BYLAWS

OF

AIR-CONDITIONING, HEATING AND REFRIGERATION INSTITUTE (AHRI)

As approved by the AHRI Board of Directors on July 17, 2019.

ARTICLE I
NAME AND OFFICES

Section 1. Name.
The name of this organization shall be Air-Conditioning, Heating, and Refrigeration Institute (“Association” or “AHRI”).

Section 2. Offices.
The Board of Directors shall designate the location of the principal office of the Association. Other offices may be established at such times and in such locations as the Board of Directors or the business of the corporation may require. The records of the Association, including the minutes of meetings, shall be available for inspection and kept as required by Virginia law.

ARTICLE II
DEFINITIONS

As used in these Bylaws, the identified terms shall have the meanings set forth below:

1. "Manufacturer" means a legal entity that produces a Product within the scope of an Industry Sector of the Association, in whole or in part, or effects some substantial physical or functional change in the Product (including any substantial processing or assembling operation); and performs at least one of the following:
   a. principally designs the Product; or
   b. continuously sells the Product under its own trade name in substantial volume.

2. "Member" means a Manufacturer that has complied with the requirements for either Full, International, Affiliate, or Associate membership.

3. "Representative" means a person who is appointed by a Member to represent that Member in the Association.

4. "Alternate Representative" means a person appointed by a Member to represent that Member in its Representative's absence.

5. "Annual Sales" means the annual dollar volume of shipments of all products within the product
6. “Substantial Volume” means $1,000,000 or more in Annual Sales.

7. "Industry Sector" means a group of Members that manufacture products within the scope prescribed for that group by the AHRI Board of Directors under Article X of the Bylaws.

8. “Product” means a product within the scope of an Industry Sector established by the AHRI Board of Directors in accordance with Article VI of the Bylaws.


ARTICLE III
MEMBERSHIP

Section 1. Classification.

The membership of the Association shall consist of four classes, as follows:

a. Full Member. A Manufacturer that manufactures and sells in substantial volume a Product in North America. If admitted to membership, such membership shall include all divisions and branches of the Manufacturer that manufacture Products within the scope of any AHRI Industry Sector.

b. International Member. A Manufacturer that manufactures a Product outside North America and sells that Product in substantial volume in North America. International Members are entitled to participate in the activities of the Association to the same extent as a Full Member, subject to the following restrictions as follows:

- International Members are permitted to vote at the Industry Sector level and at a working group of the Industry Sector on issues relative to the Products they manufacture;
- International Members may not:
  - vote on North American public policy issues,
  - serve on the Board of Directors; or
  - initiate a certification program affecting Products sold in North America.

If admitted to membership, such membership shall include all divisions and branches of the International Member that manufacture Products within the scope of any AHRI Industry Sector, if those divisions or branches sell the Product in North America. To facilitate the conduct of AHRI meetings, International Members do not count in determining a quorum. This does not affect voting rights.

c. Affiliate Member. A Manufacturer that manufactures a Product outside North America in the scope of the Association, f.o.b. point of manufacture, less returns, allowances, rebates, and discounts. For Full Members, it includes all such products shipped except those produced abroad and not sold in North America. For International Members, it includes all products sold in North America. For Affiliate Members, it includes a description of all product types sold globally.
substantial volume and does not sell that Product in North America can apply to be an Affiliate Member of AHRI. Affiliate Members are entitled to participate in the activities of the Association to the same extent as Full Members, subject to the following restrictions as follows:

- Affiliate Members are permitted to vote at the Industry Sector level and at Industry Sector working groups on issues relative to the Products they manufacture;
- Affiliate Members may not:
  - vote on North American and international public policy issues;
  - serve on the Board of Directors; or
  - initiate a certification program covering Products sold in North America

To facilitate the conduct of AHRI meetings, Affiliate Members do not count in determining a quorum. This does not affect voting rights.

d. Associate Member. A Manufacturer that manufacturers a component (other than a Product within the scope of an AHRI Industry Sector) that is used in the production or operation of Products within the scope of one or more Industry Sector and that sells such product in substantial volume in the open market. Associate Members are entitled to attend, but not vote at, Industry Sector meetings and have the right to attend annual membership meetings of the Association and vote on the election of Directors-at-Large, but Associate Members do not have any other voting rights, and are not entitled to any other rights of Industry Sector membership, and Associate Members are not entitled to serve on the Board of Directors.

Section 2. Membership of Subsidiaries.

