

**BYLAWS
OF THE
NATIONAL ASSOCIATION OF ELECTRICAL
DISTRIBUTORS, INC.**

**ARTICLE I
OFFICES**

Section 1. The Corporation shall have and continuously maintain in the State of Connecticut a registered office, and a registered agent whose office is identical with such registered office, as required by the Connecticut Revised Nonstock Corporation Act.

Section 2. The Corporation may also have an office at such other place or places within or without the State of Connecticut, as the Board of Directors may from time to time determine.

Section 3. The Corporation shall be divided into territorial regions subdivided, in turn, into marketing areas to be determined from time to time by the staff of the Corporation in consultation with the Board of Directors.

**ARTICLE II
MANAGEMENT**

Section 1. Management of the Corporation's affairs shall be vested in a Board of Directors of up to twenty (20) persons elected as provided in these By-Laws, or as determined by the Board of Directors. Qualifications for members of the Board of Directors shall be determined from time to time by the Board of Directors.

Section 2. The composition of the Board of Directors and their respective terms of office shall be as follows:

(a) to serve on the Board of Directors for a term of one (1) year, or a term as determined by the Board of Directors:

Chair-Elect of the Board of Directors
Vice President-Elect of the Future's Group
Representative of LEAD
Chair of the NAED Education & Research Foundation, Inc.
A representative of the Non-Voting Members

(b) to serve on the Board of Directors for a term of two (2) years or a term as determined by the Board of Directors:

Chair of the Board of Directors
Past Chair of the Board of Directors
Vice President of the Future's Group
Chair of Finance Committee
Up to two (2) at-large members who would not qualify under
ARTICLE II, Section 2(b)(4) below

A representative of Industry Data Exchange Association (“IDEA”), who, from time to time, is engage in the business of electrical distribution

Up to three (3) members that are, at the time of nomination, employees of one of the NAED members that paid the top ten amount of dues to NAED during the immediately preceding full fiscal year of NAED.

(c) Only one employee of a voting and/or non-voting member may serve on the Board of Directors at the same time. By a majority vote of the voting members of the Board of Directors, an exemption may be made for the Chair of the NAED Foundation to serve concurrently as a Director when another Director from the same company is a Director.

Section 3. A quorum for any meeting of the Board of Directors shall be a majority of the Board members entitled to vote. A representative of a Non-Voting Member on the Board is not a voting director. The act of a majority of the voting directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required by these By-Laws or applicable law. Any and all directors may participate in a meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 4. Any vacancy in the Board of Directors may be filled for the unexpired term by majority vote of the Board voting directors.

Section 5. The officers of the Corporation shall be the Chair of the Board, the Chair-Elect, the President/Chief Executive Officer, the Future’s Group Vice President, the Vice President-Finance and the Secretary, and may include one or more Vice President(s).

- (a) the Chair of the Board shall serve for a term of one year or as otherwise determined by the Board of Directors, and shall continue to serve until his successor shall have been elected and qualified and shall have commenced to serve as Chair of the Board. The Chair of the Board shall, without compensation, perform such duties as the Board of Directors shall, from time to time, determine. The Chair of the Board shall commence their service in that office at the close of the first meeting of the newly elected Board of Directors at which they shall have been elected.
- (b) upon the commencement of service of their successor, the Chair of the Board shall automatically remain a member of the Board of Directors as the Past-Chair during the term of their elected successor.
- (c) upon removal, due to death, resignation or other causes, the duties of the Chair of the Board shall be assumed by the Chair-Elect. The assumption of such duties by the Chair-Elect shall not conflict with nor shorten the regular term of one year as Chair of the Board for which they were originally

elected. In the temporary absence of the Chair of the Board, the Chair-Elect shall serve in their stead as Chair of the Board and shall perform such other duties as the Board of Directors shall, from time to time, determine.

