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***NORTH AMERICAN  
EQUIPMENT DEALERS  
ASSOCIATION***

**BYLAWS**

**Amended and Restated July 1, 2022**

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**NORTH AMERICAN EQUIPMENT  
DEALERS ASSOCIATION**

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# NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION

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## ARTICLE 1. GENERAL

### **Section 1. Name**

The name of the Association shall be the North American Equipment Dealers Association (the "Association").

### **Section 2. Location**

The Association may locate its office and headquarters or have such other offices, within or without the State of Missouri, as may be designated by the Board of Directors from time to time.

### **Section 3. Vision**

"To build the best business environment for equipment dealers."

### **Section 4. Mission**

"To provide essential value to our members by enhancing the dealer-manufacturer relationship and advocating for a positive legislative and regulatory environment."

### **Section 5. Purpose**

The Association is established and maintained to promote the general welfare of retail farm, industrial, construction, forestry, outdoor power, lawn and garden, and turf equipment dealers; to aid in the commercial and professional advancement of its Members; to collect, compile, and disseminate information and data of value or interest to its Members; to aid and protect its Members collectively in any and all of their proper business relations; to foster cooperation and fair practices between manufacturers, distributors, retail dealers, and customers; to encourage and support equitable practices and high business standards within the industry; to cooperate with other trade groups and organizations in matters of mutual interest and concern; to encourage and promote legislative activities; and to do all things properly within the scope of an association of retail equipment dealers. To enable the Association to carry out such purposes, it has the power to do any and all lawful acts necessary or convenient to conduct, promote, or attain the purposes herein set out. In addition to the foregoing, the Association has the power to engage in any lawful activity that is permitted for a corporation under the Missouri Nonprofit Corporation Act, Chapter 355 RSMo or any successor law applicable to the Association's activities as a not for profit corporation.

### **Section 6. Fiscal Year**

The fiscal year of the Association shall be July 1 through June 30 or as may be designated by the Board of Directors.

## ARTICLE 2. MEMBERSHIP AND DUES

### **Section 1. Membership Classifications and Qualifications**

Any person, firm, corporation, or other entity may apply for membership within one of the membership classifications as prescribed in these bylaws if the qualifications for membership in that membership classification are satisfied. The Board of Directors may provide for the waiver of qualifications for membership, except no waivers may be granted in connection with determining eligibility as a Dealer Member.

- 1.1 **Dealer Member.** This membership category is available to any business extensively engaged in the retail sale and service of agricultural, construction, industrial, forestry, outdoor power, lawn and garden, and/or turf equipment. In addition, the applicant shall (a) maintain an inventory of equipment and repair parts adequate to serve the needs of its

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customers with respect to the type(s) of equipment represented; (b) maintain a service department that repairs and services the type(s) of equipment sold and (c) have paid all dues required by Section 2 of Article 2.

Dealer Members have the right to vote in Association matters as prescribed in these bylaws.

- 1.2 **Affiliate Member.** This membership category is available to any association or organization that represents a substantial percentage of all retail equipment dealers in a particular state, region, province, or other geographic territory and whose primary purpose is to represent the interests of such dealers.

Affiliate Members do not have the right to vote in Association matters as prescribed in these bylaws.

- 1.3 **Associate Member.** This membership category is available to any person, firm, or corporation that provides specialized services to retail equipment dealers, including accounting, consulting, human resources, information technology, insurance, financing, legal, used equipment sales, and others.

Associate Members do not have the right to vote in Association matters as prescribed in these bylaws.

- 1.4 **Manufacturer Member.**

1.4.1 **Full-Line Manufacturer.** This membership category is available to any firm or corporation that produces, distributes, and markets a full complement of farm and ranch equipment, including combines, harvesting machines, tractors (row crop, utility, and compact), and implements (tillage, hay, planting, etc.).

1.4.2 **Tractor Manufacturer.** This membership category is available to any firm or corporation that produces, distributes, and markets tractors of varying horsepower used primarily in farm and ranch, construction, landscaping, municipal, and land-owner operations.

1.4.3 **Short-Line Manufacturer.** This membership category is available to any firm or corporation that produces, distributes, and markets implements (planters, tillage, sprayers, etc.) and small horsepower tractors not affiliated with a Full-Line Manufacturer or Tractor Manufacturer.

1.4.4 **Outdoor Power Equipment Manufacturer.** This membership category is available to any firm or corporation that produces, distributes, and markets chainsaws, mowers, trimmers, edgers, blowers, sprayers, pruners, and similar items not affiliated with a Full-Line Manufacturer, Tractor Manufacturer, or Short-Line Manufacturer.

Manufacturer Members do not have the right to vote in Association matters as prescribed in these bylaws.

- 1.5 **Supporting Industry Member.** This membership category is available to any person, firm, or corporation that provides specialized goods to retail equipment dealers, including tires, engines, batteries, belts, hoses, monitoring equipment, GPS equipment and services, safety equipment, and other general merchandise for retail sale. Supporting Industry

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Members do not have the right to vote in Association matters as prescribed in these bylaws.

- 1.6 **Sustaining Organization Member.** This membership category is available to any non-profit association, non-governmental agency, university, or other entity that supports the mission and goals of the Association.

Sustaining Organization Members do not have the right to vote in Association matters as prescribed in these bylaws.

- 1.7 **Student Member.** This membership category is available to any person who is a member of an Association-recognized student organization at the school where enrolled. In order to be recognized by the Association, the student organization must be supervised by a non-profit association, non-governmental agency, university, or other entity with which the Association has a current reciprocal membership agreement.

Student Members do not have the right to vote in Association matters as prescribed in these bylaws.

- 1.8 **Honorary Member.** Honorary Member status may be conferred upon a person(s) deemed by the Board of Directors to have shown exceptional dedication, enthusiasm, commitment, and support of the Association over a period of time. Honorary membership is conferred through the Association's "Lifetime Achievement" award.

Honorary Members do not have the right to vote in Association matters as prescribed in these bylaws and do not have any rights as members under the Missouri not for profit corporation law or any other applicable law.

- 1.9 **Membership Categories.** The Board of Directors may, from time to time, change, terminate or establish new criteria and/or subcategories of the membership categories set forth in Sections 1.2 - 1.8 of this Article 2. Any person, firm, or corporation's status as a member within the membership categories set forth in Sections 1.2 – 1.8 of this Article 2 may be terminated or suspended by the Board of Directors for any reason or no reason, subject to the procedural requirements set forth in Section 2 of this Article 2.