Subsidiaries that are a separate legal entity, that is owned, in whole or in part, by a Member and that is operated and managed as a separate corporate entity, is eligible to apply for and, if otherwise eligible, be admitted to separate membership under these Bylaws. Otherwise, such subsidiary shall be included in the sales volume of the parent Member. Separate membership of such a subsidiary shall not affect the right of the parent Manufacturer to retain or, if otherwise eligible for membership, to apply for admission to membership in its own name or in the name of a separate division or branch.

Section 3. Acquisition/Merger

Should a Member be acquired by another Member and become a division or branch of such other Member, the acquired Member shall cease to hold separate membership (and have separate voting rights) upon the effective date of such acquisition and shall thereafter participate under the name of the acquiring Member. Representatives of the acquired Members serving on the Board of Directors at the time of acquisition may continue to serve if this does not result in more than one voting representative from any Member, or any Members sharing a parent-subsidiary relationship, occupying a seat on the Board as provided in the Bylaws. Representatives of the acquired Member serving on Association committees may continue to serve out their terms on such committees if this does not result in more than one voting representative from any Member, or any Members sharing a parent-subsidiary or other corporate relationship, occupying a seat on the Association committee, irrespective of whether such committees also include Representatives from the acquiring Member.

Acquired Members that become a separate legal entity from the acquiring Member and that are
operated and managed as a separate corporate subsidiary may choose to retain separate membership from the acquiring Member under Section 2 of the Bylaws above.

Section 4. Application for Membership.
Application for membership shall be made by submitting a completed AHRI standard application form to AHRI. An applicant shall state the Industry Sector(s) for which it claims eligibility and shall agree to abide by the AHRI Bylaws. An applicant shall attach to the application a list of all Products it manufactures or sells that are within the product scope of an Industry Sector. An applicant shall, if requested, submit additional information as may be required to permit verification of eligibility by the Association. Each applicant for membership shall designate on the standard application form the name of its Official Representative and may designate Alternate Representatives in the Association, who shall represent, vote, and act for the Member in all the affairs of the Association. It is the Member’s responsibility to update this information for each Industry Sector in which it is a Member in a timely manner by notifying AHRI.

The Board of Directors or the Association staff shall have the power, upon request of a Member, to change the name of an existing membership where necessary to reflect changes in the corporate ownership or organization of a Member.

Section 5. Election of Members.
   a. Any Manufacturer applying for and meeting the requirements of membership shall become a Member upon being approved by a majority vote of the Board of Directors, such vote which shall be based on a determination that such Manufacturer meets the Association’s membership requirements, and payment of the initial membership dues.

   b. If an application for membership is not approved, the applicant may petition for a hearing. Such hearing shall be held by the Board of Directors as soon as practicable, but not later than the next regularly scheduled meeting of the Board, provided the petition is received by AHRI at least thirty (30) days before said meeting.

Section 6. Voting Privileges.
Except as otherwise specifically provided for in these Bylaws, each Member shall have one vote on all matters put to a vote of the membership. Committees, Working Groups, and Task Groups may consist of voting and non-voting Members, however, no more than one (1) representative from a Member, its subsidiaries, related companies, or parent companies or other may serve as a voting member on any one Committee, Working Group, or Task Force at any time.

Other than as a member of the Board of Directors, Industry Sector Councils, or any Board Committees, unless otherwise stated in these Bylaws, an Industry Sector Member may give a written proxy to vote and act for the Member to any other Member.

Section 7. Retention of Membership.
If a Member discontinues the sale or production of a Product that is the basis for membership and is not otherwise eligible for membership, its membership shall be terminated effective as of the earlier of: 1) the date notice of discontinuation is provided to the Association; or 2) the date the Member is notified by the
Association of its ineligibility.

Section 7. Resignation.
Any Member may resign from the Association at any time upon notice in writing to AHRI. Members who resign from the Association shall be liable, in addition to the payment of all past financial obligations incurred during membership, for the payment of all annual membership dues incurred for the year of resignation, with no pro-rating of such membership year.

Section 8. Suspension or Expulsion.
The membership of any Member may be suspended or terminated by the affirmative vote of two-thirds (2/3) of those present at any meeting of the Board of Directors, provided, however, that no such action shall be taken unless such Member is advised of the charges at least fifteen (15) days prior to the Board meeting and is given an opportunity to be heard at such meeting.

