Government Enforcement NBB will encourage active enforcement of D-6751 by the Internal Revenue Service, the Environmental Protection Agency, the US Department of Agriculture, and individual state Weights and Measures Bureaus. In addition, NBB will actively investigate which of these agencies might adopt the most effective proactive, ongoing testing program for D-6751 enforcement and support that effort. Many of these agencies have indicated that they will also respond appropriately to potential violations upon credible complaint.

NATIONAL BIODIESEL BOARD
VOLUME DUES AUDITING POLICY
(Adopted 7/13/2007)

The fiscal integrity of the National Biodiesel Board and the fairness of the NBB volume dues system depend on the integrity of each Member in submitting its volume dues. Each Member paying volume dues is entitled to confidence that all others similarly situated are paying volume dues with just as much integrity as it. For this reason, NBB staff shall conduct regular audits of NBB Members paying volume dues upon the following guidelines:

Scope of Program; Selection of Voting Producer Members: Before every Fiscal Year, the Chief Financial Officer shall, in consultation with the association's accountants, present to the Audit Committee a list of potential candidates for Volume Dues audit. The Audit Committee shall select from this list the NBB Members to be audited.

Depth of Auditing Program: Volume Dues audits shall be conducted by private accountants engaged by NBB staff. To reduce expenses, the auditor selected shall whenever possible be located at or near the principal office of the Member to be audited. The audit conducted shall examine only the question whether volume dues paid NBB during the current fiscal year and the last two complete fiscal years have been consistent with the NBB volume dues schedule.

Resolution of Arrearages Found; Cost of Audit: Where an arrearage in payment of Volume Dues in excess of two percent dues owed over the three-year audit period is identified by a volume dues auditor, the NBB shall invoice the Member the arrearage plus interest of twelve percent per annum (12% APR) from the due date. If the Member has underpaid NBB by more than 10% of the amount due, the Member shall also be invoiced for the cost of the audit. If not, NBB shall pay for the audit. If amounts due are not paid within 60 days of invoice, NBB staff shall handle the matter as a conventional failure to timely remit required dues; resulting if necessary in summary termination of NBB membership.

Confidentiality: Results of NBB Volume Dues audits shall be treated by NBB staff and Officers in compliance with the NBB Confidentiality Policy.

NATIONAL BIODIESEL BOARD
DUES ENFORCEMENT POLICY
(Adopted March 9, 2009)

- I. Annual Dues: Are due October 1.
- A. September 1: Annual Dues are invoiced.
 - B. October 1: Annual Dues due.
 - C. October 15: Past-Due invoice sent.
 - D. October 31: Certified letter warning of Membership termination or inactive status.
 - E. November 15:
 1. EPA-Registered Producers and Marketers: Placed on Inactive List.
 2. All others: Membership terminated.
- II. Volume Dues:
- A. January 15, April 15, July 15, and October 15: Quarterly Reports are due on-line without prompting.
 - B. January 31, April 30; July 31, October 31:
 - Quarterly Volume Dues if owed, are due and payable.
 - If failure to either report or pay: Certified letter warning of Membership termination or inactive status.
 - C. February 15, May 15, August 15, and November 15: Director or Operations determines delinquent Member is either:
 1. Active Producers or Marketers: Membership is Terminated. Legal counsel sues for Past Dues; \$25,000 penalty, plus continuing prospective payment of Volume Dues amounts; or
 2. Inactive Producers: Placed on Inactive Membership Status: During Inactive Membership:
 - Dues payable on that date will be posted as an Account Receivable on NBB's books; and further Dues will stop accruing.
 - That A/R will be written off upon one of these four events:
 - Inactive Member voluntarily terminates EPA Registration.
 - EPA involuntarily terminates its EPA Registration.
 - A/R is discharged in bankruptcy.
 - Member will be moved from NBB's roster of Active Members to Inactive Members roster posted on NBB's website.
 - Will be denied access to "Members Only" portion, NBB website.
 - Will be denied Membership rates to NBB conferences and meetings.
 - Will be denied Voting rights at NBB conferences and meetings.
 - Will be denied participation in NBB committees.
 - Company's voting Delegate and Alternate will be removed from those positions.
 - The company's Voting Delegate or Alternate, if already serving, will be removed from NBB's Governing Board.
 - During Inactive Membership, Legal Counsel at direction of DOO, shall:
 - Attempt personal contact with the principal of the Delinquent Member; encouraging voluntary Termination of EPA Registration.

- Quarterly check for corporate dissolution of all Inactive Members. Urge EPA to terminate the EPA Registration of any Producers found to have dissolved.
- Public Membership appeal: During Inactive Membership, NBB will post notice on its website appealing to Active Members: Please notify NBB Director of Operations of any credible evidence that an Inactive Member is in fact producing or selling Biodiesel.
- Production recommencement. Removal from Inactive Membership: Upon receipt of credible proof of Inactive Member's recommencement of biodiesel production or marketing. NBB will invoice the Producer Member for its delinquent Dues A/R; and will restart the regular collection of Dues and Quarterly Reports. Within thirty (30) days of invoicing, one of two steps will be taken:
 - Upon payment of all dues owed, NBB will restore company to Active Membership and all benefits thereof.
 - In the absence of payment of all dues owed, company will be treated as a Non-Member under the Member Payment Agreement for Access to Health Effects Data, to-wit: Membership will be terminated; the company shall immediately owe \$25,000 to NBB; together with quarterly payments of those per-gallon amounts which would be paid as NBB dues if company were an NBB Active Member. NBB will sue viable companies for collection of unpaid amounts.