## **Section 2. Annual Dues; Termination of Membership**

Members must pay dues which shall be remitted to the Association (the "Dues"). The amount of the Dues, the payment schedule for Dues, and the uses therefore shall be determined from time to time by the Board of Directors and, in each case, may be varied based on different categories (or subcategories) of members. Upon payment of the Dues, a member shall be entitled to membership and to all the rights and privileges of a member until the end of the year for which such Dues are paid, and no longer; but membership may be renewed for each successive year by the prepayment of the Dues for any such year, so long as such member meets the requirements of the applicable membership category (or subcategory) unless the Board of Directors determines, for cause, that the party should be expelled or that such party's membership should be terminated or suspended. "Cause" includes, but is not limited to, failure to meet one or more of the criteria for membership in a category set forth in these Bylaws, or subsequently established by the Board of Directors, or behavior by a party which is injurious to the reputation and welfare of the retail equipment industry as a whole, but in no event shall "cause" be construed to allow for expulsion in violation of state or federal antitrust laws, anti-discrimination laws, or any other applicable state or federal laws. Before the Board of Directors may terminate, expel or suspend any member, the Board of Directors shall give

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the affected member (a) at least fifteen (15) days prior written notice of the termination, expulsion or suspension and the reasons therefore and (b) the opportunity to present their views to the Board of Directors, either orally or in writing as determined by the Board of Directors, at least five (5) days before the effective date of the termination, expulsion or suspension. Notwithstanding the foregoing, the Board of Directors may also terminate, expel or suspend a member by any other procedure that is fair and reasonable after taking into consideration all of the relevant facts and circumstances. The decision of the Board of Directors shall be final.

Notwithstanding the foregoing, every member of the Canadian corporation known as the North American Equipment Dealers Association ("NAEDA Canada") with the right to vote shall be a Dealer Member of this Association without paying separate Dues to the Association and every Dealer Member of the Association shall be a voting member of NAEDA Canada without paying separate dues to NAEDA Canada.

### **Section 3. Special Assessments**

Special assessments may be levied by the Board of Directors on members as deemed necessary to meet unusual and extraordinary expenses. The Board of Directors shall determine the appropriate assessment methodology.

### **Section 4. Records**

Membership records may be kept by the Association that further classify members based on the type of equipment and/or services sold, sales mix, number of stores/employees, interest areas, or any other classification as determined by the Board of Directors. In addition, the Association shall keep at its principal office original or duplicate official records in which shall be recorded the names and addresses of the members; the date a member was admitted; the date a member was dropped; the names and addresses of the Association's Directors and officers; minutes of all Board meetings, committee meetings, and membership meetings; a record of all Board or membership action taken without a meeting; appropriate accounting and financial records of the Association (including statements of income and expense); copies of the Association Articles of Incorporation, bylaws, and all amendments to each document currently in effect; the most recent annual report delivered to the Secretary of State; and any other records or information as from time to time may be required by law or deemed appropriate by the Board of Directors.

### **Section 5. Inspection of Records**

A Dealer Member may inspect the records of the Association pursuant to any statutory or other legal right, and shall be permitted to inspect such records only during the usual and customary hours of business in such manner as will not unduly interfere with the regular conduct of the business of the Association.

### **Section 6. Resignation**

Any member resigning from or not renewing their membership may do so by giving written notice to the Board of Directors or by failing to pay Dues on or before the due date for payment. Any member going out of the business which entitled the member to membership, or who is adjudicated a bankrupt, or for whom a receiver has been appointed, shall be deemed to have withdrawn from membership. Any member that has resigned or otherwise withdrawn shall not thereby be released of any obligation to the Association that may have occurred prior to the date of resignation or withdrawal, and shall not be entitled to a refund for any unused portion of Dues. Any and all right, title and interest, both legal and equitable, of a member in and to the property of the Association, shall cease and terminate upon the member's resignation, withdrawal or ceasing to be a member for any reason.

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## ARTICLE 3. MEMBER MEETINGS

### **Section 1. Annual and Special Membership Meetings**

The Board of Directors shall fix the time and place of the annual meeting of Dealer Members of the Association. Special meetings of the Dealer Members may be called by the Board of Directors at such place and at such time as the Board determines. Dealer Members may participate in a meeting by means of conference telephone, video conferencing, webinar or similar communications equipment, as determined by the Board, whereby all persons participating in the meeting can interact in verbal or written form with each other, and participation in a meeting in such manner shall constitute presence in person at such meeting. Special membership meetings may also be called by the members if members holding at least five percent (5%) of the voting power sign, date, and deliver to any corporate officer one or more written demands for the meeting describing the purpose or purposes for which it is to be held. The close of business on the thirtieth day before delivery of the demand or demands for a special meeting to any corporate officer is the record date for the purpose of determining whether the five-percent requirement has been met. If notice for a special meeting is not given by the Association within thirty days after the date the written demand or demands are delivered to a corporate officer, a person signing the demand or demands may set the time and place of the meeting and give notice pursuant to the notice requirements set forth herein. Only Dealer Members will have a right to participate in membership meetings; provided, that, the Board of Directors may invite one or more members that are not Dealer Members to participate as determined in the sole discretion of the Board of Directors.

### **Section 2. Notice of a Meeting**

Written or printed notice of each membership meeting, whether annual or special, stating the place, date, and time of the meeting, and in case of a special meeting, the purpose or purposes thereof, shall be delivered to each Dealer Member, either personally, by certified or first class mail, by electronic mail, or any other form of communication permitted by applicable law, not fewer than ten (10) days or more than sixty (60) days prior to the meeting unless, as to a particular matter, other or further notice is required by law, in which case such other or further notice shall be given. If notice is delivered via certified or first class mail, such notice shall be deemed to be given when mailed. If notice is delivered via electronic mail, such notice shall be sent to the member's electronic mail address stated in the records of the Association. Notice sent by electronic mail shall be deemed to be given on the date such notice is sent unless the sender is notified that such notice is undeliverable within six (6) hours of the time it is sent.