Section 9. Interest in Assets upon Termination of Membership.
Each Member’s interest, if any, in the funds, investments, and other assets of the Association shall immediately cease and terminate in the event that membership of such Member shall terminate for any reason. This being said, as a Virginia nonstock corporation, the Association has no shareholders or owners of any kind.

ARTICLE IV
 MEETINGS OF THE MEMBERSHIP

Section 1. Annual Meeting. A meeting of the membership of the Association shall be held annually. The exact time and place of said meeting shall be set by the Board of Directors.

Section 2. Special Meetings.
Special meetings of the membership of the Association may be called by the Chairman of the Board, or by a majority of the Directors, or by not less than twenty-five percent (25%) of the Members of the Association. At least seven (7) days written notice of a special meeting shall be given by mail, facsimile or email.

Section 3. Quorum and Voting Power.
Twenty-five percent (25%) of all Members present in person or by proxy shall constitute a quorum for the transaction of business at annual or special meetings of the membership, but a lesser number may adjourn to a fixed date. Except as otherwise provided in these Bylaws, action of the membership of the Association shall be by a majority of votes cast, provided a quorum is established.

Section 4. Parliamentary Procedure.
All meetings of the membership shall be conducted in a manner that is in accordance with the latest edition of Robert's Rules of Order.

Section 5. Voting without a Meeting.
Whenever any question shall arise which the Board of Directors determines should be put to a vote of the membership, and when it is deemed inexpedient to call a special meeting for such purpose, the Board may submit such matter to the membership by mail, facsimile or email for vote and decision. The question
presented shall be determined according to a majority of the votes received within fourteen (14) days after such submission to the membership, provided a quorum is established.

ARTICLE V
BUDGET AND MEMBERSHIP DUES

Section 1. Budget.
An annual budget of the anticipated total operating expense of the Association for the ensuing fiscal year shall be prepared by the staff of the Association with oversight by the Budget and Investment Committee and subject to the approval of the Board of Directors.

Section 2. Member’s Annual Sales Volumes.
Each Full, International, and Affiliate Member shall annually submit its Annual Sales Volume for all products within the scope of every Industry Sector for which it is eligible based on the prior twelve (12)-month period ending June 30.

Section 3. Membership Dues.

a. Membership Dues. The Association’s membership dues for each type of member shall be approved annually by the Board of Directors, and dues shall be apportioned among the Members of the Association based on each Member’s annual sales volume, a percentage thereof, or criterion for minimum membership dues payment.

b. New Member Dues. A new Member will pay a proportionate amount of the annual dues obligation for the remaining months of the year effective in the month of membership approval.

Section 4. Special Assessments.
By the affirmative vote of two-thirds (2/3) of those present and voting at a meeting of the Board of Directors, provided quorum is present, a special assessment may be approved to meet special emergencies or otherwise as may be deemed necessary for the general welfare of the Association. Such special assessment shall be apportioned among the Members of the Association based on each Member’s total annual sales volume or alternative criteria based upon apportioned payment of annual membership dues.

Section 5. Payment of Dues.
Membership dues for the subsequent fiscal year shall be billed to Members on or about December 1 of the prior year and shall be due and payable by February 1 of the subsequent year. On or about February 1, a notice shall be sent to all Members whose membership dues are unpaid. If the dues of any Member are still unpaid on March 1, the Member will be notified that its membership in the Association will be considered for termination for cause at the next meeting of the Board of Directors pursuant to the provisions set forth in Article III, Section 8. If so ordered by the Board, the Member whose dues are unpaid shall be dropped from membership and shall forfeit all rights and privileges of membership.

Section 6. Reserves.
The Board of Directors may set aside as a reserve for contingencies or may accumulate and add to the surplus
funds of the Association all or any part of the excess of revenues over expenditures.

Section 7. Fiscal Year.
The fiscal year of the Association shall be from January 1 to December 31.

Section 8. Indemnification of Officers and Directors.
The Association shall indemnify its officers, directors, and employees, to the fullest extent permitted by the Virginia Nonstock Corporations Act. The Association may purchase insurance in connection with such indemnification, but the Association’s indemnification obligations shall not be limited by such insurance.

ARTICLE VI
BOARD OF DIRECTORS

Section 1. Directors.
The Board of Directors shall consist of no more than fifteen (15) voting members, including the Chairman of the Board, the Vice Chairman of the Board, the Immediate Past Chairman, the Treasurer, and up to eleven (11) Directors-at-Large elected by the Association’s voting membership. Those persons eligible to be Members of the Board of Directors must be Member-company executive officers with profit and loss responsibilities. Only Fully Member company executives may serve as Directors-at-Large, as well as officers. No more than one (1) representative from a Member company or its subsidiaries or parent companies may serve as a voting member of the Board of Directors at any time.