D. Standing NBB Policy: Upon presentation of Producer's or Marketer's written proof of cessation of manufacture or marketing of EPA-registered biodiesel and written proof of termination of EPA registration, NBB will impose no further dues or charge; will terminate Membership; and will forgive past dues, canceling the A/R on its books.

Adopted this 9th day of March, 2009



Secretary, National Biodiesel Board

Effective Date: As soon as practically feasible, given the need:

- 1) To draft a transition plan; and
- 2) To staff up to handle the new duties.

**NATIONAL BIODIESEL BOARD
MEMBER DUES ENFORCEMENT
POLICY**

Company Information

Company: _____

Membership class: _____

Federal Tax ID Number: _____

Company Officers:

1. _____ Title: _____

Address: _____

Office Ph: _() _____ Office Fax: _() _____

Office E-mail: _____

2. _____ Title: _____

Address: _____

Office Ph: _() _____ Office Fax: _() _____

Office E-mail: _____

Designated accounting contact:

Name: _____ Title: _____

Address: _____

Office Ph: _() _____ Office Fax: _() _____

Office E-mail: _____

**NATIONAL BIODIESEL BOARD
MEMBER DUES ENFORCEMENT
AGREEMENT
(7/13/2007)**

On this date of [_____], in return for valuable consideration received, the undersigned member promises to pay the National Biodiesel Board, the sum of \$[_____] Dollars per annum, together with volume dues per quarter.

Terms of Minimum Annual Dues payment: payment is due in the amount of \$[_____] on October 1 of each year.

Late Fees for Dues payment: In the event that a payment due under this agreement is not made within fifteen (15) days of the time set forth herein, the member shall pay an additional late fee of \$150.00 and \$10.00 for each day thereafter.

Terms of Quarterly Volume Dues payment: payment and/or volume dues report is due the 15th of the month following each quarter.

Default - In the event the member fails to timely pay the dues as provided herein, the member agrees to the following:

Pay all costs and expenses incurred by the National Biodiesel Board, including all reasonable attorney fees (including both hourly and contingent attorney fees as permitted by law) for the collection of amounts due under this agreement upon default or enforcement of the Member Payment Agreement, and including reasonable collection charges (including, where consistent with industry practices, a collection charge set as a percentage of the outstanding balance of this agreement) should collection be referred to a collection agency.

Acceleration of Debt - In the event that the member fails to make any payment due under the terms of this agreement, or breach any condition relating to any National Biodiesel Board Bylaws or Policies, seeks relief under the Bankruptcy Code, or suffers an involuntary petition in bankruptcy or receivership not vacated within thirty (30) days, the entire balance due including annual dues, quarterly volume dues and any late fees accrued thereon shall be immediately due and payable to the National Biodiesel Board of this agreement. The defaulting member will be required to complete a Joint EPA Registration and NBB Membership Termination Form.

Modification - No modification or waiver of any of the terms of this Agreement shall be allowed unless by written agreement signed by both parties. No waiver of any breach or default hereunder shall be deemed a waiver of any subsequent breach or default of the same or similar nature.



Severability of Provisions - In the event that any portion of this agreement is deemed unenforceable, all other provisions of this agreement shall remain in full force and effect.

Interpretation and enforcement. The National Biodiesel Board is incorporated in the state of Iowa and this Agreement shall be interpreted under Iowa law. The parties stipulate that Des Moines, Polk County, Iowa is an appropriate and convenient forum for any legal action arising under this Agreement and you the member hereby consent and submit to the jurisdiction of the Iowa District Court for Polk County, Iowa for purposes of resolving all disputes arising under this Agreement.

NATIONAL BIODIESEL BOARD

By _____ Date _____

Signature

Printed Name

Title

MEMBER

Officer

By _____ Date _____

Signature

Printed Name

Title

NATIONAL BIODIESEL BOARD
MERGERS AND ACQUISITIONS AND NAME CHANGE POLICY
(Adopted 7/13/07)

Except for individual members, NBB Membership is granted to a legal entity.

NBB Membership is not transferable to a different legal entity.

Mergers; Consolidations; Acquisitions: If a non-surviving party to a merger, consolidation, or acquisition has paid minimum annual NBB dues for the year of the transaction, NBB shall credit that amount to the dues of any new NBB Member which results from the transaction. For purposes of the Volume Dues table, the new NBB Member will start anew at the bottom of the table.

Name Changes: Name changes that do not accompany a change in the legal entity of the NBB member will not require a new NBB Membership. NBB will presume that the legal entity has not changed if the majority ownership of the current NBB Member has not changed. If the legal entity has not changed, NBB will assist in EPA registration as the circumstances merit.

NATIONAL BIODIESEL BOARD
CHIEF EXECUTIVE OFFICER
COMPENSATION POLICY
(Adopted 7/13/2007)

In setting the Compensation of the National Biodiesel Board Chief Executive Officer (CEO), NBB will operate pursuant to this procedure:

- The Compensation Package will be determined by the full Governing Board.
- The Compensation Package will include all cash and non-cash compensation of all kinds.
- Either the full Governing Board or a committee thereof will first conduct a thorough evaluation of the CEO's performance.
- The Governing Board will obtain comparability data before fixing the compensation. Comparability data includes compensation levels paid by similarly situated organizations for functionally comparable positions. Relevant data will include similar positions in the United States; independent surveys by nationally recognized firms and written offers competing for the services of the staffer in question.
- The Governing Board will document the decision reached and the rationale for it; and will maintain those records for five (5) years.