A member may waive any notice required by these bylaws, the Articles of Incorporation, or any law, before or after the date and time stated in the notice. The waiver must be in writing, signed by the party entitled to notice, and delivered to the Association for inclusion in the minutes or filing with the Association's records. Attendance at any meeting waives any objection to lack of notice or defective notice of the meeting or to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice unless the member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting or objects to considering the particular matter when it is presented.

### **Section 3. Quorum**

At all meetings of the Association, unless otherwise provided in these bylaws, the Articles of Incorporation, or any law, the presence of five percent (5%) of the Dealer Members shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act or acts of the majority of the Dealer Members present at any such meeting at which there is a quorum shall be the act or acts of the Association as permitted by law; provided, however unless at least one-third of the voting power is present in person or by proxy, the only matters that may be voted upon at an annual or regular meeting

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of Dealer Members are those matters that are described in the meeting notice.

## **Section 4. Voting**

Each Dealer Member shall have one vote per retail sales and/or service location that is counted for purposes of calculating Dues; provided, however, that each Dealer Member within the states and provinces set forth on **Exhibit A**, which represent those certain regional associations that initially merged with and into the Association pursuant to that certain Plan and Agreement of Merger, dated July 1, 2022, by and among the Association, WEDA Trade Association, United Equipment Dealers Association, Inc., and Midwest-SouthEastern Equipment Dealers Association, Inc., shall be entitled to two votes per retail sales and/or service location within such states and provinces set forth on **Exhibit A** that is counted for purposes of calculating Dues. Notwithstanding any of the foregoing, to the extent a regional equipment association representing states and/or provinces not initially set forth on **Exhibit A** merges with and into the Association, the Board of Directors may update **Exhibit A** to include such represented states and/or provinces and each Dealer Member within the newly added states and provinces shall be entitled to two votes per retail sales and/or service location within such states and provinces set forth on **Exhibit A** that is counted for purposes of calculating Dues.

## **Section 5. Proxy**

A Dealer Member may vote either in person or by proxy executed in writing signed by the Dealer Member or his/her duly authorized attorney in fact. No proxy shall be valid after eleven (11) months from the date of execution unless otherwise provided in the proxy, but in no case shall any proxy be valid for more than three (3) years from the date of execution.

## **Section 6. Record Date**

The record date for determining the members entitled to notice of any meeting shall be the close of business on the business day preceding the day on which notice is given, or if notice is waived, at the close of business on the business day preceding the day on which the meeting is held. The record date for determining the members entitled to vote at a meeting shall be the date of the meeting. A determination of the members entitled to notice of or to vote at a membership meeting is effective for any adjournment of the meeting unless the adjournment is to a date more than seventy (70) days after the original record date, in which case the board must fix a new record date for determining the members entitled to notice of and to vote at the adjourned meeting. The record date for determining the members entitled to take action by written consent shall be the date the first member signs the consent.

## **Section 7. Action by Written or Electronic Ballot**

Any action which may be taken at any annual or special meeting of members may be taken without a meeting if the Association delivers a written or electronic ballot to every member entitled to vote on the matter. The number of votes required to approve such action shall be the same requirement set forth in Article 3, Section 3 of these bylaws unless the Articles of Incorporation, these bylaws, or any law require a different number. Each ballot shall contain the following: a statement of each proposed action; an opportunity to vote for or against each proposed action; the number of responses needed to meet the quorum requirements, if any; the percentage of approvals necessary to approve each matter; and the time by which a ballot must be received by the Association in order to be counted. A Dealer Member must be given a reasonable time to return the ballot.

## **Section 8. Action by Written Consent**

Any action required to be taken or which may be taken at any annual or special meeting of members may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by members holding at least eighty percent (80%) of the voting power. The Board secretary shall file such consents with the minutes of the membership meetings. A consent signed under this section has the effect of a



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meeting vote and may be described as such in any document filed with the Secretary of State.

## ARTICLE 4. REGIONS

### **Section 1. Regions**

The Board of Directors shall establish Regions for the purpose of electing Directors. The boundaries for the Regions may be reviewed by the Board from time to time and changes to the boundaries may be made by the Board following such review.

### **Section 2. Number of Regions**

The geographic territory in which the Association operates will be divided into Regions. There is no limit on the authority of the Board to (a) change the geographic territory served by the Association or the boundaries of any Region or (b) increase or decrease the number of Regions; provided, that, there may not be less than five (5) Regions and in connection with any decision to decrease the number of Regions, the Board must identify the specific Region(s) that is/are being eliminated as a result of the decrease. The Board shall review the Regions, including, without limitation, the geographic territory served, the boundaries of any Region, and existing and potential members, at least once every five (5) years. The initial Regions are set forth on **Exhibit B**. Notwithstanding the foregoing, the Board of Directors shall not change or eliminate the initial Regions as set forth on **Exhibit B** for a period of two (2) years following the effective date of these amended and restated bylaws.

### **Section 3. Changes in Regions**

If the boundaries of a Region are changed, the current Director representing such Region will continue to serve the remainder of his or her term. If the number of Regions is increased, the number of Directors will correspondingly increase and a Director will be elected to represent such Region in connection with the next regularly scheduled election of Directors. If the number of Regions is decreased, the number of Directors will correspondingly decrease; provided, that any Director serving a Region that will be eliminated as a result of a decrease in Regions will continue to serve the remainder of his or her term.

### **Section 4. Members with Locations in Multiple Regions**

Dealer Members with locations in more than one Region shall have their votes proportionally allocated between each Region in which they operate on the basis of stores/locations per Region unless the Articles of Incorporation, these bylaws, or any law require a different allocation.

## ARTICLE 5. BOARD OF DIRECTORS

### **Section 1. Board Duties and Authority**

The Board of Directors shall be policy-based and defined as a deliberating body which has fiduciary, legal, and strategic responsibilities and focuses on continuous strategic planning, determines desired outcomes, develops and approves policy imperatives to guide operations, and ensures the Association uses these policies to work toward meeting its vision and fulfilling its mission in accordance with the Articles of Incorporation and these bylaws. In addition, the Board may exercise all powers of the Association and do all such lawful acts and things as are not prohibited by statute, Articles of Incorporation, or these bylaws.