- (d) the Board of Directors shall employ a Chief Executive Officer and shall fix the Chief Executive Officer's compensation and other terms of employment. The Chief Executive Officer shall also hold the office of President. The Chief Executive Officer shall have charge of the administration of the affairs of the Corporation subject to the control, supervision and direction of the Board of Directors and the Chair of the Board. In the discharge of these duties and subject to the approval of the Board of Directors and the Chair of the Board the Chief Executive Officer shall be empowered to employ such other officers and employees as shall be necessary in their judgment for the efficient management of the Corporation's affairs.
- (e) the Future's Group Vice President and Future's Group Vice President-Elect shall commence their service at the close of the first meeting of the newly selected Board of Directors held in conjunction with the annual meeting of the Corporation after such person(s) has been elected. The Future's Group Vice President and Future's Group Vice President-Elect shall, without compensation, perform such duties as the Board of Directors shall, from time to time, determine.
- (f) the Chief Executive Officer, subject to the approval of the Board of Directors, may employ a senior financial officer and a Secretary, and fix their compensation and other terms of employment. The senior financial officer shall be custodian of all the Corporation's funds subject to the control of the Finance Committee and shall deposit such funds with any bank, trust company or financial institution approved by the Finance Committee. The Secretary shall perform such corporate secretarial and other duties as may be delegated to the Secretary by the Chief Executive Officer.
- (g) all Corporate checks under \$10,000 shall bear the signature of the Chief Executive Officer or one of such persons as may be designated by the Finance Committee. All Corporation checks of \$10,000 or more shall bear two signatures of a class of persons consisting of the Chief Executive Officer and/or such persons as may be designated by the Finance Committee.

Section 6. There shall be a Finance Committee of seven persons. The Committee members shall include the Chair of the Board, the Chair-Elect, the Past Chair of the Board, the Chair of the Finance Committee, the Chair of NAED Education & Research Foundation, Inc., the Chief Executive Officer and the senior financial officer.

- (a) the Finance Committee shall have control of and shall direct the disposition

and investment of the funds of the Corporation subject to the approval of the Board of Directors.

- (b) the Chair of the Finance Committee shall serve until their term shall have expired and their successor has been appointed and qualified.
- (c) the Board of Directors shall not undertake any expenditures nor make any appropriations from the capital funds of the Corporation without prior consultation with the Finance Committee.
- (d) the Chief Executive Officer shall prepare an operating budget for each fiscal year, submitting it to the Finance Committee for approval prior to the first day of July in each year. The Finance Committee shall then submit the said operating budget with its recommendations to the Board of Directors for approval.
- (e) the Finance Committee shall appoint a firm of certified public accountants to audit the accounts of the Corporation at least once each fiscal year.
- (f) the fiscal year of the Corporation shall commence on July 1st of each year and end on June 30th.

Section 7. There shall be an Executive Committee consisting of the Chair of the Board, the Chair-Elect, the Past Chair of the Board, the Chair of the NAED Education & Research Foundation Inc., the Chair of the Finance Committee, and the Chief Executive Officer of NAED, and such other person or persons as appointed from time to time by the Board of Directors. The Chief Executive Officer of NAED shall be an ex-officio non-voting member of the Executive Committee and shall not be counted for purposes of determining a quorum. All members of the Executive Committee shall have one (1) vote, other than the Chief Executive Officer of NAED and any representative of a Non-Voting Member. An Executive Committee quorum shall be a majority of its voting members. The Executive Committee may act by majority vote of all its voting members. Any and all Executive Committee members may participate in a meeting by, or conduct the meeting through the use of, any means of communication by which all members participating may simultaneously hear each other during the meeting. An Executive Committee member participating in a meeting by this means is deemed to be present in person at the meeting. The Chair of the Board shall serve as the Chair of the Executive Committee. Subject to any applicable provision of Section 33-1101 of the Connecticut Revised Nonstock Corporation Act the Executive Committee shall have and exercise all of the power and authority of the Board of Directors to make Board level decisions in any period between meetings of the Board of Directors. Any decision of the Board of Directors shall supersede any decision of the Executive Committee. Subject to the foregoing, and in order to assist in guiding the actions of the members of the Executive Committee rather than limit their powers, it is intended that the members of the Executive Committee will exercise their powers sparingly and that the members of the Executive Committee will not micro-manage the Corporation and its staff.