NATIONAL BIODIESEL BOARD
MEMBER PAYMENT AGREEMENT
FOR ACCESS TO HEALTH EFFECTS DATA
(Revised 6/18/08)

Definitions:

1. "Biodiesel" means Mono Alkyl Esters of long-chain fatty acids that are derived from animal fats or vegetable oils and that meet the specifications of D-6751 or any legal successor.
2. "NBB" means the National Biodiesel Board.
3. "EPA" means the U.S. Environmental Protection Agency.
4. "Manufacturer" means the _____ Co., which is required to register its Biodiesel with the EPA under the Clean Air Act.
5. "Member" means a Member of the National Biodiesel Board.
6. "Non-Member" means an entity not a Member of the National Biodiesel Board.
7. "Health Effects Data" means information submitted by NBB to support the registration of Biodiesel with the EPA, demonstrating Biodiesel's satisfaction of EPA requirements for both Tier 1 and Tier 2 Health Effects testing pursuant to 40 CFR Part 79.
8. "Access" means NBB's letter to EPA stating that, pursuant to 40 CFR 79.56(c), NBB grants permission for Manufacturer to make use of all Tier I and Tier 2 testing data which NBB has previously submitted to EPA, and affirming that appropriate arrangements for reimbursement of testing costs have been made." For Associate Small Producer Members, access is limited to Tier I data.

Recitals:

1. Manufacturer is required to register its Biodiesel with the EPA pursuant to Clean Air Act regulations found at 40 CFR Part 79.
2. Such registration of Biodiesel requires the submission of Biodiesel Health Effects Data to the EPA.
3. To satisfy this requirement, Manufacturer may rely upon data submitted by another party, if that party is reimbursed for an appropriate portion of the costs it incurred to obtain and report such data. 40 CFR 79.56(c).
4. NBB has obtained and submitted to EPA all Health Effects Data required for Biodiesel satisfaction of both Tier I and Tier 2 testing requirements, at a cost of approximately \$2,200,000. NBB is entitled by EPA regulations to earn a reasonable profit and reasonable rate of interest on these testing costs over the 15-year reimbursement period.
5. Manufacturer desires access to the Health Effects Data submitted to EPA by NBB.
6. Manufacturer pledges to manufacture only Biodiesel which is fully compliant with ASTM D-6751 without reference to Section 1.3, Footnote A to Table 1, nor to any other exception which abrogates the substantive requirements of the standard.
7. It is NBB policy to provide Health Effects Data access to NBB Members at no charge as a benefit of membership.

8. Manufacturer is a Member of NBB or an Applicant for membership; and has already submitted an application for EPA registration of its Biodiesel.
9. It is NBB policy to charge an NBB Non-Member or former NBB Member a higher amount for access to Health Effects Data than a Member.
10. Although this policy is obviously designed to incent an EPA registration applicant to join NBB, it is not NBB's desire to irrevocably bind an applicant to NBB membership for up to fifteen years or to penalize an ex-Member for having quit NBB. In order to allow a Member to quit NBB without undue penalty but at the same time not provide an ex-Member with an unfair cost advantage over an NBB Member, it is fair to charge such an ex-Member exactly the same amount which NBB charges a non-Member for Access.

Agreement: NBB and Manufacturer therefore agree as follows:

1. **Health Affects Data** - NBB will upon admission to NBB membership, provide Manufacturer full access to its Health Effects Data, or Tier I access only for Associate Small Producer Members.
2. **Cost of Health Affects Data** - Member will be charged no further amount for access to Health Effects. Instead, Member will be charged Minimum and Volume Dues, neither of which represents Health Effects Data Access charges, as provided in the Bylaws.
3. **Cessation of Membership and Production** - If Manufacturer ceases to be a Member and before termination of membership has also ceased manufacture of EPA- registered Biodiesel, NBB will upon presentation of written proof of termination of EPA registration, impose no further charge upon the former Member.
4. **Treatment As Non-Member** - Alternatively, if at any time during the term of this Agreement, Manufacturer for any reason ceases to be a Member, and continues to manufacture Biodiesel, Manufacturer shall be treated as a Non-Member for purposes of access to NBB Health Effects Data. More specifically:
 - a. **Initial Payment** - Manufacturer shall within thirty (30) days thereafter pay to NBB the sum of \$25,000.
 - b. **Quarterly Payments** - From the date of membership termination until May 25, 2015, Manufacturer shall also shall quarterly pay to NBB a per-gallon amount which is identical to the per-gallon amount which would be paid as NBB dues if Manufacturer were an NBB Member on that date. These shall be the dues established in the NBB Bylaws, which Manufacturer understands may be revised from time to time. These volume dues amounts are payable upon all volume of biodiesel produced and upon all gallons purchased from a non-NBB member, whether or not intended for export, and whether or not imported from another country. In a toll-manufacturing situation, the party whose EPA Registration is being used for production shall be deemed the Manufacturer. For these purposes, all terms shall be construed as they are for payment of per-gallon dues to NBB. Within thirty days following the end of each calendar quarter, the Manufacturer shall remit to NBB both a copy of the quarterly report required by EPA pursuant to 40 CFR Part 79 and any report to IRS reflecting amounts of Biodiesel sold. If neither is required, Manufacturer shall remit to NBB an equivalent quarterly report on the form required by NBB. With the report, Manufacturer shall remit the per-gallon fee stated above.
 - c. **Production Cessation** - If at any time Manufacturer permanently ceases to produce Biodiesel registered with the EPA, Manufacturer shall in lieu of any further quarterly report notify NBB in writing of the gallons produced during the current quarter until cessation, and shall remit the one hundred twenty-five percent dues amount on those gallons. Upon receipt of that payment and written proof of termination of EPA registration, the per-gallon amount shall be discontinued.
 - d. **Escrow** - The \$25,000 lump-sum payment stated above shall, upon receipt, be deposited by NBB in a separate escrow account specifically identified to the Manufacturer making the deposit. Interest earned

on the escrow account shall be paid annually to the National Biodiesel Board, which may spend said funds for its general purposes. The principal amount shall be released from escrow only according to the following provisions:

- 1) If at any time prior to May 25, 2015 Manufacturer is tardy or noncompliant with the quarterly payments required at subparagraph (b) above, the entire principal amount of that Manufacturer's escrow account shall be forfeited and paid over to the National Biodiesel Board three (3) months after the date of last payment received.
 - 2) If at any time prior to May 25, 2015 Manufacturer permanently ceases to produce Biodiesel registered with the EPA, Manufacturer's escrow account shall continue to May 25, 2015, at which time it will be disposed of pursuant to the provisions herein.
 - 3) If at any time prior to May 25, 2015, Manufacturer is acquired by, merged into, consolidated with or in any other legal manner succeeded by a lawful corporate successor, that lawful corporate successor shall step into the shoes of the predecessor Manufacturer with respect to this escrow account.
 - 4) Disposition on May 25, 2015: If on May 25, 2015, Manufacturer has timely made all quarterly payments required herein, and if those quarterly payments have totaled at least \$25,000, then Manufacturer's \$25,000 in escrow shall be refunded to Manufacturer without interest. If not, Manufacturer's \$25,000 in escrow shall on May 25, 2015 be forfeited to National Biodiesel Board.
5. **Production During Noncompliance** - Manufacturer shall not while in violation of this Agreement continue to produce biodiesel that was registered by EPA by virtue of Access granted pursuant to this Agreement.
6. **Confidentiality** - Production or sales volumes as revealed by reports received and amounts paid shall be kept confidential pursuant to NBB policy adopted June 10, 1999.
7. **Right to Audit Books** - NBB shall have, until the payment of all sums hereunder, access to Manufacturer's books and records relevant to the enforcement of this Agreement. Entry onto premises and inspection of Manufacturer's books for these purposes shall not be denied during regular business hours. If at any time Manufacturer has underpaid NBB by more than ten percent (10%) of the amount due, Manufacturer shall be assessed and shall be liable for, the costs of this audit. All information accessed by the audit shall remain confidential under the NBB confidentiality policy
8. **Costs** - Should legal action be required to enforce payment by Manufacturer, Manufacturer shall indemnify the Board or reimburse the Board for any and all court costs, expenses, attorneys' fees and other necessary costs that may be incurred and expended in such proceedings, including collection efforts.
9. **Notices** - All written notices sent under this Agreement will be sent by certified mail, return receipt requested, or by facsimile. All such notices will be effective upon receipt. Subject to change upon ten (10) days written notice to the other party, all notices to NBB provided for in this Agreement will be addressed as follows:

Director of Operations
National Biodiesel Board
P.O. Box 104898
Jefferson City, MO 65110-4898
Facsimile No.: (573) 635-7913

and notices to Manufacturer will be addressed as follows:

- 10. No Warranty** - Manufacturer understands and accepts that the Health Effects Data submitted by the National Biodiesel Board was data submitted on Biodiesel that met the specifications of D-6751 or any legal successor. NBB disclaims all liability for, and Manufacturer shall hold NBB harmless, for any consequences of EPA action or inaction on Manufacturer's application for registration.
- 11. Waiver Affecting Performance** - The failure to take action with respect to any breach of any term or condition of this Agreement shall not be deemed to be a waiver of such term or condition. The acceptance of payments under the contract subsequent to a breach shall not be deemed to be a waiver of any breach of the contract.
- 12. Injunctive Relief** - Manufacturer acknowledges that any violation or threatened violation of the terms of this Agreement will cause irreparable injury to NBB and that, in addition to any other remedies that may be available, NBB shall be entitled to obtain injunctive relief against the threatened breach or continuation of any such brief, without the necessity of providing actual damages or posting bond.
- 13. Remedies Cumulative** - All remedies granted to either party by this Agreement shall be deemed cumulative of any remedy otherwise allowed by law.
- 14. Entire Agreement** - This Agreement sets forth the entire Agreement between the parties regarding access to NBB Health Effects Data. The parties agree that there are no other oral or written understandings or agreements between them regarding these matters, and that this Agreement supersedes any previous or contemporaneous oral or written understandings or agreements.
- 15. Amendment, Modification or Waiver** - No amendment, modification or waiver of any provision of this Agreement will be effective unless made in writing, and signed by the parties.
- 16. Severability** - If any provision of this Agreement is held invalid or unenforceable, that holding will not affect the validity or enforceability of the balance of the Agreement. Any provision of this Agreement held invalid or unenforceable will not be completely invalidated, but will instead be considered amended to the extent necessary to remove the clause of invalidity or unenforceability.
- 17. Governing Law** - This Agreement and any other documents related to it will be interpreted and enforced in accordance with the laws of the State of Iowa.
- 18. Consent to Jurisdiction and Venue** - The parties agree that any legal or equitable action for claims, debts, or obligations arising out of, or to enforce the terms of, this Agreement may be brought by NBB in the United States District Court for the Southern District of Iowa or in the District Court of Iowa for Polk County, Iowa and that either court shall have personal jurisdiction over the parties and venue of the action shall be appropriate in either court.
- 19. Agreement Not Assignable** - Neither party may assign its rights or its obligations under this Agreement to any other person or organization without the written consent of the other party.
- 20. Term** - This Agreement terminates upon the earlier of:
- a. May 25, 2015; or,
 - b. If earlier, when Manufacturer has ceased production of all Biodiesel registered with these data, Manufacturer has requested in writing to EPA, with a notarized copy to NBB, that its Biodiesel product registration be permanently rescinded, NBB has been provided all applicable notices, Manufacturer has ceased NBB membership, and all sums due NBB in connection with this Agreement have been paid in full.