### **Section 2. Size, Composition, and Qualifications**

Subject to the provisions of Article 4 relating to changes in boundaries or the number of Regions, the Board of Directors shall be composed of one (1) board member from each Region (each a "Region Director"); provided that Regions encompassing states and provinces represented by certain regional associations that merge with and into the Association may be allowed more than one (1) board member in accordance with the exceptions and/or criteria detailed on **Exhibit A**, which may be modified by vote

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of a majority of all members of the Board of Directors from time to time. Notwithstanding the foregoing, the Board of Directors shall at all times have at least five (5) members. All Board members must be natural persons and must be an individual actively involved in the operation of a Dealer Member in good standing with at least one dealership location in a Region and who is either an owner (whether direct or indirectly through one or more entities or trusts) of the Dealer Member or a member of the executive management of the member (an "Owner/Operator"). No more than one Owner/Operator for a Member's ownership group may serve on the Board at the same time unless this restriction is waived by the Board of Directors.

### **Section 3. Term and Commencement of Term**

Except as provided in this Article, each member of the Board of Directors will serve a three (3) year term following their election as a Director; provided that a Director shall continue to serve until the Director's successor is duly elected. Except as provided in this Section, no person shall be elected as a Director for more than two (2) consecutive three-year terms. Except for the foregoing limitation, a Director may serve an unlimited amount of terms on the Board. A person who serves as a Director for any part of a term to which some other person was elected as a Director shall be deemed to have served the entire three-year term for purposes of the term limitations described in the preceding sentence. Furthermore, a Director may exceed the term limits contained in this Section as long as such person is serving as an elected officer. The Directors shall serve staggered terms with approximately one-third (1/3) of the terms expiring each year. If the number of Directors is increased, the terms for newly-created Director positions will be staggered as determined by the Board so that a roughly proportional number of Directors will be up for election each year.

**Special Rules for Initial Terms.** The following rules will apply to the persons serving on the initial Board of Directors pursuant to Article 5, Section 5: (a) prior years of service on the board of directors of any predecessor association prior to the effective date of these amended and restated bylaws will not count for purposes of term limits; and (b) if the initial term of a Director is less than three years, the term of such Director will be deemed to be three years for purposes of the limits on terms of Directors..

### **Section 4. Nominations; Voting Procedure**

Prior to an election for one or more Directors with expiring terms, the Nominating Committee will send a notice to all Dealer Members in the applicable Region requesting nominations for such election. The names of all qualified nominations from a Region shall be placed on the ballot for election as a Director from such Region. There may be no more than one Owner/Operator per a Member's ownership group on the ballot for all Director positions up for election in a year unless this restriction is waived by the Board of Directors. At each annual meeting of the Dealer Members or by ballot voting without a meeting, the Dealer Members shall elect one or more persons to serve as a Director to fill each position on the Board of Directors with an expiring term. Prior to the election of a Director by ballot voting without a meeting, the Association shall deliver a written or electronic ballot to every Dealer Member in such Region. The ballot must contain the candidate(s) for election, the opportunity to vote for a candidate or write-in a candidate, specify the number of Directors to be voted for, and the time by which the ballot must be received by the Association to be counted. A Member must be given a reasonable time to return the ballot. Dealer Members must cast their votes to elect the same individual to serve on each of the Board of Directors of NAEDA Services, Inc., a Missouri not for profit corporation, NAEDA Canada and the Board of Directors of the Association. The candidate(s) that receives the most votes will be elected as Director(s) for such Region and no minimum number of votes or percentage of votes will be required. If a Member has locations in more than one Region, such Member's votes will be allocated in accordance with Article 4, Section 4.

### **Section 5. Initial Directors**

Notwithstanding anything to the contrary contained herein, the persons set forth on **Exhibit C** will serve as the initial members of the Board of Directors for the Regions and for the terms set forth after their respective

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names. If a Board officer position is noted after the name of a Board member set forth on **Exhibit C**, that person will fulfill that role for the term provided in Article 6 below.

## **Section 6. Removal; Death, Resignation, Disqualification, or Cessation of Business**

Any Director, or the entire Board of Directors, may be removed without cause by the Dealer Members. Any vote to remove a Director shall only be at a meeting called for the purpose of removing the Director or Directors and the meeting notice must state that the purpose, or one of the purposes, of the meeting is the removal of the Director or Directors. Any Director elected by the Board of Directors may be removed without cause by a vote of two-thirds of the Directors then in office. In the event of the death, resignation, removal, disqualification, refusal, or failure to serve of any person elected to serve as a member of the Board of Directors, the Board shall appoint a successor to serve the unexpired term; provided, that, any successor elected to fill such a vacancy must meet the qualifications needed to serve in such position as specified in these bylaws. If the number of remaining Directors is less than a quorum, approval by a majority of the remaining will be sufficient to appoint a qualified successor(s). In addition to any other rights to remove a Director provided by law or the Articles of Incorporation or Bylaws of this Association, if any Director is absent from three consecutive regular meetings of the Board of Directors, such Director shall be automatically removed as a Director, unless reinstated by a majority vote of the entire Board of Directors.

## **Section 7. Meetings and Special Meetings of the Board**

Regular meetings of the Board of Directors may be held without notice at such times and places either within or without the State as shall from time to time be fixed by resolution adopted by the full Board of Directors. Any business may be transacted at a regular meeting. Special meetings of the Board of Directors may be called by the Chair or by a majority of the members of the Board of Directors with three (3) days' notice to each member of the Board of Directors. All notices of special meetings shall state the date, time, place, and purposes for the meeting. The business of a special meeting shall be confined to the matter or matters specified in the notice or as approved by the Board of Directors at the time of the meeting. Members of the Board of Directors may participate in a meeting of the Board by means of conference telephone, video conferencing, or similar communication equipment whereby all persons participating in the meeting can hear each other. Participating in a meeting in this manner shall constitute presence in person at the meeting.

If notice is delivered via certified or first class mail, such notice shall be deemed to be given when mailed. In addition to any other methods of notice that may be permitted by law, notice of meetings of the Board of Directors may be made via electronic mail to the electronic mail address for a Director on the records of the Association. Notice sent by electronic mail shall be deemed to be given on the date such notice is sent unless the sender is notified that such notice is undeliverable within six (6) hours of the time it is sent. Any and all Directors may waive the notice requirement by signing a written waiver of such notice requirement, which statement may be attached to any Board of Directors resolution.