Section 2. Ex Officio Directors.
The following individuals shall be eligible to be ex officio members of the Board of Directors, without voting privileges:

a. Advisory Members: The past Chairmen of Board of Directors, so long as they continue to be actively employed in management by Member companies.
b. The President of the Association.

Section 3. Term of Office.
With the exception of ex officio members of the Board, the term of office for members of the Board of Directors shall be one (1) year.

Other than as set forth in Article III Section 3 of these Bylaws, a Board member shall automatically cease to be a member of the Board of Directors on the effective date when the Board member changes Member company affiliation. The Board of Directors may re-elect such person to the Board for the unexpired portion of his or her term if otherwise eligible.

The Board of Directors in its discretion may remove any member of the Board for cause, including but not limited to, failure to attend at least one-half (1/2) of the Board’s meetings in any one (1) year, by the affirmative vote of two-thirds (2/3) of those present and voting at any meeting of the Board of Directors at
which a quorum is established.

Section 4. Nomination and Election.
A. Nomination of persons to serve on the Board of Directors shall be by the Nominating Committee. Designated seats on the Board of Directors shall be reserved for representatives of those Members whose annual membership dues and certification license fees exceed 5% of the Association’s total annual revenues. The Nominating Committee shall nominate a slate of persons to serve on the Board of Directors for election by the voting membership.

B. Prior to May 1 of each year, any Full Member may make suggestions for persons to serve on the Board of Directors to the Nominating Committee.

C. Prior to the October meeting of the Board of Directors, the Nominating Committee shall send to the entire membership the nominees for Board of Directors together with a letter-ballot for their approval. Election shall be by the membership by said letter-ballot. Each Member, in accordance with their membership rights, shall be entitled to one vote. Election shall be by a majority of votes cast. The term of the new members of the Board of Directors shall commence after the Annual Meeting of the Association.

Section 5. Vacancies.
Any vacancies for Directors-at-Large that may occur on the Board of Directors, including vacancies that occur after election but prior to taking office, may be filled by the Board for the unexpired term.

Section 6. Duties.
The Board of Directors shall control and manage the affairs of the Association, with authority to engage and discharge a President; admit, suspend, or expel members; create or terminate Industry Sectors or committees of the Association; elect officers; approve budgets and set a schedule of membership dues; hold meetings; and do all other things necessary and desirable in the conduct of business of the Association consistent with the Bylaws and their fiduciary duties owed to the Association.

Section 7. Election of Officers.
The Board of Directors, at its fall meeting prior to the annual meeting, after consideration of recommendations submitted by the Nominating Committee, shall elect from among the Director-at-Large members of the Board a Chairman, a Vice Chairman, a Treasurer, and Immediate Past Chairman. The term of the new officers will commence at the end of the Annual Meeting. Officers shall serve for a term of one (1) year, or until a successor has been elected, whichever is later. Only Full Member company executives may be elected to serve as officers.

Section 8. Meetings.
The Board of Directors shall meet in March and October and at such other times and places as it may determine, or as may be called by the Chairman. At least seven (7) days’ prior written notice of all meetings of the Board shall be given to every director by mail, facsimile, or email. Attendance at Board meetings shall be in person, and all guests present at Board meetings shall be by invitation only.
Section 9. Quorum and Voting Power.
The presence of one-half (1/2) of the members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, but a lesser number may adjourn to a fixed date. Except as otherwise provided in these Bylaws, action of the Board shall be by a majority of votes cast provided a quorum is present.

ARTICLE VII
COMMITTEES OF THE BOARD OF DIRECTORS

Section 1. Standing Committees.
Standing Committees assist the Board of Directors in the exercise of its duties by providing expertise and recommendations to the Board. The Board may not delegate any of its fiduciary responsibilities to Standing Committees. Decisions and recommendations by members of the Standing Committees shall be based on the best interests of the industry and the Association, rather than the interests of a particular Member. Standing Committees perform any work within their particular field that is assigned by the Bylaws or the Board of Directors, or that is referred to it by the Association.