NATIONAL BIODIESEL BOARD

By _____
Signature

Date _____

Printed Name

Title

PRODUCER

By _____
Signature

Date _____

Printed Name

Title

NATIONAL BIODIESEL BOARD
NON-MEMBER PAYMENT AGREEMENT
FOR ACCESS TO HEALTH EFFECTS DATA
(Revised 6/18/08)

Definitions:

1. "Biodiesel" means the Mono alkyl esters of long-chain fatty acids that are derived from animal fats or vegetable oils and that meet the specifications of D-6751 or any legal successor.
2. "NBB" means the National Biodiesel Board.
3. "EPA" means the U.S. Environmental Protection Agency.
4. "Manufacturer" means the Co. of (city, state) _____, which is required to register its Biodiesel with the EPA under the Clean Air Act.
5. "Member" means an entity represented on NBB by a voting Director.
6. "Non-Member" means an entity not represented on the National Biodiesel Board.
7. "Health Effects Data" means information submitted by NBB to support the registration of Biodiesel with the EPA, demonstrating Biodiesel's satisfaction of EPA requirements for both Tier 1 and Tier 2 Health Effects testing pursuant to 40 CFR Part 79.
8. "Access" means NBB's letter to EPA stating that, pursuant to 40 CFR 79.56(c), NBB grants permission for Manufacturer to make use of all Tier 1 and Tier 2 testing data which NBB has previously submitted to EPA, and affirming that appropriate arrangements for reimbursement of testing costs have been made.

Recitals:

1. Manufacturer is required to register its Biodiesel with the EPA pursuant to Clean Air Act regulations found at 40 CFR Part 79.
2. Such registration of Biodiesel requires the submission of Biodiesel Health Effects Data to the EPA.
3. To satisfy this requirement, Manufacturer may rely upon data submitted by another party, if that party is reimbursed for an appropriate portion of the costs it incurred to obtain and report such data. 40 CFR 79.56(c).
4. NBB has obtained and submitted to EPA all Health Effects Data required for Biodiesel satisfaction of both Tier 1 and Tier 2 testing requirements, at a cost of approximately \$2,200,000. NBB is entitled by EPA regulations to earn a reasonable profit and reasonable rate of interest on these testing costs over the 15-year reimbursement period.
5. Manufacturer desires access to the Health Effects Data submitted to EPA by NBB.
6. Manufacturer pledges to manufacture only Biodiesel which is fully compliant with ASTM D-6751 without reference to Section 1.3, Footnote A to Table I, nor to any other exception which abrogates the substantive requirements of the standard.
7. Manufacturer is aware that it is NBB policy to provide access to Members at no charge beyond regular dues as a benefit of membership.
8. Manufacturer is not a Member of or an Applicant for membership in the National Biodiesel Board.

Agreement: NBB and Manufacturer therefore agree as follows:

1. In consideration for access to Health Effects Data, Manufacturer will pay to NBB the following:
 - a. **Initial Payment** - Lump-sum: \$25,000, receipt of which is hereby acknowledged.

- b. **Quarterly Payments** – Also quarterly payments: From the date access is granted until May 25, 2015, Manufacturer shall quarterly pay to NBB a per-gallon amount which is identical to the per-gallon amount which would be paid as NBB dues if Manufacturer were an NBB Member on that date. These shall be the dues established in the NBB Bylaws, which Manufacturer understands may be revised from time to time. These volume dues amounts are payable upon all gallons of biodiesel produced and upon all gallons purchased from a non-NBB member, whether or not intended for export, and whether or not imported from another country. In a toll-manufacturing situation, the party whose EPA Registration is being used for production shall be deemed the Manufacturer.

For these purposes, all terms shall be construed as they are for payment of per-gallon dues to NBB. Within thirty days following the end of each calendar quarter, the Manufacturer shall remit to NBB both a copy of the quarterly report required by EPA pursuant to 40 CFR Part 79 and any report to IRS reflecting amounts of Biodiesel sold. If neither is required, Manufacturer shall remit to NBB an equivalent quarterly report on the form required by NBB. With the report, Manufacturer shall remit the per-gallon fee stated above.

- c. **Production Cessation** - If at any time Manufacturer permanently ceases to produce Biodiesel, Manufacturer shall notify NBB in writing within ten days. The per-gallon amount of subparagraph (b) above shall then be paid on all Biodiesel produced in that calendar quarter during which production ceased. Upon presentation of proof of permanent cessation of production, the per-gallon amount shall be thereafter discontinued and this Agreement shall be deemed terminated.
- d. **Escrow** - The \$25,000 lump-sum payment stated above shall, upon receipt, be deposited by NBB in a separate escrow account specifically identified to the Manufacturer making the deposit. Interest earned on the escrow account shall be paid annually to the National Biodiesel Board, which may spend said funds for its general purposes. The principal amount shall be released from escrow only according to the following provisions:
- 1) If at any time prior to May 25, 2015 Manufacturer is tardy or noncompliant with the quarterly payments required at subparagraph (b) above, the entire principal amount of that Manufacturer's escrow account shall be forfeited and paid over to the National Biodiesel Board three (3) months after the date of last payment received.
 - 2) If at any time prior to May 25, 2015 Manufacturer permanently ceases to produce Biodiesel registered with the EPA, Manufacturer's escrow account shall continue to May 25, 2015, at which time it will be disposed of pursuant to the provisions herein.
 - 3) If at any time prior to May 25, 2015, Manufacturer is acquired by, merged into, consolidated with or in any other legal manner succeeded by a lawful corporate successor, that lawful corporate successor shall step into the shoes of the predecessor Manufacturer with respect to this escrow account.
 - 4) Disposition on May 25, 2015: If on May 25, 2015, Manufacturer has timely made all quarterly payments required herein, and if those quarterly payments have totaled at least \$25,000, then Manufacturer's \$25,000 in escrow shall be refunded to Manufacturer without interest. If not, Manufacturer's \$25,000 in escrow shall on May 25, 2015 be forfeited to National Biodiesel Board.