## **Section 7. Quorum**

A majority of the Board of Directors shall constitute a quorum for the transaction of business. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as may otherwise be specifically provided by these bylaws. Each Director shall have one vote except that the Chair (or any officer serving as the chair of the meeting in the absence of the Chair) shall have a second vote in case of a tie.

## **Section 8. Action without Meeting by Written or Electronic Consent**

Any action that is required to be or may be taken at a meeting of the Board of Directors may be taken without a meeting if written or electronic consents, setting forth the action so taken, are signed by all of the Directors. Such consents shall have the same force and effect as a unanimous vote at a meeting duly

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held.

## **Section 9. Board Compensation**

Members of the Board of Directors shall not receive any compensation or salary for their services; provided, however, that nothing in this Section shall preclude the Board from compensating or reimbursing a member of the Board for serving the Association in another capacity. The Association shall provide for reimbursement of traveling and other expenses for members of the Board of Directors incurred in the attendance at Board meetings.

## **Section 10. Conflict of Interest Transactions**

A conflict of interest transaction is a transaction in which a member of the Board of Directors has a material interest. A conflict of interest transaction is not voidable if the transaction is not unfair to the Association at the time it is entered into or is approved.

A transaction in which a Director has a conflict of interest may be approved if:

- i. The material facts of the transaction and the Director's interest were disclosed or known to the Board of Directors or a committee of the Board and the Board or committee of the Board authorized, approved or ratified the transaction; or
- ii. The material facts of the transaction and the Director's interest were disclosed to, or known by, the Members and the Members authorized, approved or ratified the transaction.

A conflict of interest transaction is approved if it receives a majority vote of the Board of Directors, or on the committee, who have no direct or indirect material interest in the transaction, but a transaction may not be approved by a single Director. If a majority of the Directors on the Board who have no direct or indirect material interest in the transaction vote to approve the transaction, a quorum is deemed present for the purpose of the vote and action taken under this paragraph. The presence of, or a vote cast by, a Director with a material interest in the transaction does not affect the validity of any vote or action taken under this paragraph if the transaction is otherwise approved as provided in this paragraph.

A conflict of interest transaction is authorized, approved or ratified by the members if it receives a majority of the votes entitled to be counted under this section. Votes cast by a Dealer Member for which a Director is an Owner/Operator and has a material interest in the transaction may not be counted in a vote of members to determine whether to authorize, approve or ratify a conflict of interest transaction but will be counted in determining whether the transaction is approved under any other section of these Bylaws. A majority of the voting power, whether or not present, that is entitled to be counted in a vote on the transaction under this section constitutes a quorum for the purpose of taking action under this section.

If the transaction is approved under the above provisions, the minutes of the meeting shall reflect the names of the persons who disclosed material interests; the nature of the material interests and whether the Board determined there was a conflict; the names of the persons present for discussion and votes relating to the transactions; the content of the discussions, including any alternatives to the proposed transaction; and a roll call of the vote.

## **ARTICLE 6. OFFICERS AND MANAGEMENT**

### **Section 1. Board Officers**

The Board officers of the Association shall be the Chair, Vice-Chair, Immediate Past Chair, Secretary, and Treasurer. The officers shall be elected annually by the Board of Directors at its fall Board meeting. Unless

# NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION

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otherwise specified in these bylaws, each elected officer shall take office the first day of October following the date they are elected to the officer position and shall serve until a qualified successor is duly elected. Vacancies in any office shall be filled for the balance of the term subject to Section 8 of this article.

## **Section 2. Chair**

The Chair must be a member of the Board of Directors and shall chair all meetings of the Association. The Chair will be elected by the Board of Directors and shall serve a one-year term or until a qualified successor is duly elected. The Chair is an ex officio member of all councils, taskforces, and committees.

## **Section 3. Vice-Chair**

The Vice-Chair must be a member of the Board of Directors and shall chair all meetings of the Association where the Chair is absent or unable to act. The Vice-Chair will be elected by the Board of Directors and shall serve a one-year term, or until a qualified successor is duly elected.

## **Section 4. Immediate Past Chair**

After the Chair's term is completed, he or she will serve a one-year term as Immediate Past Chair. The Immediate Past Chair must be a member of the Board of Directors and shall chair all meetings of the Association in the absence or inability to act of the Chair and Vice-Chair.

## **Section 5. Secretary**

The Board of Directors shall elect a Secretary to serve a one-year term. The Secretary shall give, or cause to be given, notice as required of all meetings of the Association and the Board of Directors, and shall supervise the keeping of the books and records of the Association, keep a record of the proceedings of the meetings of the Association and the Board of Directors and such other reports as determined by the Board of Directors.

## **Section 6. Treasurer**

The Board of Directors shall elect a Treasurer to serve a one-year term. The Treasurer shall supervise the keeping of the financial records of the Association, the receipt, deposit, and disbursement of the monies of the Association under the direction of the President/CEO or his/her designee, and such other duties normally associated with the office. If the Board of Directors authorizes an Audit and Finance Committee, the Treasurer shall also serve as the chair of such committee.

## **Section 7. Vacancies**

In the event of a vacancy in the office of any elected officer, a special election will be held by the Board of Directors at their earliest convenience and the newly-elected officer shall serve the balance of the term of the vacated officer.

## **Section 8. Removal**

Any officer elected or appointed by the Board of Directors may be removed with or without cause by an affirmative vote of a majority of the Board of Directors at any annual, regular, or special meeting of the Board of Directors.

## **Section 9. Management**

The management and administration of the Association shall be performed by a salaried individual, employed or appointed by, and directly responsible to the Board of Directors and shall have the title of Chief Executive Officer (CEO) or such other title as the Board shall from time to time designate. The CEO shall employ and may terminate the employment of members of the staff necessary to carry on the work of the Association. The CEO shall manage and direct all functions and activities of the Association and

# **NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION**

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perform such other duties as may be authorized and/or specified by the Board.

## **ARTICLE 7. COUNCILS, TASKFORCES, AND COMMITTEES**

The Board of Directors may create such standing or special committees, councils or taskforces of two or more Directors as it deems desirable and may delegate to it such Board powers, duties, duration and responsibilities, not inconsistent with law or these Bylaws, as may be stated in the resolution creating the committee. The creation of a committee and appointment of members to it must be approved by the Board of Directors. All provisions of these Bylaws relating to meetings, actions without meetings, notice, waiver of notice, and quorum and voting requirements shall apply to such committees and committee members. All such councils, taskforces, and/or committees established under this provision are responsible to, and serve at the pleasure of the Board of Directors and have only the power and authority granted to them by the Board of Directors.