Section 8. There shall be a Performance Review Committee including the Chair of the

Board, the Chair-Elect, the Past Chair of the Board, and such other person or persons as appointed from time to time by the Board of Directors. The Performance Review Committee shall review and communicate to the Board of Directors the Chief Executive Officer's performance and such other personnel performance as directed by time to time by the Board of Directors. The Past Chair of the Board shall serve as Chair of the Performance Review Committee.

Section 9. The Board of Directors shall have the power to appoint special or other committees as it may from time to time deem necessary to carry out the work of the Corporation. Any such committee shall serve at the pleasure of the Board of Directors.

Section 10.

- (a) The provisions of this Section shall be in the nature of a contract between the Corporation and each of its directors and officers made in consideration of such person's continued service to the Corporation. The protection afforded to each director or officer by the provisions of this Section shall survive such person's term of office or employment. This Section may not be repealed, nor may the benefits to the directors and officers afforded hereby be diminished, except as to liability accruing in respect of acts or omissions occurring after the date of such repeal or modification.
- (b) The Corporation shall hold harmless and indemnify each director and officer to the fullest extent authorized or permitted by the applicable provisions of the Connecticut Revised Nonstock Corporation Act, as amended (which in its entirety, is hereinafter referred to as the "State Statute") or any other or additional statutory provisions which are hereafter adopted authorizing or permitting such indemnification.
- (c) The Corporation may purchase and maintain for the benefit of each officer and director, as named insured or additional insured, a policy or policies of general comprehensive liability insurance (covering claims arising out of death, illness or injury or arising out of property loss or damage) and director's and officer's liability insurance (covering claims arising out of wrongful acts or omissions) in respect of liabilities asserted against and/or incurred by its directors and officers in either such capacity or otherwise in the performance of their services for the Corporation.
- (d) In addition to the foregoing, and subject only to the exclusions set forth in Subsection (e) of this Article, the Corporation shall, to the fullest extent authorized or permitted by the provisions of Sections 33-1116 to 33-1125 of the State Statute, hold harmless and indemnify each director and officer:
 - (1) against any and all expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such director or officer in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of the Corporation) to which such director or officer is, was or at any time became a party, or is

threatened to be made a party, by reason of the fact that such director or officer is, was or at any time becomes a director, officer, employee or agent of the Corporation, or is or was serving or at any time serves at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise; and (2) otherwise to the fullest extent as may be provided to such director or officer by the Corporation under the provisions of Sections 33-1116 to 33-1125 of the State Statute.

- (e) Unless otherwise provided in the State Statute no indemnity pursuant to this Section shall be paid by the Corporation: (1) except to the extent the aggregate losses to be indemnified thereunder exceeds the coverage of any insurance including the insurance referred to in Subsection (c) of this Section; (2) on account of such director's or officer's conduct which is finally adjudged by a court having jurisdiction in the matter to have been knowingly fraudulent, deliberately dishonest or willful misconduct; (3) on account of such director's or officer's conduct which occurs after such officer or director ceases to serve as an officer or director of this Corporation or which occurs after such officer or director ceases to serve at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise; or (4) if a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful.
- (f) All agreements and obligations of the Corporation contained in this Section shall continue during the period the director or officer is a director or officer of the Corporation (or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as the director or officer shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal or investigative, by reason of the fact that they were a director or officer of the Corporation or was serving in any other capacity referred to in this Section.
- (g) To the extent permitted by law, the Corporation may contractually indemnify any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of any other Corporation or entity.