There shall be the following Standing Committees:
- Certification
- Statistics
- Government Affairs
- International
- Public Affairs
- Research and Technology
- Standards Policy
- Strategic Planning
- Strategic Technology and Innovation

The Board of Directors shall prescribe the powers and duties of each Standing Committee, which may include the ability to establish heightened voting requirements for approval of specified issues within the scope of the Committee. Standing Committee members and Committee chairs shall be appointed annually for one (1)-year terms by the Chairman of the Board. Individual members of Standing Committees shall be representatives selected based upon areas of responsibilities for the Member manufacturer or their expertise specific to the scope of the Standing Committee, and voting shall be by Committee members present. Members shall be selected in a manner representative of the Association’s overall membership. No individual shall concurrently serve on more than two Standing Committees, and no individual shall serve as Chairman of a Standing Committee for more than two consecutive years without a finding of particular need by the Chairman of the Board of Directors.

a. Certification Committee - The Certification Committee approves all certification programs, recommends the development of certification programs to Industry Sectors, and continually reviews current
certification programs and directs such changes and improvements in administration procedures as will increase the value of AHRI certification programs to the industry and to the public. The Certification Committee oversees and directs the work of Compliance Committees. One Compliance Committee shall be established for each AHRI certification program.

b. Statistics Committee - The Statistics Committee advises the Board of Directors regarding statistics as prepared by or on behalf of Industry Sectors.

c. Government Affairs Committee - The Government Affairs Committee shall consist of sixteen (16) members, with the primary focus to monitor and influence policies and laws that impact the industry. It advises the Board of Directors on overall government affairs policy recommendations and sets priorities for Association staff in terms of level of effort and resource allocation. The Committee oversees Industry Sector government affairs policy and mediates differences between the Industry Sectors on government affairs issues.

d. International Committee - The International Committee advises the Board of Directors and develops programs supporting the expansion of global opportunities for Members by working to establish and maintain a free and fair marketplace in the United States and abroad, gathers and disseminates data related to import and export activities, and educates Members on foreign market needs and regulatory trends to assist the industry in competing effectively worldwide. The Committee’s primary focus is to support the expansion of international opportunities for Members by promoting the use of AHRI standards and certification programs and beneficial trade policies. The Committee also monitors and informs the Government Affairs Committee about policies, laws, and regulations developed by governments or international bodies outside of North America that impact the industry.

e. Public Affairs Committee - The Public Affairs Committee advises the Board of Directors and Industry Sectors on effective means to inform industry, government, and consumers of the industry’s and the Association’s beneficial impact. The Committee provides guidance to staff on the Association's public relations programs, including internal and external print and electronic communications, marketing, media relations, and meetings and events (including AHRI-specific meetings as well as AHRI’s participation in domestic and foreign trade shows). The scope excludes planning for International expos except logistics, messaging, and marketing for AHRI’s participation in those shows.

f. Research and Technology Committee - The Research and Technology Committee recommends measures and takes actions to promote research activities in order to strengthen the industry’s competitive position globally, and provides guidance and direction to staff concerning research and technology programs of the Association.

g. Standards Committee - The Standards Committee advises the Board of Directors regarding domestic and international standards and technical activities developed by Consensus Standards Project Committees or other sources requiring Board approval. It may initiate the formulation of standards upon its own initiative or when directed by the Board and grants final approval of standards. It shall have authority to appoint individuals to represent the Committee on groups outside of the Association engaged in standards activities of mutual interest.
h. Strategic Planning Committee - The Strategic Planning Committee advises the Board of Directors on long-range planning and other strategic issues. The Committee shall be chaired by the Immediate Past Chairman, once removed. The Vice Chair of the Committee shall be the Immediate Past Chairman. Other Committee members shall include the current Chairman of the Board, Vice Chairman of the Board, Advisory Members of the Board, and other Director-at-Large appointed annually by the Chairman of the Board.

i. Strategic Technology and Innovation Committee - The Strategic Technology and Innovation Committee advises the Board of Directors on strategic initiatives that impact the breadth of the Association, and its scope of work focuses on future-facing initiatives of cross-sector importance. The Committee is tasked with identifying and leading important work on emerging technologies and how they may impact the industry.

Section 2. Business Committees.
The Business Committees of the Board of Directors shall advise the Board on and perform work related to the operation and finances of the Association. Members of Business Committees shall make decisions and recommendations to the Board based on the best interests of the industry and the Association.