## **ARTICLE 8. BONDS AND INSURANCE**

The Board of Directors may require officers and employees to be bonded or insured, with one or more sureties at the Association's expense, in a sum satisfactory to the Board, for the faithful performance of their respective office and duties, and for the restoration to the Association, in case of death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other Association property of any kind in their possession or under their control.

## **ARTICLE 9. NOMINATING COMMITTEE**

At the fall meeting of the Board of Directors, the Board of Directors shall appoint a Nominating Committee consisting of three (3) members. The Immediate Past Chair shall serve as the chair of the Nominating Committee and the other two members must be Owner/Operators but are not required to be Directors. This committee shall be charged with:

- i. Communicating board volunteer opportunities to Dealer Members and articulating the skills and experience needed for specific board roles,
- ii. Developing a comprehensive and strategic slate of candidates that meet the current and future needs of the Association, and
- iii. Implementing board succession planning to ensure the continued strength and continuity of the Association's Board of Directors.

## **ARTICLE 10. LIABILITY OF OFFICERS AND DIRECTORS**

No person shall be liable to the Association for any loss, damage, liability, or expense suffered by the Association due to any action or omission by them while serving as a Director or officer of the Association so long as they exercise the same degree of care and skill as a prudent person would have exercised under the circumstances; or in the conduct of their own affairs; or if he or she took, or omitted to take, such action in reliance upon the advice of counsel of the Association or for such other corporation, or upon statements made or information furnished by Directors, officers, employees, or agents of the Association or of such other corporation that he or she had no reasonable grounds to disbelieve.

## **ARTICLE 11. INDEMNIFICATION**

The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, administrative or

## **NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION**

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investigative, other than an action by or in the right of the Association, by reason of the fact that the person is or was a Director or officer of the Association, or is or was serving at the request of the Association as a Director or officer of another association, corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit, or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association. The termination of any action, suit, or proceeding by judgment, order or settlement shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Association.

The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that the person is or was a Director or officer of the Association, or is or was serving at the request of the Association as a Director or officer of another association, corporation, partnership, joint venture, trust or other enterprise against expenses, including attorneys' fees and amounts paid in settlement, actually and reasonably incurred by the person in connection with the defense or settlement of the action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association; except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the person's duty to the Association unless and only to the extent that the court in which the action or suit was brought determines upon application that, despite the adjudication of liability and in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

To the extent that a Director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in this Article 11, or in defense of any claim, issue or matter therein, that person shall be indemnified against expenses, including attorneys' fees, actually and reasonably incurred by that person in connection with the action, suit, or proceeding.

Any indemnification under this Article 11, unless ordered by a court, shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Director or officer is proper in the circumstances because the Director or officer has met the applicable standard of conduct set forth in this section. The determination shall be made by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to the action, suit, or proceeding, or if such a quorum is not obtainable, or even if obtainable a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or by the members.

Expenses incurred in defending an action, suit or proceeding may be paid by the Association in advance of the final disposition of the action, suit, or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the Director or officer to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this section.

The indemnification provided by this section shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any provision of law, the articles of incorporation or bylaws or any agreement, vote of members or disinterested Directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office, and shall continue as to

## **NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION**

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a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

The Association shall have the power to give any further indemnity, in addition to the indemnity authorized or contemplated under other subsections of this section to any person who is or was a Director or officer, or to any person who is or was serving at the request of the Association as a Director or officer of another association, corporation, partnership, joint venture, trust, or other enterprise, provided such further indemnity is either (i) authorized, directed, or provided for in the articles of incorporation or any duly adopted amendment thereof or (ii) is authorized, directed, or provided for in any bylaw or agreement of the Association which has been duly adopted by a vote of the members of the Association, and provided further that no such indemnity shall indemnify any person from or on account of such person's conduct which was finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct. Nothing in this subsection shall be deemed to limit the power of the Association to enact bylaws or to enter into agreements without member adoption of the same.

The Association may purchase and maintain insurance on behalf of any person who is or was a Director or officer of the Association, or is or was serving at the request of the Association as a Director or officer of another association, corporation, partnership, joint venture, trust or other enterprise against any liability asserted against that person and incurred by that person in any such capacity, or arising out of that person's status as such, whether or not the Association would have the power to indemnify that person against such liability under the provisions of this section.

For the purposes of this section, references to "the Association" include all constituent corporations or associations absorbed in a consolidation or merger as well as the resulting or surviving association so that any person who is or was a Director or officer of such a constituent association or is or was serving at the request of such constituent association as a Director or officer of another association, corporation, partnership, joint venture, trust or other enterprise shall stand in the same position under the provisions of this section with respect to the resulting or surviving association as that person would if that person had served the resulting or surviving association in the same capacity.

For purposes of this section, the term "other enterprise" shall include employee benefit plans; the term "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and the term "serving at the request of the Association" shall include any service as Director or officer of the Association which imposes duties on, or involves services by, such Director or officer with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Association" as referred to in this section .

### **ARTICLE 12. AMENDMENTS**

These bylaws may be amended for time to time at any meeting of the members at which a quorum is present upon approval by a majority of all voting power of the Members present at the meeting.

Amendments to the Articles of Incorporation may be made at any regular meeting or special meeting (called for that purpose) of the Association members, by the approval of at least two-thirds of the voting power present and voting or a majority of the voting power, whichever is less.



# **NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION**

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## **ARTICLE 13. ANTI-TRUST COMPLIANCE**

This Association is committed to compliance with any and all applicable antitrust and competition laws, including, the Sherman Act, the Federal Trade Commission Act, and the Clayton Act. This Association hereby adopts the attached Policy Statement and Guidelines as a part of its commitment to antitrust and competition law compliance. The Board of Directors shall annually review the Policy Statement and Guidelines to check for commitment to and compliance with this document.

# NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION

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## NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION'S

### POLICY STATEMENT AND GUIDELINES REGARDING ANTITRUST & COMPETITION

The purpose of the North American Equipment Dealers Association (“NAEDA”) is to encourage the continued development and growth of the retail farm, industrial, construction, forestry, outdoor power, lawn and garden, and turf equipment dealer industries. NAEDA seeks to promote growth by providing business seminars, services and information that give all members an opportunity to operate their businesses in a more efficient manner. Increased efficiency makes members better competitors, with the result being greater consumer satisfaction. It shall be the policy of NAEDA to continue its efforts in advancing competition and to conduct all of its business and activities in accordance with applicable antitrust or competition laws. Further, it shall be the policy of NAEDA to avoid any activity or agreements that could in any way be construed as restricting competition among members. In an effort to uphold this policy and the antitrust laws, the Board of Directors approves the following antitrust guidelines for observance by NAEDA, its Board, staff and members.

#### I. BOARD MEETINGS

1. All Board members shall receive a notice and written agenda before each meeting of the Board. The agenda shall specifically enumerate each item to be discussed.
2. All Board meetings shall be conducted in accordance with the written agenda.
3. Minutes shall be taken at each meeting that accurately report the actions and discussions of the Board.
4. At no time shall NAEDA or its Board issue a suggested price list to members that would be in violation of any antitrust or competition laws.
5. Neither NAEDA nor its Board shall make recommendations to members regarding the selection of customers or suppliers that would be in violation of any antitrust or competition laws.
6. At no time shall NAEDA or its Board issue information regarding future price trends that would be in violation of any antitrust or competition laws.

#### II. MEMBER MEETINGS

1. Materials provided to members before general membership meetings shall include a written agenda that specifically enumerates each item to be discussed. Meeting participants shall adhere to the agenda.
2. Materials provided to members before general membership meetings should include a copy of NAEDA's Policy Statement and Guidelines Regarding Antitrust and Competition.
3. Minutes shall be taken at each meeting that accurately report the actions and discussions of the members.

## **NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION**

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4. At least one NAEDA staff member shall attend all meetings between members where NAEDA activities are being discussed to ensure continued compliance with these antitrust and competition guidelines.
5. The subject of price shall not be a topic at any NAEDA general membership meeting when the purpose of discussion could be construed as an attempt by members to agree on the price at which they will sell their products. This rule shall apply regardless of whether said meeting is formal or informal.
6. All NAEDA members shall refrain from discussing their pricing practices or future pricing intentions with any other member, whether formally or informally at any function sponsored by NAEDA that would be in violation of antitrust or competition laws.
7. All NAEDA members shall refrain from discussing the division of customers or territory with any other member, whether formally or informally at any function sponsored by NAEDA if the purpose of such discussion is to agree on an allocation of customers or territories in an effort to limit competition between members that would be in violation of the antitrust laws.
8. No member, at any time, shall enter into any agreement with other members, whether formal or informal, to fix the price at which they will sell their products. All members shall price their inventory according to their own independent business judgment so as to comply with the antitrust laws.