ARTICLE III **ELECTIONS**

Section 1. In conjunction with the annual meeting of the Corporation, or at any time prior thereto during each calendar year, the Board shall elect, as may be necessary because of expiring terms, the following to serve beginning at the end of that meeting and continuing until their term, as provided in the By-Laws, shall expire: (a) Chair-Elect of the Board; (b) Chair of the Finance Committee; (b) Future's Group Vice President-Elect (c) employees of the Corporation's

members described in ARTICLE II, Section 2(b)(4); (d) at-large members of the Board as described in ARTICLE II, Section 2(b)(2); (e) IDEA representative for the Board as described in Article II, Section 2(b)(3); (f) Future's Group members; (g) representative of LEAD; and (h) any other members as determined by the Board. The Chair-Elect of the NAED Education & Research Foundation, Inc. shall be elected by their respective Board.

Section 2. The Nominating Committee shall consist of three (3) persons to be composed as follows: the Chair of the Board, the Chair-Elect of the Board and the Past Chair of the Board. The Chief Executive Officer shall be an ex officio non-voting member of the Nominating Committee.

Section 3. It shall be the duty of the Nominating Committee to present nominations as their respective terms require of the Chair-Elect of the Board, Future's Group members, Chair of the Finance Committee, employees of members described in ARTICLE II, Section 2(b)(4), the LEAD Representative, the IDEA representative described in ARTICLE II, Section 2(b)(3), and the at-large members of the Board as described in ARTICLE II, Section 2(b)(2). The Nominating Committee shall establish criteria for the positions for which such nominations are presented. The Nominating Committee, when nominating employees of members described in ARTICLE II, Section 2(b)(4), shall give due consideration to the selection(s) of any council or committee of members described in ARTICLE II, Section 2(b)(4). However, this shall not preclude any voting member of the Board from making further nominations for any of the said officers prior to the elections.

Section 4. Except as otherwise determined by the Board of Directors, a person designated as a Chair-Elect or a Vice President-Elect shall automatically succeed to the office named at the expiration of their term as Chair-Elect, Vice President-Elect of the Future's Group, or Vice President-Elect.

ARTICLE IV **MEETINGS**

Section 1. The Corporation shall hold an annual meeting in each year at such time and place as may be designated by the Board of Directors.

Section 2. The first meeting of the newly elected Board of Directors in each year shall be the next Board of Directors meeting following the Board of Directors meeting held in conjunction with the annual meeting of the Corporation. Additional meetings of the Board of Directors shall be held on thirty (30) days' written notice and may be called at the request of five of the members of the Board, or the Chair of the Board, or the Chief Executive Officer, at such time and place as may be designated by them.

Section 3. Committee meetings shall be held when called by the Chair of the Committee or at the request of three (3) members of the Committee, subject, in each case, to the approval of the Chief Executive Officer. Any and all Committee members may participate in a meeting by, or conduct the meeting through the use of, any means of communication by which all members participating may simultaneously hear each other during the meeting. A Committee member participating in a meeting by this means is deemed to be present in person at the meeting.

Section 4. A majority of the members entitled to vote, present in person or by proxy, at any meeting of members, shall constitute a quorum for such meeting except as may be otherwise provided in these By-Laws or pursuant to applicable law. A majority vote of those present in person or by proxy at a duly constituted meeting at which a quorum is present shall be required for action except as may be otherwise provided in these By-Laws or pursuant to applicable law. Each and every action taken at any such meeting must be in conformity with applicable law, the Certificate of Incorporation, and the By-Laws of the Corporation or shall automatically be considered null and void.

Section 5. At any meeting of the Corporation, each Voting Member shall be entitled to one vote through its designated or alternate delegate. A vote on any question by any member of the Corporation or of any committee may be taken by mail, telephone, or other electronic device and such vote shall have the same force and effect as though given at a duly convened meeting.

Section 6. Before publication of or action on any reports, statements or resolutions of this Corporation or any of its component parts (including all communications of officers or members purporting to represent the Corporation), the same shall be approved by the Corporation's legal counsel. Moreover, any resolution adopted, motion carried or action taken by this Corporation, or any of its Committees which, in the opinion of legal counsel, is contrary to law, shall be for all purposes treated as null and void and shall be expressly so nullified and voided by the Board of Directors at its next meeting.