There shall be the following Business Committees:
- Audit
- Budget and Investment
- Compensation
- Exposition Policy
- Nominating.

a. Audit Committee - The Audit Committee will cause to be audited, as of the close of each fiscal year, the financial books and records of the Association and report the results to the Board of Directors. There shall be at least three Director-at-Large members of the Committee appointed annually by the Chairman of the Board with one (1) member being the Treasurer.

b. Budget and Investment Committee - The Budget and Investment Committee will be comprised of at least three (3) members, including the Vice Chairman, the Treasurer, the Chairman of the Audit Committee, and other Director-at-Large members appointed annually by the Chairman of the Board. The Committee is responsible for the development of the annual budget of the Association for the ensuing year and for reviewing and making recommendations to the Board of Directors regarding the Association’s investments.

c. Compensation Committee - The Compensation Committee is comprised of the Immediate Past Chairman of the Board, the current Chairman of the Board, the Vice Chairman of the Board, and the Treasurer. The Immediate Past Chairman of the Board shall serve as the Chairman of the Committee and the current Chairman of the Board shall serve as Vice Chairman of the Committee. The Compensation Committee will conduct an annual performance review of the President and recommends the President’s
proposed compensation to the Board of Directors. The Committee will review and provide guidance to the President regarding benefits, management development, organization structure, senior leadership development, and succession planning among other related topics.

d. Exposition Policy Committee - The Exposition Policy Committee will advise the Board of Directors on the AHR Exposition and will represent the Association on the joint related AHR Exposition Policy Committee. The Committee will meet with the exposition company that is responsible for putting on the exposition to consider matters relating to the conduct and operation of, programs for, and the selection of areas, cities, and dates for the AHR Expositions. The members of the Committee must represent Members that exhibit at the AHR Exposition and are appointed annually by the Chairman of the Board.

e. Nominating Committee - The Nominating Committee members will include the current Chairman of the Board, the Vice Chairman of the Board, and the Advisory Members of the Board. The Committee will be chaired by the Immediate Past Chairman of the Board, and the Vice Chairman of the Committee will be the immediate past Chairman of the Board once removed. The duties of the Nominating Committee will be to:

   i. Prepare a list of nominees for election as Directors-at-Large, in accordance with the provisions of Article VI, Section 4 of the Bylaws.
   ii. Recommend to the Board of Directors the individuals to be elected as officers of the Association by the Board of Directors.
   iii. Prepare a list of nominees for election as members of an Industry Sector Council, in accordance with the provisions of Article X, Section 1 of the Bylaws
   iv. Recommend to the Board of Directors recipients of any Association awards.

Section 3. Additional Committees.
The Chairman of the Board, with the advice and consent of the Board, may create and appoint the members of such other committees and add to existing committees as deemed desirable.

Section 4. Quorum and Voting.
Except as otherwise expressly provided with respect to the procedures of a particular committee, the quorum for all committees shall be half a majority of the members thereof. Committee action shall be by majority vote of those members present and voting, presuming a quorum is present. Standing Committee Members may assign a proxy in writing to another Member of the Committee, but no Committee Member is permitted to assign more than one proxy in a 365-day period.

ARTICLE VIII
ELECTED OFFICERS

Section 1. Chairman of the Board.
The Chairman of the Board shall preside at all annual and special meetings of the members of the Association and the Board of Directors and shall appoint the members of all Association committees unless otherwise provided in the Bylaws. The Chairman of the Board shall be an ex-officio member, without vote, of all
Standing Committees.

Section 2. Vice Chairman of the Board.
In the case of the absence or disability of the Chairman of the Board or in the case of a vacancy in the office of the Chairman of the Board, the Vice Chairman of the Board shall perform the duties of the Chairman of the Board until the next meeting of the Board of Directors. The Board then may, in its discretion, elect a new Chairman of the Board from among the Directors-at-Large.

Section 3. Treasurer.
The Treasurer shall have responsibility for the custody of the funds of the Association, keeping an account of all monies received and expended for the use of the Association, and making disbursements authorized by and in such manner as may be prescribed by the Board of Directors. The Treasurer shall be responsible for the deposit of all monies received by the Association in banks or other institutions designated by the Board of Directors and for recommending to the Board the investment of surplus funds. The Treasurer shall render a report at the annual meeting of the members of the Association.

At the expiration of his or her term of office, the Treasurer shall deliver to his or her successor all books, monies, or other properties belonging to the Association that may be in his or her custody or possession.

Section 4. Immediate Past Chairman.
While not an elected officer, the Chairman of the Board shall automatically accede to the office of Immediate Past Chairman immediately following his or her term as Chairman of the Board.