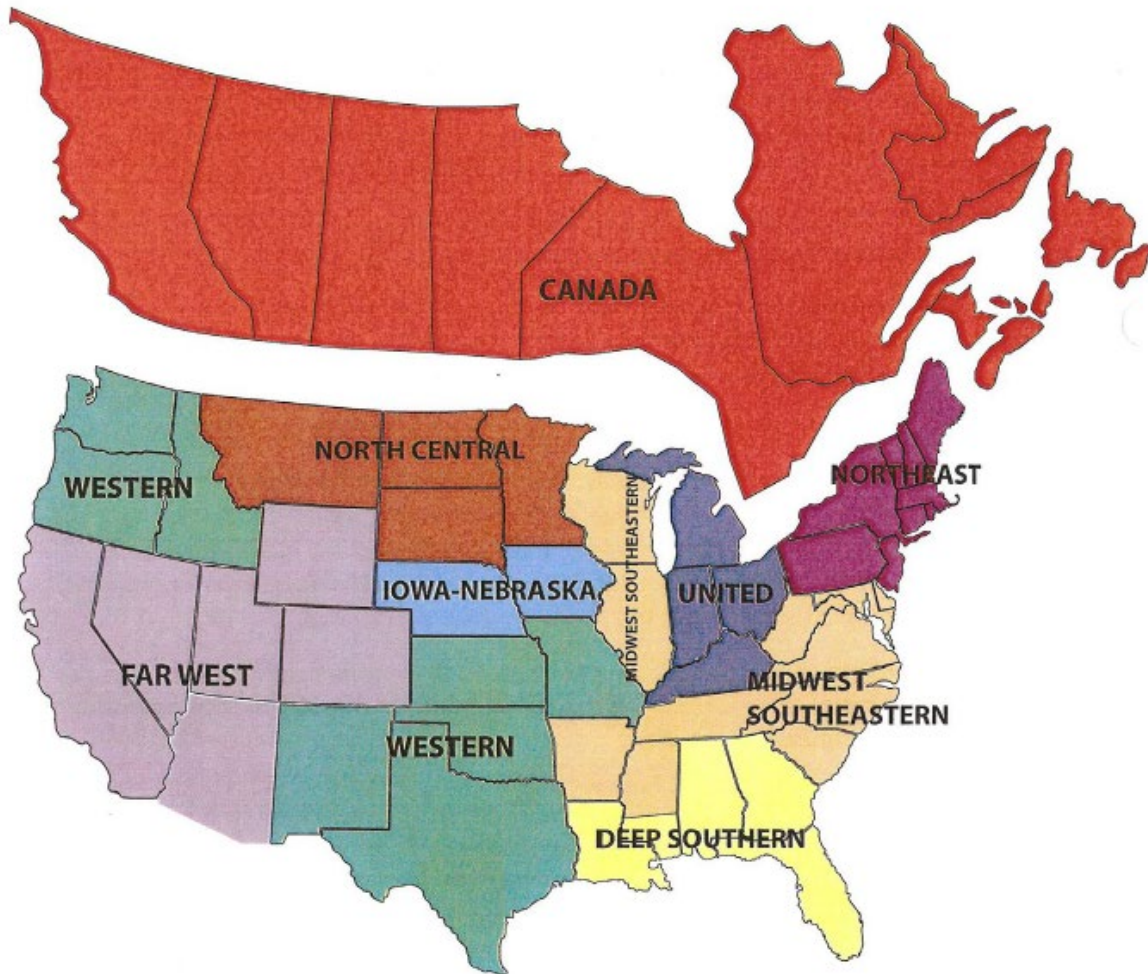
### **III. STATISTICAL INFORMATION**

1. Whenever NAEDA requests information from its members for the purpose of providing helpful statistics concerning the industry, the participation by each member shall be voluntary.
2. Nonmembers may also voluntarily supply NAEDA with information that would be helpful in compiling statistics regarding the industry.
3. NAEDA shall make statistical information available to nonmembers as well as members. At its discretion, NAEDA may charge nonmembers a fee that reflects the proportionate costs of gathering such information.
4. Specific statistical information shall be provided as an aid to individual members in operating their businesses more efficiently. Such information, however, shall not be a topic of discussion at general membership meetings if said discussion is for the purpose of fixing the prices at which members will sell their products.
5. All statistical information provided by NAEDA to its members shall reflect the mean and median of the aggregate information received. NAEDA shall not disclose the names of dealers, customers, or the specific terms of any past sales information if the disclosure of such would be in violation of the antitrust and competition laws.

# NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION

## EXHIBIT A

(Dealer Members with Two Votes; ; Board of Directors Criteria)



Dealer Members located in those states that are within the Regions designated “Western”, “United”, and “Midwest Southeastern” above shall be entitled to two votes per retail sales and/or service location. With respect to the portion of the Midwest Southeastern Region located within the State of Mississippi, the dividing line in the State between the Midwest Southeastern Region and Deep Southern Region is U.S. Highway 82, which runs across the entire state from east to west.

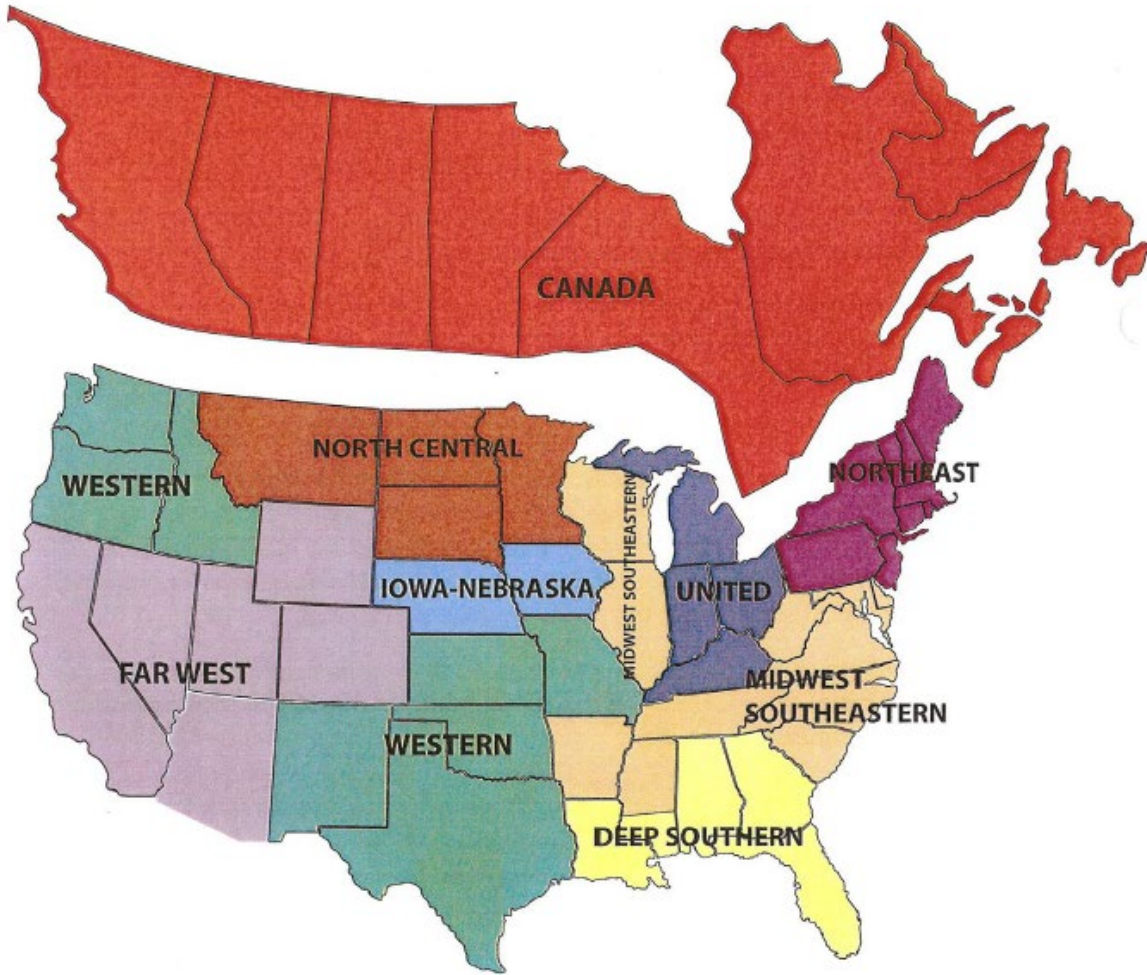
Dealer Members located in the provinces of Manitoba, Saskatchewan, Alberta and British Columbia shall be entitled to two votes per retail sales and/or service location.

The Board of Directors shall be composed of one (1) Region Director from each Region (each a “Region Director”); provided that each of the Canada, Western, United, and Midwest-Southeastern Regions shall be entitled to two (2) Region Directors.

# NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION

## EXHIBIT B

(Regions)



# NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION

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## EXHIBIT C

### Initial Directors and Terms

#### Canada Region Directors

- Wally Butler (1 year)
- Landis Stankieveh (3 years)

#### Midwest Southeastern Region Directors

- Joe Nash (1 year)
- Jared Nobbe (3 years)

#### Western Region Directors

- Ken Wagner (3 years)
- Ian Carey (2 years)

#### United Region Directors

- Ross Morgan (2 years)
- Jon Castongia (3 years)

#### Deep Southern Region Director

- Josh Vines (1 year)

#### Far West Region Director

- Eric Mason (1 year)

#### Iowa-Nebraska Region Director

- Ivan Dorhout (1 year)

#### North Central Region Director

- Les Olson (2 years)

#### Northeast Region Director

- Brad Hershey (2 years)