2. **Production During Noncompliance** - Manufacturer shall not while in violation of this Agreement continue to produce biodiesel that was registered by EPA by virtue of Access granted pursuant to this Agreement.
3. **Confidentiality** - Production of sales volumes as revealed by reports received and amounts paid shall be kept confidential pursuant to NBB policy adopted June 10, 1999.

4. **Right to Audit Books** - NBB shall have, until the payment of all sums hereunder, access to Manufacturer's books and records relevant to the enforcement of this Agreement. Entry onto premises and inspection of Manufacturer's books for these purposes shall not be denied during regular business hours. If at any time Manufacturer has underpaid NBB by more than ten percent (10%) of the amount due, Manufacturer shall be assessed and shall be liable for, the costs of this audit. All information accessed by the audit shall remain confidential under the NBB confidentiality policy.
5. **Costs** - Should legal action be required to enforce payment by Manufacturer, Manufacturer shall indemnify the Board or reimburse the Board for any and all court costs, expenses, attorneys' fees and other necessary costs that may be incurred and expended in such proceedings, including collection efforts.
6. **Notices** - All written notices sent under this Agreement will be sent by certified mail, return receipt requested, or by facsimile. All such notices will be effective upon receipt. Subject to change upon ten (10) days written notice to the other party, all notices to NBB provided for in this Agreement will be addressed as follows:

Director of Operations
National Biodiesel Board
P.O. Box 104898
Jefferson City, MO 65110-4898
Facsimile No.: (573) 635-7913

and notices to Manufacturer will be addressed as follows:

7. **No Warranty** - Manufacturer understands and accepts that the Health Effects Data submitted by the National Biodiesel Board was data submitted on biodiesel that met the specifications of D-6751 or any legal successor. NBB disclaims all liability for, and Manufacturer shall hold NBB harmless, for any consequences of EPA action or inaction on Manufacturer's application for registration.
8. **Waiver Affecting Performance** - The failure to take action with respect to any breach of any term or condition of this Agreement shall not be deemed to be a waiver of such term or condition. The acceptance of payments under the contract subsequent to a breach shall not be deemed to be a waiver of any breach of the contract.
9. **Injunctive Relief** - Manufacturer acknowledges that any violation or threatened violation of the terms of this Agreement will cause irreparable injury to NBB and that, in addition to any other remedies that may be available, NBB shall be entitled to obtain injunctive relief against the threatened breach or continuation of any such breach, without the necessity of providing actual damages or posting bond.
10. **Remedies Cumulative** - All remedies granted to either party by this Agreement shall be deemed cumulative of any remedy otherwise allowed by law.
11. **Entire Agreement** - This Agreement sets forth the entire Agreement between the parties regarding access to NBB Health Effects Data. The parties agree that there are no other oral or written understandings or agreements between them regarding these matters, and that this Agreement supersedes any previous or contemporaneous oral or written understandings or agreements.
12. **Amendment, Modification or Waiver** - No amendment, modification or waiver of any provision of this Agreement will be effective unless made in writing, and signed by the parties.
13. **Severability** - If any provision of this Agreement is held invalid or unenforceable, that holding will not affect the validity or enforceability of the balance of the Agreement. Any provision of this Agreement held invalid or unenforceable will not be completely invalidated, but will instead be considered amended to the extent necessary to remove the clause of invalidity or unenforceability.

- 14. **Governing Law** - This Agreement and any other documents related to it will be interpreted and enforced in accordance with the laws of the State of Iowa.
- 15. **Consent to Jurisdiction and Venue** - The parties agree that any legal or equitable action for claims, debts, or obligations arising out of, or to enforce the terms of, this Agreement may be brought by NBB in the United States District Court for the Southern District of Iowa or in the District Court of Iowa for Polk County, Iowa, and that either court shall have personal jurisdiction over the parties and venue of the action shall be appropriate in either court.
- 16. **Agreement Not Assignable** - Neither party may assign its rights or its obligations under this Agreement to any other person or organization without the written consent of the other party.
- 17. **Term** - This Agreement terminates upon the earlier of:
 - a. May 25, 2015; or,
 - b. If earlier, when Manufacturer has ceased production of all Biodiesel registered with these data; when Manufacturer has requested in writing to EPA, with a notarized copy to NBB, that its Biodiesel product registration be permanently rescinded, NBB has been provided all applicable notices, and all sums due NBB in connection with this Agreement have been paid in full.

