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one, two, and three years, as determined by the Secretary.

(b) No member may serve more than two consecutive full terms.

§ 63.107 Compensation.

Board members shall serve without compensation, but shall be reimbursed for their reasonable travel, subsistence, and other necessary expenses incurred in performing their duties as members of the Board.

§ 63.108 Removal.

If the Secretary determines that any person appointed under this part fails or refuses to perform his or her duties properly or engages in acts of dishonesty or willful misconduct, the Secretary shall remove the person from office. A person appointed under this part or any employee of the Board may be removed by the Secretary if the Secretary determines that the person's continued service would be detrimental to the purposes of the Act.

§ 63.109 Procedure.

(a) At a Board meeting, it will be considered a quorum when a simple majority of the voting representatives are present.

(b) A decision of the Board shall be made by a majority of the voting members of the board.

(c) The Board shall meet not less than once each fiscal year at the call of the chairperson or at the request of the executive director.

(d) The location of the meeting shall be established by the Board.

(e) A chairperson shall be selected from among the voting members of the Board and all serve a term of office of two years.

(f) All Board members and the Secretary will be notified at least 30 days in advance of all Board meetings, unless an emergency meeting is declared.

(g) In lieu of voting at a properly convened meeting and, when in the opinion of the chairperson of the Board such action is necessary, the Board may take action if supported by a simple majority of the Board representatives by mail, telephone, electronic mail, facsimile, or any other means of communication. In that event, all representatives must be notified and pro-

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vided the opportunity to vote. Any action so taken shall have the same force and effect as though such action had been taken at a properly convened meeting of the Board. All telephone votes shall be confirmed promptly in writing. All votes shall be recorded in Board minutes.

(h) There shall be no voting by proxy.

(i) The organization of the Board and the procedures for conducting meetings of the Board shall be in accordance with its bylaws, which shall be established by the Board and approved by the Secretary.

§ 63.110 Powers and duties of the Board.

The management of the NSIIC shall be vested in the Board of Directors. The Board shall have the following powers and duties:

(a) Be responsible for the general supervision of the NSIIC;

(b) Review any grant or contract agreement to be made or entered into by the NSIIC and any financial assistance provided to the NSIIC;

(c) Make the final decision, by majority vote, on whether or not to provide grants to an eligible entity in accordance with the strategic plan;

(d) Develop and establish a budget plan and long-term operating plan to carry out the goals of the NSIIC;

(e) Adopt, and amend as appropriate, bylaws as necessary for the proper management and functioning of the NSIIC;

(f) Provide a system of organization to fix responsibility and promote efficiency in carrying out the functions of the NSIIC;

(g) Appoint and establish compensation for an executive director, who will serve at the pleasure of the Board, to be the chief executive officer of the NSIIC;

(h) Appoint other officers, attorneys, employees, and agents as necessary and set forth their respective duties and powers;

(i) Delegate, by resolution, to the chairperson, the executive director, or any other officer or employee any function, power, or duty of the Board—other than voting on a grant, contract, agreement, budget, or annual strategic plan; and

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(j) Consult with the following entities to carry out this part:

- (1) State departments of agriculture;
- (2) Federal departments and agencies;
- (3) Nonprofit development corporations;
- (4) Colleges and universities;
- (5) Banking and other credit-related agencies;
- (6) Agriculture and agribusiness organizations, and
- (7) Regional planning and development organizations.

§ 63.111 Prohibited activities.

The Board may not engage in, and shall prohibit the employees and agents of the Board from engaging in:

- (a) Any action that is a conflict of interest under § 63.112;
- (b) Using funds to undertake any action for the purpose of influencing legislation or governmental action or policy, by local, State, national, and foreign governments, other than recommending to the Secretary amendments to the Order; and
- (c) Any activity that is false, misleading, or disparaging to another agricultural commodity.

§ 63.112 Conflict of interest.

(a) *In general.* Members of the Board shall not vote on any particular matter pending before the Board in which, to the knowledge of the member, an interest is held by the member, any spouse of the member, any child of the member, any partner of the member, any organization in which the member is serving as an officer, director, trustee, partner, or employee; or any person with whom the member is negotiating or has any arrangement concerning prospective employment or with whom the member has a financial interest, except as provided in paragraph (c) of this section.

(b) *Validity of action.* An action by a member of the Board that violates § 63.112 (a) shall not impair or otherwise affect the validity of any otherwise lawful action by the Board.

(c) *Disclosure.* If a member of the Board makes full disclosure of an interest and, prior to any participation by the member, the Board determines, by majority vote, that the interest is too remote or too inconsequential to affect

the integrity of any participation by the member, the member may participate in the matter relating to the interest, except as provided in paragraph (d) of this section. A member that discloses an interest under section § 63.112(a) shall not vote on a determination of whether the member may participate in the matter relating to the interest.

(d) *Remands.* The Secretary may vacate and remand to the Board for reconsideration any decision made if the Secretary determines that there has been a violation of this section or any conflict of interest provision of the by-laws of the Board with respect to the decision.

(1) In the case of any violation and remand of a funding decision to the Board, the Secretary shall inform the Board of the reasons for the remand.

(2) If a decision with respect to the matter is remanded to the Board by reason of a conflict of interest faced by a Board member, the member may not participate in any subsequent decision with respect to the matter.

NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER

§ 63.200 NSIIC establishment and purpose.

(a) There is hereby established a National Sheep Industry Improvement Center. The purpose of the Center shall be to:

(1) Promote strategic development activities and collaborative efforts by private and State entities to maximize the impact of Federal assistance to strengthen and enhance production and marketing of sheep or goat products in the United States;

(2) Optimize the use of available human capital and resources within the sheep or goat industries;

(3) Provide assistance to meet the needs of the sheep or goat industry for infrastructure development, business development, production, resource development, and market and environmental research;

(4) Advance activities that empower and build the capacity of the U.S. sheep or goat industry to design unique responses to the special needs of the