Section 5. Vacancies.
Any vacancies among the elected officers may be filled by the Board of Directors for the unexpired term.

ARTICLE IX
APPOINTED OFFICERS

Section 1. General.
A President, a Secretary, and one (1) or more Assistant Treasurers may be appointed by the Board of Directors, without the involvement or recommendation of the Nominating Committee, to serve for such length of time as the Board of Directors shall determine (there must be a President and Secretary so appointed). Subject to the terms of any applicable employment or other contracts, the Board of Directors may terminate the services of any such officers at its discretion. These offices may be held and the duties thereof discharged by one or more individuals, except that offices of President and Secretary may not be held by the same individual.

Section 2. President.
The President shall supervise and be responsible for the operation of the Association's office or offices and its personnel, keep its records confidential and in safe custody, and perform such other duties as may be assigned to him or her by the Board of Directors.

Section 3. Secretary.
The Secretary shall keep a permanent record of all proceedings of the membership of the Association, the Board of Directors, and all Industry Sectors and shall perform such other duties as may be assigned by the Board of Directors or the President.

Section 4. Assistant Treasurer.
The Assistant Treasurer shall, in the absence of or as assigned by the Treasurer, perform the duties of the Treasurer, and shall perform such other duties as may be required of him or her by the Board of Directors or the President.

ARTICLE X
INDUSTRY SECTORS

Section 1. Industry Sector Leadership Council.

a. Each Industry Sector shall have a Sector Leadership Council charged with advising the Board of Directors on the strategic priorities of the Industry Sector. The Sector Leadership Council’s program of activities shall be within the policies and objectives and is subject to the limitations and regulations adopted by the Board of Directors. The Board of Directors may review, modify or reject all proposed Sector Leadership Council or Industry Sector activities.

b. The Sector Leadership Council will consist of no more than 25 Member representatives, each serving two-year renewable terms. To qualify for participation in the Sector Leadership Council, the Member representative must have executive leadership responsibilities within their company and the authority to commit resources. No more than one (1) representative from a Member or its subsidiaries or parent companies may serve as a voting member on any one Sector Leadership Council at any time. Representative are selected by the Nominating Committee, and alternates are not permitted. Proxies are limited to one per Member per two-year term. All proxies must be in writing and given to the Sector Leadership Council Member who holds the proxy.

c. Nomination of persons to serve on the Sector Leadership Council shall be by the Nominating Committee. The Nominating Committee shall nominate a slate of persons to serve on each Sector Leadership Council for election by the voting membership of each Sector.

d. Prior to May 1 of each year, any Full Member may make suggestions for persons to serve on a Sector Leadership Council to the Nominating Committee.

e. Prior to the Annual Meeting, the Nominating Committee shall send to the membership of each Sector the nominees for the Sector Leadership Council together with a letter-ballot for their approval. Election shall be by the membership by said letter-ballot. Each Member, in accordance with their membership rights, shall be entitled to one vote. Election shall be by a majority of votes cast. The term of the new members will commence after the Annual Meeting.

f. Any vacancies that may occur on the Sector Leadership Council, including vacancies that occur after election but prior to taking office, may be filled by the Board of Directors for the unexpired term.
g. Sector Leadership Councils will meet at least twice a year, at time, location, and place at discretion of the Board of Directors. Guests are permitted only at the discretion of the Board of Directors.

Section 2. Industry Sector Organization and Composition.
The membership of the Association shall be divided into Industry Sectors, each of which shall set forth a scope of Products covered by that Industry Sector. The Board of Directors shall approve the formation of all Industry Sectors and shall approve each Industry Sector’s scope. At the discretion of the Sector Leadership Council for each Industry Sector, the Sector Leadership Council may organize sector subsections, committees, and working groups to help carry out its work, and the Sector Leadership Council may develop policies and procedures to govern such operations, subject to the approval of the Board of Directors.

Section 3. Membership and Participation.
Any Member of the Association shall be eligible for and shall be admitted to membership in an Industry Sector, if it qualifies as a Manufacturer as defined in these Bylaws of a Product included within the scope of that Industry Sector. While participation in the activities of such Industry Sector is not compulsory, such Member shall be liable to pay membership dues for its annual sales of Products within the scope of that Industry Sector.