NATIONAL BIODIESEL BOARD

By _____ Date _____
 Signature

 Printed Name

 Title

MANUFACTURER

By _____ Date _____
 Signature

 Printed Name

 Title

INSTRUCTIONS FOR SUBMITTING YOUR APPLICATION

1. *Prior to completing your application*, please ensure that you have the most recent edition of this Membership Packet by visiting the website at <http://www.biodiesel.org/members/howtojoin/>.
2. If you have questions about the EPA Registration, call (202) 343-9303 or (202) 343-9754.
3. If you have questions about the IRS, call (800) 829-3676
4. Read Sections A through M thoroughly, and if appropriate to the type of application you are submitting, **either** Section N (Member Payment Agreement for Access to Health Affects Data) or Section O (Non-Member Agreement for Access to Health Affects Data) if you are applying as a Biodiesel Producer, Small Producer or Biodiesel Marketer.
5. Print or photocopy the five pages of this Application Form, and if appropriate, all pages of the applicable agreement form in Section N or O.
6. Complete, sign, and date all required forms, including Sections N or O, if applicable to your membership type.
7. Mail all required forms, as well as any company literature you wish to submit along with your check **for the correct pro-rated Member's Minimum Annual Dues** (see **Initial Dues Table on page 6 of Membership Application Form (Section Q)**) amount and made payable to National Biodiesel Board, to the following address:
National Biodiesel Board Attn: Director of Operations
605 Clark Avenue, P.O. Box 104898
Jefferson City, MO 65110-4898

CHECKLIST Application documents & requirements:

- *Completed Application (Section Q)*
 - *Check*
 - *Certificate of Good Standing*
 - *Written Narrative of Company Applicant*
 - *Member/Non-Member Agreement to Access Health Affects Data (Section N or O)*
 - *Member Dues Enforcement Agreement, signed. (Section K)*
 - *Member Dues Enforcement Policy, completed and signed. (Section J)*
 - *If required, Certificate of Analysis.*
 - *If required, location and accompanying information about additional biodiesel plants.*
6. You will be notified via mail when your application has been accepted and approved and Health Affects Data granted if applicable to your membership type.
 7. When you receive your EPA registration(s), copies must be submitted to NBB.

**NATIONAL BIODIESEL BOARD
MEMBERSHIP APPLICATION FORM**
(Revised 10/31/2007)

PLEASE PRINT CLEARLY AND COMPLETE ENTIRELY
Incomplete or illegible applications will be returned for correction prior to processing

A. **MEMBERSHIP CLASS.** This application is for a position on the National Biodiesel Board as (select only one):

1. Voting **Member**

Applicant is a:

- Feedstock Producer - \$10,000 annual dues
- Feedstock Producer Organization - \$10,000 annual dues
- Biodiesel Producer* - \$5,000 minimum annual dues
- Biodiesel Marketer - \$5,000 minimum annual dues

2. Associate (**Non-Voting**)

Applicant is a:

- Small Producer* - \$2,500 minimum annual dues
- Organization - \$2,500 annual dues
- Individual - \$500 annual dues

B. COMPANY NAME ORGANIZATION NAME INDIVIDUAL NAME

(Note: Please check which applies)

Name _____

Physical address:

Street/Suite/Apt #: _____

City _____ State _____ Zip _____

Mailing address:

Street/Suite/Apt #: _____

City _____ State _____ Zip _____

Applicant Name _____

Office Phone (_____) _____

Office Email _____

Company Website _____

*** Required to register with EPA pursuant to the requirements of 40 CFR Part 79**

C. COMPLETE IF APPLYING AS A COMPANY OR ORGANIZATION.

The following information **must be completely and clearly provided.**

Note: Please answer the questions below as they apply to your membership category.

1. What is the name of your applicant company/organization?

2. What is your name and your company/organization title/position?

3. Who are the principal owners of your company or organization? (List corporate or individual names)

4. What is the form of your business (corp., LLC, partnership, proprietorship, individual)?

5. ****REQUIRED**** In what state is your business or organization chartered (registered or incorporated)?

_____. **Please attach a Certificate of Good Standing from that state (obtained from your State's business unit; I.E. the Secretary of State or Department of Revenue).**

6. What is the aggregate annual sales volume of all products (not just biodiesel) in your entire company structure, including all parent and subsidiary organizations?

\$ _____

7. If applying for a Producer or Small Producer membership:

a. Is your company already producing Biodiesel? _____

b. At your own plant or at a toll-manufacturing plant? _____

c. Location of Plant: Street Address; City; State; Nation:

d. Current name plate capacity _____

e. Date it commenced production _____

f. If not yet producing, estimated date of registration with the EPA _____

If more than one plant, please attach required information about other plants on separate attachment.

8. ****REQUIRED**** Provide a brief narrative about your company or organization in terms of history, present situation, and goals with respect to commercial biodiesel production or marketing, or as an entity or individual with an economic interest in commercial biodiesel success. You may also submit your company or organization's literature with your application. **Please attach a written narrative.**

9. Related Companies: NBB Bylaws do allow membership of more than one company within a corporate family. However, relationships to other member companies within a controlled group will be disclosed when a Voting Delegate or Alternate stands for election to the Governing Board. Are any other companies within your corporate family already a member of NBB? _____
YES ____ NO

If so, what company or companies? _____

D. COMPLETE IF APPLYING AS AN INDIVIDUAL

The following information **must be completely and clearly provided.**

1. Provide a brief narrative about yourself in terms of your background, why do you want to become a member of the National Biodiesel Board (Purpose) and what are your goals as to being a member of the National Biodiesel Board. (Attach narrative if needed).