ARTICLE V
MEMBERSHIP CRITERIA FOR VOTING MEMBERS AND
FOR NON-VOTING MEMBERS

Section 1. Distributor Member. Any person or business entity that is a wholesale distributor of electrical industry products that meets all of the following qualifications may become a Voting Member. A wholesale distributor of electrical industry products is one that does not in the ordinary course of its business regularly sell used or remanufactured electrical industry products or complementary products purchased from sellers other than the original manufacturer of the products, and one that sells a majority in value of its electrical industry products and a majority in value of its other complementary products to persons or entities other than retail consumer end users markets. Sales of lighting products are considered sales of electrical industry products. To be so qualified, a wholesale distributor of electrical industry products must be a person or a business entity:

- (i) which owns, maintains and warehouses a stock of electrical industry products, the net value of which is not less than Two Hundred Fifty Thousand Dollars (\$250,000), not including any consigned stock; and
- (ii) whose annual sales of electrical industry products are not less than One Million Dollars (\$1,000,000); and
- (iii) whose sales of electrical industry products to affiliated or allied persons, business entities or to the officers, managers, partners, agents, or employees thereof do not, in the aggregate, exceed twenty percent (20%) of total sales during any calendar year; and
- (iv) a majority of whose sales of electrical industry products are to persons or business

entities other than electrical distributors; and

- (v) which maintains a selling organization of employees trained to promote, specify and quote on sales at wholesale of electrical industry products, and to handle all phases of service to customers including delivery, billing, expediting and after sales service; and
- (vi) which has been actively engaged in business as a wholesale electrical industry products distributor and qualified for Distributor Membership in all other respects for period of not less than one (1) year; and
- (vii) which regularly extends credit to purchasers of its products; and
- (viii) whose sales of electrical materials is the primary business focus through a dedicated employee electrical sales organization, as opposed to selling electrical products as an add on to another primary business focus; and
- (ix) whose wholesale sales of electrical products constitute a significant portion of their total product offering, which would include complementary products (i.e., industrial supplies, pipe, valve and fittings, plumbing and heating, hydraulics and pneumatics, hand and power tools, etc.) marketed and sold primarily via wholesale distribution and not into retail consumer end user markets.

Section 2. Associate Manufacturer Member. Any person or business entity which meets the following qualifications may become a Non-Voting Member (any such Non-Voting Member shall not have the right to vote on any matter whatsoever):

- (i) a person or business entity which is a producer (as defined in Article V, Section 2(v)) of electrical industry products which are sold through electrical distributors as one of its primary means to market electrical industry products; and
- (ii) a person or business entity which operates principally within the electrical industry, or suppliers that provide alternative energy solutions or services and otherwise qualify under this Section 2 within two (2) years of admission; and
- (iii) a person or business entity which provides products that are considered appropriate and in the best interests of the corporation's voting members; and
- (iv) any person or business entity which was in business at least one year prior to becoming a Non-Voting Member.
- (v) A producer is a person or business entity: (1) that manufactures the product or has the product produced by another entity to the producer's unique design and specifications; and (2) that sells the product through electrical distributors under the producer's own name or brand and has warranty responsibility and other responsibility for the product produced. A mere product reseller is not a producer.

Section 3. Associate Authorized Reseller Member. Any person or business entity which meets the following qualifications may become a Non-Voting Member (any such Non-Voting Member shall not have the right to vote on any matter whatsoever):

- (i) a person or business entity whose annual sales of electrical industry products to electrical distributors are fifty percent (50%) or more of such person or business entity's total sales during each calendar year; and
- (ii) one hundred percent (100%) of such person or business entity's sales of electrical industry products to electrical distributors during each calendar year are contractually authorized by the original manufacturer(s) of such electrical industry products.

Section 4. Allied Partner Member. Any person or business entity which meets the following qualifications may become a Non-Voting Member (any such Non-Voting Member shall not have the right to vote on any matter whatsoever):

- (i) a person or business entity that desires to operate within the electrical industry; and
- (ii) a person or business entity that provides a service or product that is considered appropriate and in the best interests of the National Association of Electrical Distributors, Inc. and its distributor members; and
- (iii) a person or business entity that is in business for at least one (1) year; and
- (iv) a person or business entity that either: (1) is technology-based and facilitates the existing channel of electrical distribution; or (2) provides beneficial and supplementary services or products to the National Association of Electrical Distributors, Inc. and a majority of its members while not to the detriment of other members and which does not produce or sell a tangible electrical product or commodity for resale.