Any Member of an Industry Sector not qualifying as a Manufacturer of a Product within the scope of another Industry Sector, but buying such Product from another Manufacturer and selling the Product under the Member's brand name, shall be eligible for membership in that additional Industry Sector. Members which wish to become members of an additional Industry Sector in this manner must report annual sales of the additional Product and pay related additional Industry Sector membership dues.

Section 4. Activities.
The program of activities of the Industry Sector shall be within the policies and objectives, and is subject to the limitations and regulations adopted by, the Sector Leadership Council and the Board of Directors. The Sector Leadership Council and the Board of Directors may review, modify, or reject all proposed Industry Sector activities. The Industry Sector will conduct its work and action activities in working groups, task groups, or committees.

a. Committees. The Sector Leadership Council may authorize the creation of committees.

b. Working Groups. Any Member can recommend the creation of a Working Group. Working Groups will be comprised of voting and non-voting members. Each Working Group of the Industry Sector will have a charter identifying the scope, deliverable, and timeline of the Working Group’s activities. Members eligible to vote at a Working Group are those Members who manufacture Products impacted by the scope of the work of the Working Group. The Association will invite Members to participate in Working Groups, and voting Members shall express their interest in participation prior the date that the roster of voting membership closes, as announced by the Association.

Voting Members may appeal votes of the Working Group to the Sector Leadership Council by submitting a written request to the Association within five (5) business days of the vote. The Sector Leadership Council will hear appeals at its next scheduled meeting, unless extenuating circumstances require earlier action.
Section 5. **Industry Sector-Specific Projects.**

Industry Sector-specific projects requiring outside services or expenditures must be approved by the Members of the Working Group of the Industry Sector. The Industry Sector approved expense shall be apportioned among the impacted Members of the Industry Sector based on each Member’s annual sales volume of products within the scope of the Industry Sector, or based upon an allocation otherwise approved by the Industry Sector Leadership Council. The expenditure and payment method of the specific project must be approved by a two-thirds (2/3) majority of votes cast, either in a meeting or by letter-ballot.

Section 6. **Legal Action**

No Industry Sector shall take legal action in the name of the Association, or raise funds for such legal action, without the approval of the Board of Directors. A two-thirds’ (2/3) votes cast by the Members who manufacture an impacted product is required to seek Board approval. Majority approval by the Board of Directors, presuming a quorum is present, is then required before the legal action may proceed.

If the impacted Members of the Industry Sector and Board of Directors approve the legal action in this manner, each Member of the Industry Sector who voted in favor of the legal action shall be assessed the cost to the Association of instituting and maintaining the legal action. Members of the Industry Sector who voted against the legal action may, at the Member's sole discretion, contribute an amount to cover a portion of the costs, in which case the cost of Members who voted in favor of the legal action shall be reduced accordingly.

For purposes of this section "legal action" means involvement in a judicial proceeding in either federal or state court, an international tribunal, or as amicus curiae. It does not include actions against the Association by private plaintiffs or administrative proceedings wherein the Association participates as a party.

Section 7. **Quorum and Proxies.**

The quorum requirement for Industry Sector Meetings shall be twenty-five percent (25%) of the membership of the Industry Sector. Minimum quorum requirements for Industry Sector Working Groups shall be set by the Industry Sector Leadership Council. Any Member of an Industry Sector may give a written proxy to vote and act for that Member to any other Member. Except as otherwise provided in these Bylaws or directed by the Board of Directors or Sector Leadership Council, action of an Industry Sector, subsection, committee, or working group shall be by a majority of votes cast, presuming a quorum is present.

**ARTICLE XI**

**AMENDMENTS**

Section 1. **Action by the Board of Directors.**

These Bylaws, or any part thereof, may be amended or repealed by the affirmative majority vote of the Board
of Directors (except that any amendment or repeal of Bylaws concerning membership dues is reserved to the membership of the Association exclusively), presuming a quorum is present. Action by the Board may take place at any regular or special meeting of the Board or by mail (U.S. mail, facsimile, or email) ballot as provided in Article IV Section 5 of the Bylaws. It shall not be necessary that the notice of said meeting contain a description of the proposed amendment or amendments, but the Board of Directors shall not be precluded from considering and adopting other amendments not contained in the notice of meeting.

Section 2. Action by the Membership.
These Bylaws, or any part thereof, may be amended or repealed by the affirmative vote of a majority of the total membership of the Association present in person or by proxy at a regular or special meeting of the membership or by mail (U.S. mail, facsimile or email) ballot as provided in Article IV Section 5. The notice of meeting shall contain a description of the proposed amendment or amendments.