E. REASONS FOR JOINING NBB:

I/My company is applying for this NBB Membership because (check all that apply)

- Mutual, industry-wide promotion of biodiesel will benefit all.
- Biodiesel requires industry-wide standards.
- The consumer needs more confidence in a reliable, uniform product.
- The industry needs to speak with one voice on common regulatory issues.
- Biodiesel needs better governmental support to be successful in the market.
- Other _____

F. AFFIRMATIONS:

I or my company attests that:

1. I have read and concur with all requirements stated in the NBB Directorship Admission Policy and with all lawful future amendments thereto.
2. If a Producer or Small Producer not yet registered with the EPA. I understand that, even if admitted to membership now, my company will not be granted access to NBB's Health Effects Data until NBB is presented proof of actual commercial production of B100 eligible for EPA Registration.
3. I further attest that, if admitted, my company and I will:
 - a. Commit to full and faithful participation in the NBB.
 - b. Abide by the NBB Articles, Bylaws, and policies.
 - c. Cooperate with other NBB members to accomplish the goals of the NBB, complying as we do with the governing documents of the NBB as they now exist or in the future may be lawfully amended.
 - d. If a Biodiesel Producer, Small Producer, or Biodiesel Marketer, remit NBB dues truthfully according to the volume of biodiesel marketed together with quarterly statements of biodiesel sales verified by two officers of the company.
 - e. Remit dues to NBB within thirty days of receipt of dues invoice.
 - f. Abide with the NBB Member Dues Enforcement Policy and cooperate with any NBB Volume Dues Audit. If found to have underpaid dues, I will promptly remit all unpaid dues and if required the cost of the audit.

- g. Comply with the NBB Code of Ethics, the NBB Antitrust Compliance Policy, and the NBB Fuel Quality Policy as they now exist or in the future may lawfully be amended.
- h. Affirm here that except as hereafter noted, neither Applicant nor any of its key employees has been found by any court of competent jurisdiction to have intentionally sold inferior biodiesel, or to have engaged in fraudulent, deceptive, or other illegal conduct that undermines consumer confidence I biodiesel.
If so, explain _____

G. COMMITTEE PREFERENCE

VOTING MEMBER ONLY: The member representative from this company selects their preference for a committee assignment as follows (please check the desired committee):

NOTE: For additional information, visit our website; see NBB Bylaws-Article IV Titled Committees <http://www.biodiesel.org/members/info/>

PRIMARY DELEGATE

Technical _____ Marketing _____ Regulatory _____ Trade _____

ALTERNATE DELEGATE

Technical _____ Marketing _____ Regulatory _____ Trade _____

H. INVESTMENT OPPORTUNITIES

Please note if the company has any investment opportunities. NBB will provide this information to interested parties with the approval of the member company.

I. DESIGNATION OF DELEGATE AND ALTERNATE: (For Feedstock Producers, Feedstock Producer Organizations, Biodiesel Producers and Biodiesel Marketers, this will be a Voting Delegate. For all others, this will be a NonVoting Delegate). **** NOTE-each delegate & alternate is required to provide an email address to receive a user name/password for the Members-only website.**

Applicant hereby designates as:

Delegate: _____

Name

Member/Business Address:

Street _____

City _____ State _____ Zip _____

Office Ph: (____) _____ Office Fax (____) _____

Mobile (____) _____ Home Ph: (____) _____

****Required**-Delegate Email _____ Other _____

In the event the above Delegate cannot attend a Membership meeting, there is hereby designated:

Alternate: _____

Name

Member/Business Address:

Street Address _____

City _____ State _____ Zip _____

Office Ph: (____) _____ Office Fax (____) _____

Mobile (____) _____ Home Ph: (____) _____

****Required** Alternate Delegate Email _____ Other _____

The above persons and no others are designated in the alternative to act and, if Applicant is a Voting Member, to vote for Applicant in its name at any and all regular and special Membership meetings of the National Biodiesel Board, in transacting any business as may come before such Membership meeting including but not limited to election of Directors. All previous designations are hereby revoked. This document, unless revoked and replaced, shall remain in force until membership has ended. It may be revoked at any time.

Applicant

By: _____

Date

Title

Attachments:

- Certificate of Good Standing
- Written Narrative of Company Applicant
- Member Dues Enforcement Agreement, signed
- If required, location and accompanying information about additional biodiesel plants

I submit herewith a check payable to National Biodiesel Board for Minimum Annual Dues. Such dues payment may be prorated by NBB Fiscal Year quarter in which Directorship will be granted.

NBB's Fiscal Year runs from October 1st to the following September 30th. Therefore, NBB quarters run as follows:

1st: Oct. 1 – Dec. 31; **2nd:** Jan. 1 – Mar. 31; **3rd:** Apr. 1 – Jun. 30; **4th:** Jul. 1 – Sep. 30

Payment should be made in compliance with the following:

Initial Dues Table

If Joining NBB As:	If Joining NBB Between:			
	Oct. 1 – Dec. 31	Jan. 1 – Mar. 31	Apr. 1 – Jun. 30	Jul. 1 – Sep. 30
Feedstock Producer	\$10,000	\$7,500	\$5,000	\$2,500
Feedstock Producer Organization	\$10,000	\$7,500	\$5,000	\$2,500
Biodiesel Producer	\$ 5,000	\$3,750	\$2,500	\$1,250
Biodiesel Marketer	\$ 5,000	\$3,750	\$2,500	\$1,250
Small Producer	\$ 2,500	\$1,875	\$1,250	\$ 625
Organization	\$ 2,500	\$1,875	\$1,250	\$ 625
Individual	\$ 500	\$ 375	\$ 250	\$ 125

By my signature below, I/my company hereby submit(s) this application to the National Biodiesel Board for Membership. I/we assert the truth of all above statements and attest that I have full authority on behalf of the above-listed Applicant to do so.

Submitted this ____ day of _____, 200__.

Signature

Printed Name

Printed Title

On behalf of _____
Applicant