Section 5. Prospective Distributor Member. Any person or business entity that is a prospective distributor of electrical industry products that meets all of the following qualifications may become a Non-Voting Member (any such Non-Voting Member shall not have the right to vote on any matter whatsoever). A prospective distributor of electrical industry products is one that does not in the ordinary course of its business regularly sell used or remanufactured electrical industry products or complementary products purchased from sellers other than the original manufacturer of the products, and one that sells a majority in value of its electrical industry products and a majority in value of its other complementary products to persons or entities other than retail consumer end users markets. Sales of lighting products are considered sales of electrical industry products. To be so qualified, a prospective distributor of electrical industry products must be a person or a business entity:

- (i) whose sales of electrical industry products to affiliated or allied persons, business entities or to the officers, managers, partners, agents, or employees thereof do not, in the aggregate, exceed twenty percent (20%) of total sales during any calendar year; and
- (ii) a majority of whose sales of electrical industry products are to persons or business entities other than electrical distributors; and
- (iii) which strives for annual sales of electrical industry products being not less than One Million Dollars (\$1,000,000); and
- (iv) which strives to own, maintain and warehouse a stock of electrical industry products, the net value of which is not less than Two Hundred Fifty Thousand Dollars (\$250,000), not including any consigned stock; and

- (v) which strives to maintain a selling organization of employees trained to promote, specify and quote on sales at wholesale of electrical industry products, and to handle all phases of service to customers including delivery, billing, expediting and after sales service; and
- (vi) which strives to regularly extend credit to purchasers of its products; and
- (vii) which strives for sales of electrical materials to be the primary business focus through a dedicated electrical sales organization, as opposed to selling electrical products as an add on to another primary business focus; and
- (viii) which strives for wholesale sales of electrical products to constitute a significant portion of their total product offering, which would include complementary products (i.e., industrial supplies, pipe, valve and fittings, plumbing and heating, hydraulics and pneumatics, hand and power tools, etc.) marketed and sold primarily via wholesale distribution and not into retail consumer end user markets.

A prospective distributor membership shall only be valid for a period of three years. At the end of such three-year period, the prospective distributor membership shall automatically expire.

Section 6. Prospective Manufacturer Member. Any person or business entity that is a prospective manufacturer of electrical industry products that meets all of the following qualifications may become a Non-Voting Member (any such Non-Voting Member shall not have the right to vote on any matter whatsoever):

- (i) a person or business entity which is a producer (as defined in Article V, Section 2(v)) of electrical industry products and desires to sell through electrical distributors as one of its primary means to market electrical industry products; and
- (ii) a person or business entity which operates within the electrical industry, or suppliers that provide alternative energy solutions or services and otherwise qualify under this Section 6 within two (2) years of admission; and
- (iii) a person or business entity which provides products that are considered appropriate and in the best interests of the corporation's voting members.

A prospective manufacturer membership shall only be valid for a period of three years. At the end of such three-year period, the prospective manufacturer membership shall automatically expire.

Section 7. Any person or entity that wishes to become a Voting Member or a Non-Voting Member shall complete from time to time such applications, certifications, references and other documents as prescribed by the Corporation. Approval of a membership application requires the unanimous affirmative vote of the voting members of the Executive Committee at a meeting or by written or electronic ballot.

Section 8. Affiliate Member. Any person or business entity that does not meet the eligibility criteria for membership in any of the preceding membership categories may become a Non-Voting Affiliate Member (any such Non-Voting Member shall not have the right to vote on any matter whatsoever) if:

- (i) the person or business entity is sponsored for Affiliate membership by at least 5 Distributor Members; and
- (ii) the person or business entity is supportive of the electrical products distribution channel and

whose membership is considered appropriate and in the best interests of the Association and its Distributor Members; and

- (iii) the person or business entity may not serve or participate on any board or board authorized committees.

Section 9. Membership Rights and Privileges. The Board of Directors may from time to time determine the rights and privileges of each category of membership, other than voting rights as stated in these By-Laws.

ARTICLE VI **INITIATION FEES AND DUES**

Section 1. Initiation fees, annual dues and special assessments shall be levied against and payable by Voting Members and by the Non-Voting Members in the manner and in the amounts determined from time to time by the Board of Directors.

ARTICLE VII **TERMINATION OF MEMBERSHIP**

Section 1. The membership of any member may be terminated in any of the following ways:

- (a) any member may resign by giving written notice to the Chief Executive Officer. The resignation shall thereafter be acted upon at the next meeting of the Board of Directors and, when accepted, shall be effective as of the date on which notice of the resignation was received by the Chief Executive Officer. Any member so resigning shall be liable for dues up to the date when the resignation becomes effective;
- (b) the membership of any member, who shall have been suspended for failure to make timely payments of annual dues or any special assessments, shall automatically terminate if such member shall fail to pay all dues and assessments owing within sixty (60) days after suspension. The Board of Directors may, in its discretion, extend the said period of sixty (60) days after suspension in which case the membership shall automatically terminate at the end of the extended period upon failure of the member to remedy its default;
- (c) any member who, in the opinion of the Board of Directors ceases to be qualified for membership, as defined in the Certificate of Incorporation and these By-Laws, shall, upon written notice to that effect by the Board of Directors cease to be a member of the Corporation. Any member whose

membership is terminated in this manner, shall be refunded its initiation fee and any prepaid dues for the period following the month in which notice of termination is given by the Board of Directors.

Section 2. A member whose membership has been terminated and who has applied for reinstatement of membership must include with any such application for reinstatement payment for any and all dues, fees or assessments that are due and owing to the Corporation.

ARTICLE VIII **CORPORATION ASSETS**

Section 1. The interest in the funds, investments and other assets of the Corporation of any member shall be the same as the interest of each other such member.

Section 2. Notwithstanding the foregoing, the interest of each member in the membership and other assets of the Corporation, whose membership shall terminate in any of the ways specified in ARTICLE VI of these By-Laws, or otherwise than through the dissolution of the Corporation, shall by the very act itself cease.

ARTICLE IX **AMENDMENTS**

Section 1. These By-Laws may be revised and amended:

- (a) by a majority of the Voting Members represented in person or by proxy at the annual meeting of the Corporation or a special meeting called for that purpose, or in accordance with Section 1(c) below, unless a higher percentage is required by applicable law; or
- (b) by the affirmative vote of two-thirds (2/3) of the voting members of the Board of Directors present at any regular meeting of the Board or at any special meeting of the Board, or in accordance with Section 1(c) below, if notice of the proposed amendment be contained in the notice of such regular or special meeting.
- (c) Any and all Voting Members, or voting directors as the case may be, may participate in a meeting by, or conduct the meeting through the use of, any means of communication by which all Voting Members or voting directors participating may simultaneously hear each other during the meeting. A Voting Member or voting director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 2. Any action required or permitted to be taken at a meeting of the Board of Directors, including but not limited to, amendment of these By-Laws, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors entitled to vote.

ARTICLE X
Future's Group

Section 1. There shall be a Future's Group. The Future's Group shall be responsible for identification and development of future NAED Board members, committee chairpersons and committee members; identification of future areas the industry should prepare for and through its leadership provide input to the Board of Directors; and other duties as prescribed by the Board of Directors.

Section 2. The Future's Group shall function within the By-Laws of the Corporation, the National Association of Electrical Distributors, Inc., Future's Group Bylaws, and shall be responsible to the Board of Directors for approval of its activities through the liaison of its Vice President who shall fully report to the Board of Directors.

Section 3. The National Association of Electrical Distributors, Inc. Future's Group Bylaws may be modified from time to time by the Board of Directors.

Effective: November 9, 2024